

Directors' Report

To the Members,

On behalf of the Board of Directors ('the Board') of the Company, it gives me immense pleasure to present the 51st Directors' Report, along with Balance Sheet, Profit and Loss Account and Cash Flow Statements, for the financial year ended March 31, 2021.

FINANCIAL HIGHLIGHTS

Key highlights of the financial performance of your Company for the financial year 2020-21 is summarized below:

(INR in lakhs)

Particulars	Standalone		Consolidated	
	For the year ended 31.03.2021	For the year ended 31.03.2020	For the year ended 31.03.2021	For the year ended 31.03.2020
Gross Income	28,791.24	20,606.61	43,242.01	35,163.10
Profit Before Interest, Depreciation and Tax (Excluding Exceptional Income)	10,172.20	7,851.40	11,664.75	9,893.39
Finance Charges	136.05	138.01	203.77	214.87
Provision for Depreciation	1,245.99	744.72	2,121.58	1,536.66
Profit Before Tax (Excluding Exceptional Item)	8,790.16	6,968.67	9,339.39	8,141.86
Exceptional Cost	-	-	-	-
Provision for Tax	2,736.79	1,691.80	3,483.43	2,156.02
Net Profit After Tax	6,053.37	5,276.87	5,855.96	5,985.84
Other Comprehensive Income	(155.46)	(15.67)	(220.59)	646.66
Total comprehensive income for the year, net of tax	5,897.91	5,261.20	5,635.37	6,632.50
Retained Earnings brought forward from previous year	14,876.42	26,652.53	16,526.88	27,638.06
Transition impact of Ind AS 116 in Retained Earnings	-	(204.55)	-	(224.56)
Retained Earnings available for appropriation	20,931.75	31,709.18	22,434.79	33,359.64
Surplus Carried to Balance Sheet	20,931.75	14,876.42	22,434.79	16,526.88

OPERATIONAL HIGHLIGHTS

Standalone

Revenue from operations for the year ended March 31, 2021 stood at INR 279.02 crores as against INR 187.65 crores for the previous year. Profit after tax and before other comprehensive income for the year ended March 31, 2021 was INR 60.53 crores and EPS INR 33.00 per share as against INR 52.77 crores and INR 28.34 per share respectively for the previous year.

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

Consolidated

Revenue from operations for the year ended March 31, 2021 stood at INR 422.55 crores as against INR 331.65 crores for the previous year. Profit after tax and before other comprehensive income for the year ended March 31, 2021 was INR 58.56 crores and EPS INR 31.92 per share as against INR 59.86 crores and INR 32.15 per share respectively for the previous year.

Consolidated Ind AS Financial Statements (“financial statements”) have been prepared in accordance with Indian Accounting Standards (Ind AS) as prescribed under section 133 of the Companies Act, 2013 (“the Act”) read with Companies (Indian accounting standard) rules as amended from time to time and all other relevant provisions of the Act are separately disclosed in the Annual Report.

As per the requirements of Section 129 of the Act read with Rule 5 of the Companies (Account) Rules, 2014, a statement containing salient features of the financial statements of subsidiaries in Form AOC - 1, is attached to the Consolidated Financial Statement.

DIVIDEND

The Board of Directors has not recommended any dividend on the equity shares for the FY 2020-21.

SHARE CAPITAL AND BUY BACK

During the financial year 2020-21, your Company has bought back 5,66,666 (Five Lakhs Sixty Six Thousand Six Hundred and Sixty Six) fully paid equity shares of face value of Re. 10 each at a price of INR 600 (Rupees Six Hundred only) for an amount not exceeding INR 34,00,00,000 (Rupees Thirty Four Crores only) under tender offer route, representing 3.04% of the paid up share capital of the Company.

The Buyback was completed on 7th October, 2020. Pursuant to the completion of buyback, paid up share capital of the company stands reduced from INR 18.62 crores to INR 18.05 crores.

ACQUISITION & NEW SUBSIDIARY

During the financial year ended 31st March, 2021, your Company acquired the business of HighWire.

The acquisition of US Business of HighWire was carried out through the Company's US branch and newly incorporated wholly owned subsidiary namely HighWire North America LLC, Delaware USA, by way of forward merger at a purchase price consideration of USD 6,100,000 (US Dollars six million and one hundred thousand only).

The HighWire business at Northern Ireland and United Kingdom was carried out by way of purchase of 100% shares of HighWire Press Limited based at Northern Ireland ("NI Entity") through its wholly owned subsidiary company MPS North America LLC, USA ("MPS NA LLC"), at a purchase consideration of USD 1,000,000 (US Dollars One Million only). NI Entity owns 100% shareholding of Semantico Limited ("UK Entity"). Pursuant to this acquisition, NI Entity has become subsidiary of MPS NA LLC and UK Entity has become the step down subsidiary of MPS NA LLC.

STATUTORY AUDITORS AND AUDIT REPORT

At the 46th Annual General Meeting ("AGM"), M/s. BSR & Co. LLP, Chartered Accountants, (firm registration no. 101248W/W-100022) had been appointed as the Statutory Auditors of the Company for a term of 5 years to hold office till the conclusion of the 51st AGM of the Company to be held in the calendar year 2021.

The Audit Report on the Financial Statements of the Company for the financial year ended March 31, 2021 read with relevant Notes thereon is self-explanatory and does not call for any further explanations. The Auditor's Report does not contain any qualification, reservation or adverse remark.

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

SUBSIDIARIES

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

The revenue of MPS North America LLC for the year ended March 31, 2021 was INR 84.16 crores compared to INR 65.70 crores during the previous year. The Profit before tax for the year was INR 7.25 crores and Profit after tax and before other comprehensive income was INR 5.35 crores as compared to the previous year's Profit before tax of INR 7.88 crores and Profit after tax and before other comprehensive income of INR 5.85 crores respectively.

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

The revenue of MPS Interactive Systems Limited for the year ended March 31, 2021 was INR 47.38 crores compared to INR 64.32 crores during the previous year. The loss before tax for the year was INR 0.79 crores and loss after tax and before other comprehensive income was INR 6.54 crores as compared to the previous year's profit before tax of INR 4.86 crores and profit after tax and before other comprehensive income of INR 3.06 crores respectively.

TOPSIM GmbH: The Company is focused on multiplayer workshop-based simulations platform for management education.

The revenue of TOPSIM GmbH for the financial year ended March 31, 2021 was INR 15.59 crores compared to INR 17.32 crores during the previous year. The profit for the financial year ended 31st March, 2021 was INR 0.62 crores as compared to the loss for the period ended 31st March, 2020 of INR 3.14 crores.

MPS Europa AG: The Company is focused on Assessment Engine, Learning Management Platform for management education.

The revenue of MPS Europa AG for the year ended March 31, 2021 was INR 11.07 crores compared to INR 12.09 crores during the previous year. The loss before tax for the year was INR 3.17 crores and loss after tax and before other comprehensive income was INR 3.03 crores as compared to the previous year's Profit before tax of INR 0.71 crores and Profit after tax and before other comprehensive income of INR 0.72 crores respectively.

Highwire North America LLC: This wholly owned subsidiary Company was incorporated for acquisition of HighWire US Business as detailed above.

The Company also has two downstream subsidiaries named as Highwire Press Limited and Semantico Limited. Highwire Press Limited is a wholly owned subsidiary of MPS North America LLC. Semantico Limited is a wholly owned subsidiary of Highwire Press Limited.

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

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

BOARD MEETINGS

The Board met Five (5) times during the financial year 2020-21, to transact the business of the Company. Details of the Board Meetings, including the attendance of Directors at these meetings are covered in the Corporate Governance Report forming part of the Annual Report. The maximum interval between any two consecutive Board meetings did not exceed 120 days.

AUDIT COMMITTEE

Audit Committee of your Company is constituted in accordance with the provisions of Section 177 of the Companies Act, 2013 and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. Composition, role, terms of reference, and details of meetings of the Audit Committee are provided in the Corporate Governance Report forming part of the Annual Report.

BOARD EVALUATION

The Board of Directors has carried out an annual evaluation of its own performance, board committees and individual directors pursuant to the provisions of the Act and SEBI Listing Regulations.

The Performance of the Individual Directors was reviewed based on inputs from the Board Members, covering the inputs on the contribution of the individual Director to the Board and Committee meetings.

The performance of the Committees was evaluated based on inputs from the Committee Members, covering the inputs on the composition of Committees, effectiveness of Committee meetings, degree of fulfillment of key responsibilities, Committee dynamics, quality of relationship of the Committee with the Board and the management.

The performance of the Board was evaluated based on inputs from the Board Members, on composition of the Board, effectiveness of Board processes, information and functioning, areas and quality of review, establishment and delineation of responsibilities to Committees.

The performance of the Chairman was evaluated based on inputs from the Board Members, on his leadership, stakeholder management, vision and strategy.

In a separate meeting of independent directors, performance of non-independent directors, the Board as a whole and the Chairman of the Company was evaluated, taking into account the views of executive directors and non-executive directors.

The Board in its meeting reviewed the performance of the Independent Directors and the performance of the Committees.

DIRECTORS, KEY MANAGERIAL PERSONNEL AND EMPLOYEES

Director Retiring by Rotation

In accordance with the provisions of the Act and the Articles of Association of the Company, Mr. Nishith Arora, retires by rotation at the ensuing AGM. Accordingly, a resolution is included in the Notice of the forthcoming 51st Annual General Meeting of the Company.

Changes in the Board

The Board of Directors in its Meeting held on November 10, 2020, re-appointed Dr. Piyush Kumar Rastogi (DIN: 02407908) as an Independent Director of the Company, not liable to retire by rotation for a term of three (3) years with effect from January 29, 2021 to January 28, 2024.

Board opinion in regard to integrity, expertise and experience of Dr. Piyush Kumar Rastogi, Independent Director who was appointed during the year 2020-21

The Board of Directors is of the opinion that, with the expertise & experience of Dr. Piyush Kumar Rastogi in accounting, taxation, legal and financial management, the Company would continue to get his advice in growth of the Company, best accounting practices and regulatory compliances.

During the year under review, the non-executive directors of the Company had no pecuniary relationship or transactions with the Company other than sitting fees.

Pursuant to the provisions of Section 149 of the Act, the independent directors have submitted declarations that each of them meet the criteria of independence as provided in Section 149(6) of the Act along with Rules framed thereunder and Regulation 16(1)(b) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“SEBI Listing Regulations”). There has been no change in the circumstances affecting their status as independent directors of the Company.

A resolution seeking shareholders’ approval for the above appointment forms a part of the Notice. The brief details of expertise and other Directorship/Committee memberships held by the above Director form part of the Notice convening the 51st Annual General Meeting of the Company.

Key Managerial Personnel

Pursuant to the provisions of Section 203 of the Act, the Key Managerial Personnel of the Company as on March 31, 2021 are: Mr. Rahul Arora, CEO & Managing Director and Mr. Sunit Malhotra, Chief Financial Officer and Company Secretary.

SECRETARIAL AUDIT

Pursuant to the provisions of Section 204 of the Act read with the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, M/s R Sridharan and Associates, Practicing Company Secretaries, carried out the Secretarial Audit of the Company for the financial year 2020-21.

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

The Secretarial Audit Report of the Company and its material unlisted subsidiary, MPS Interactive Systems Limited for the financial year 2020-21 is annexed to this Report as **Annexure A**.

The Secretarial Auditors have not expressed any qualification or reservation in their report and their report is self-explanatory.

Secretarial Auditors 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.

DEPOSITS

Your Company has not accepted any deposits from public and as such, no amount on account of principal or interest on public deposits was outstanding as on the date of the balance sheet.

PARTICULARS OF LOANS, GUARANTEES AND INVESTMENT

Details of Loans, Guarantees, advances, Securities and Investments covered under the provisions of Section 186 of the Act are given in the Notes to the Standalone Financial Statements. All the investments made by the Company were in accordance with the provisions of Section 186 of the Act and the rules made thereunder.

NOMINATION AND REMUNERATION POLICY

To comply with the provisions of Section 178 of the Act and Rules made thereunder and Regulation 19 of SEBI (LODR) Regulations, the Company's updated Nomination and Remuneration Policy for Directors, Key Managerial Personnel and Senior Management Personnel is available on website of the Company at www.mpslimited.com. The Policy includes, inter alia, the criteria for appointment and remuneration of Directors, KMPs and Senior Management Personnel of the Company.

PARTICULARS OF DIRECTORS AND EMPLOYEES

Pursuant to Section 197(12) of the Act, read with Rule 5 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, details/information's related to the remuneration of Directors, Key Managerial Personnel and Employees are set out in **Annexure B** to this Report.

DIRECTOR'S RESPONSIBILITY STATEMENT

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

- a. In the preparation of the Annual Accounts for the financial year ended March 31, 2020, the applicable Accounting Standards have been followed along with proper explanation relating to material departures;
- b. The Directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit and loss of the Company for that period;
- c. The Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- d. The Directors have prepared these Annual Accounts on a going concern basis;
- e. The Directors have laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and were operating effectively; and
- f. The Directors have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

INTERNAL FINANCIAL CONTROLS

The Act emphasizes the need for an effective Internal Financial Control system in the companies which should be adequate and shall operate effectively. Rule 8(5)(viii) of Companies (Accounts) Rules, 2014 requires the information regarding adequacy of Internal Financial Controls with reference to the financial statements to be disclosed in the Board's Report.

The Company's internal control systems are commensurate with the nature of its business and the size and complexity of its operations. These are routinely covered by Internal Auditors and cover all offices and key business areas. Significant audit observations and follow up actions thereon are reported to the Audit Committee. The Audit Committee reviews adequacy and effectiveness of the Company's internal control environment and monitors the implementation of audit recommendations, including those relating to strengthening of the Company's risk management policies and systems.

RISK MANAGEMENT

The Company has in place, a mechanism to identify, assess, monitor and mitigate various risks to key business objectives. Identification of the business risks and their mitigation is a continuing process. Based on the diversified scale of business operations, your Company has formulated a Risk Management Policy to assist the Board in:

- overseeing and approving the Company's enterprise wide risk management framework; and
- overseeing that all the risks that the organization faces, such as strategic, financial, market, liquidity, security, property, IT, legal, regulatory, reputational, and other risks have been identified and assessed and there is an adequate risk management infrastructure in place capable of addressing those risks.

The Company's management systems, organizational structure, processes, standards, code of conduct, and behavior together form a system that governs how the Company conducts its business and manage the associated risks.

RELATED PARTY TRANSACTIONS

All related party transactions that were entered into during the financial year 2020-21, were on arm's length basis and in the ordinary course of business. The Audit Committee reviews all the related party transactions and approves wherever such approval is required as per the provisions of Section 188 of the Act, rules made thereunder, Regulation 23 of the Listing Regulations, and applicable Accounting Standards. The Company has not, during the year, entered into any related party transaction that may have a potential conflict with that of the Company at large. During the year, the Company has not entered into any material related party transactions, as specified in Section 188(1) of the Act, with any of its related parties. Accordingly, the disclosure of related party transactions as per Section 134(3)(h) of the Act in Form AOC-2 is not applicable. The details of related party transactions of the Company are disclosed in financials statements of the Company.

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

VIGIL MECHANISM

The Vigil Mechanism as envisaged in the Act and the Rules prescribed thereunder and the Listing Regulations is implemented through the Whistle Blower Policy. This Policy provides for adequate safeguards against victimisation of persons who use such mechanism and make provision for direct access to the Chairperson of the Audit Committee.

The Whistleblower Policy of the Company is available on the website of the Company and can be accessed at the web link: <https://d12ux7ql5zx5ks.cloudfront.net/wp-content/uploads/Signed-Whistle-Blower-Policy.pdf>

PREVENTION OF SEXUAL HARASSMENT AT WORKPLACE

The Company has a zero tolerance towards sexual harassment at the workplace and has adopted a Policy on Prevention and Prohibition of Sexual Harassment at Workplace and has also put in place a redressal mechanism for resolving complaints received with respect to sexual harassment. Internal Complaint Committees have been constituted at all the locations of the Company in India to redress the complaints, if any, received.

The details of the complainant are kept confidential. During the year under review, no complaint was received from any employee of the Company involving sexual harassment and thus, no case was filed pursuant to the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.

ANNUAL RETURN

As per the requirements of Section 92(3) of the Act and Rule 12(1) of the Companies (Management and Administration) Rules, 2014, an extract of Annual Return in Form MGT-9 is annexed to this Report as **Annexure-C**.

CORPORATE SOCIAL RESPONSIBILITY

MPS has been an early adopter of Corporate Social Responsibility (the “CSR”) initiatives. In terms of the provisions of Section 135 of the Act the Company has constituted a CSR Committee. The composition and terms of reference of the CSR Committee are provided in the Corporate Governance Report forming part of this Annual Report. The Company has also formulated a CSR Policy which is available on the website of the Company viz. www.mpslimited.com.

During the year under review, your Company spent INR 163 Lakhs on CSR activities i.e. 2% of the average of the net profits of the Company for the past three financial years. In accordance with the provisions of Section 134(3)(o) of the Act and Rule 9 of the Companies (Corporate Social Responsibility) Rules, 2014, a report on Corporate Social Responsibility covering brief extract of the CSR policy of the Company and the CSR projects undertaken during the financial year 2020-21, is annexed as **Annexure - D** to this Report.

Composition, role and terms of reference of the CSR Committee are stated in the Corporate Governance Report forming part of this Annual Report.

CORPORATE GOVERNANCE

Your Company believes in adopting best practices of corporate governance and adheres to the standards set out by the Securities and Exchange Board of India. Corporate governance is about maximizing shareholder's value legally, ethically and sustainably. Our Board exercises its fiduciary responsibilities in the widest sense of the term. We also endeavor to enhance long-term shareholder value and respect minority rights in all our business decisions.

A detailed report on Corporate Governance, pursuant to the requirements of Regulation 34 of the Listing Regulations, forms part of the Annual Report together with a certificate from the Statutory Auditors of the Company confirming compliance with the conditions of Corporate Governance.

MANAGEMENT'S DISCUSSION AND ANALYSIS REPORT

Management's Discussion and Analysis Report for the year under review, as stipulated under Regulation 34 of the Listing Regulations is presented in a separate section forming part of the Annual Report.

BUSINESS RESPONSIBILITY REPORT

Business Responsibility Report for the year under review, as stipulated under Regulation 34(2)(f) of SEBI (LODR) Regulations, is presented in a separate section forming part of the Annual Report.

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, AND FOREIGN EXCHANGE EARNINGS AND OUT-GO

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

A. Conservation of Energy

The provisions regarding disclosure of particulars with respect to Conservation of Energy are not applicable to the publishing services industry as the operations are not energy-intensive. However, constant efforts are being made to make the infrastructure more energy-efficient.

B. Technology Absorption

Particulars regarding Technology Absorption are annexed to this Report as **Annexure E**.

C. Foreign Exchange Earnings and Outgo

During the year under review, foreign exchange earned through exports was INR 276.68 crores as against INR 186.38 crores for the previous year ended March 31, 2020. Foreign exchange outgo was INR 65.23 crores as against INR 16.50 crores for the previous year. Thus, the net foreign exchange earned by the Company during the year ended March 31, 2021 was INR 211.45 crores.

SIGNIFICANT DEVELOPMENTS AFTER THE CLOSE OF THE FINANCIAL YEAR

Except for the events disclosed elsewhere in the Annual Report, no significant change or development, that could affect the Company's financial position, has occurred between the end of the financial year and the date of this Report.

SIGNIFICANT AND MATERIAL ORDERS PASSED BY ANY REGULATORS OR COURT

During the year under review, no significant material order was passed by any regulator or court that would impact the going concern status or future business operations of the Company.

APPRECIATION

Your Directors take this opportunity to thank the customers, shareholders, suppliers, bankers, business partners / associates and Central and State Governments for their consistent support and encouragement to the Company. We place on record our appreciation for the contribution made by our employees at all levels. Our consistent growth was made possible by their hard work, solidarity, cooperation and support.

For and on behalf of the Board of Directors

Nishith
Arora

Digitally signed by Nishith Arora
DN: cn=Nishith Arora, o=ARPS,
ou=Director,
email=nishith.arora@mpslimited.co
m, c=IN
Date: 2021.05.26 21:36:38 +05'30'

Nishith Arora
Chairman

Place: Gurugram
Date: May 26, 2021

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SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED 31ST MARCH, 2021

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

The Members,

MPS LIMITED

RR Tower IV, Super A, 16/17,
Thiru-Vi-Ka Industrial Estate, Guindy,
Chennai - 600032

We have conducted the Secretarial Audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **MPS LIMITED** (hereinafter called "the Company") [Corporate Identification Number: L22122TN1970PLC005795]. Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conduct/statutory compliances and expressing our opinion thereon.

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of Secretarial Audit, we hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on 31st March, 2021 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, 2021 and on the basis of our review, we hereby report that during the year under review, the Company has complied with the applicable provisions of:

- (i) The Companies Act, 2013 (the Act) and the rules made there under;
- (ii) The Securities Contracts (Regulation) Act, 1956 ("SCRA") and the rules made there under;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed there under;

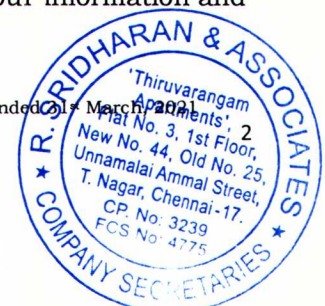




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- (iv) The Company has complied with the applicable provisions of Foreign Exchange Management Act, 1999 and the rules and regulations made there under to the extent of Overseas Direct Investment. There was no Foreign Direct Investment and External Commercial Borrowings during the year under review;
- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-
- a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
 - b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
 - c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018; (not applicable during the period under review);
 - d) The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 (not applicable during the period under review) ;
 - e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008 (not applicable during the period under review) ;
 - f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
 - g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009 (not applicable during the period under review); and
 - h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018;
- (vi) The Management has identified and confirmed the following Laws as being specifically applicable to the Company:
1. The Information Technology Act, 2000 and the Rules made thereunder
 2. The Special Economic Zones Act, 2005 and the Rules made thereunder
 3. The Software Technology Parks of India rules and regulations
 4. The Trade Marks Act, 1999
 5. The Patents Act, 1970
 6. The Copyrights Act, 1957

We 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



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

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

- (i) Secretarial Standards with respect to Meetings of Board of Directors (SS-1) and General Meetings (SS-2) issued by The Institute of Company Secretaries of India.
- (ii) The Uniform Listing Agreement entered with BSE Limited and National Stock Exchange of India Limited pursuant to the provisions of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

During the period under review, the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. as mentioned above.

We further report that

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

Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting. Meetings which are convened at shorter notice and agenda / notes on agenda which are circulated less than the specified period, the necessary compliances under the Companies Act, 2013 and Secretarial Standards on 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, Securities and Exchange Board of India 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 / Committee Members and no Director / Member



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dissented on the decisions taken at such Board / Committee Meetings. Further, in the minutes of the General Meeting, the Members who voted against the resolution(s) have been recorded.

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

We further report that the above mentioned Company being a Listed entity, this report is also issued pursuant to Regulation 24A of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended and circular No.CIR/CFD/CMD1/27/2019 dated 8th February, 2019 issued by Securities and Exchange Board of India.

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

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

1. Obtained approval of the Board in its meeting held on July 1, 2020 for the purchase of 100% shares of HighWire Press Limited based at Northern Ireland ("NI Entity") by its wholly owned subsidiary company MPS North America LLC, USA ("MPS NA LLC"), at a purchase consideration of USD 1,000,000 (US Dollars One Million only), pursuant to the Stock Purchase Agreement executed on 1st July, 2020 between MPS NA LLC and HighWire UK Holdings LLC, USA ("Seller"). The Seller holds 100% of the NI Entity. NI Entity also owns 100% shareholding of Semantico Limited ("UK Entity"). Pursuant to this acquisition, NI Entity becomes subsidiary of MPS NA LLC and UK Entity becomes the step down subsidiary of MPS NA LLC.
2. Incorporation of new wholly owned subsidiary of the Company in Delaware, USA, named as HighWire North America LLC ("HighWire NA LLC").
3. Obtained approval of the Board in its meeting held on July 1, 2020 for acquisition of the US business of HighWire Press, Inc. which was completed through the Company's US branch and newly incorporated wholly owned subsidiary in Delaware, USA, HighWire North America LLC by way of forward merger at a purchase price consideration of USD 6,100,000 (US Dollars six million and one hundred thousand only). The Agreement and Plan for Merger was executed on July 1, 2020 between MPS Limited, HighWire North America LLC, MPS North America LLC, and HighWire Press Holdings Inc. and completed the forward merger on 1st July, 2021.



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4. Buy-back of up to 5,66,666 (Five Lakhs Sixty Six Thousand Six Hundred and Sixty Six) equity shares of face value of Rs. 10/- each ("Equity Shares") at a price of Rs. 600 (Rupees Six Hundred only) by the Company for an amount not exceeding Rs. 34,00,00,000 (Rupees Thirty Four Crores only) under tender offer route.

PLACE : CHENNAI

For R.SRIDHARAN & ASSOCIATES

DATE :

COMPANY SECRETARIES

CS R.SRIDHARAN

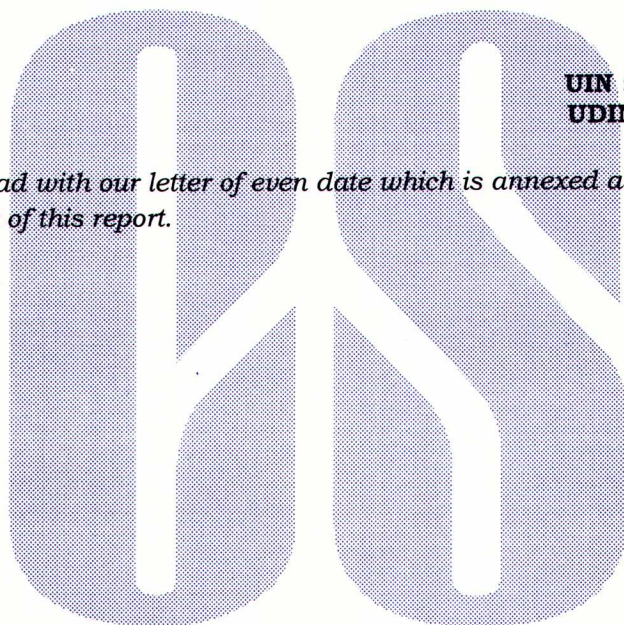
CP No. 3239

FCS No. 4775

UIN : S2003TN063400

UDIN: _____

*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.*





L22122TN1970PLC005795

'Annexure -1'

The Members

MPS LIMITED

RR Tower IV, Super A, 16/17,
Thiru-Vi-Ka Industrial Estate, Guindy,
Chennai – 600032

Our report of even date is to be read along with this letter.

1. Maintenance of secretarial records is the responsibility of the management of the company. Our responsibility is to express an opinion on these secretarial records based on our audit.
2. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices, we followed provide a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.
4. Where ever required, we have obtained the Management representation about the compliance of laws, rules and regulations and happening of events etc.
5. It is the responsibility of the management of the company to devise proper systems to ensure compliance with the provisions of all applicable laws, Rules Regulations and standards and to ensure that the systems are adequate and operate effectively. Our examination was limited to the verification of procedure 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 :

For R.SRIDHARAN & ASSOCIATES
COMPANY SECRETARIES



CS R.SRIDHARAN
CP No. 3239
FCS No. 4775
UIN : S2003TN063400
UDIN: _____

U74999TN2018PLC122594

SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED 31ST MARCH, 2021

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

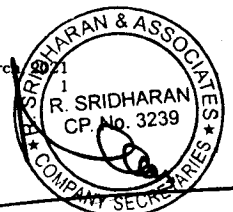
The Members,
MPS INTERACTIVE SYSTEMS LIMITED
CIN: U74999TN2018PLC122594
RR Tower IV, Super A, 16/17,
Thiru-Vi-Ka Industrial Estate, Guindy,
Chennai - 600032

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]. 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, 2021 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, 2021 according to the provisions of:

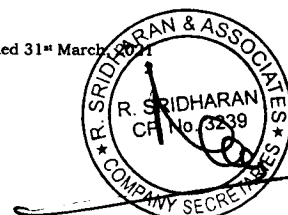
- (i) The Companies Act, 2013 (the Act) and the rules made thereunder;
- (ii) Since the Company is an unlisted Company, the question of complying with the provisions of the Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made there under does not arise;





U74999TN2018PLC122594

- (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;
 - e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;
 - f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
 - g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009;
 - h) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015) and
 - i) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018;
- (vi) The Management of the Company identified and confirmed the following Laws/ Rules are specifically applicable to them:





U74999TN2018PLC122594

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

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

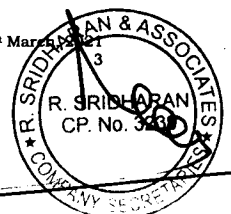
- (i) Secretarial Standards with respect to Meetings of Board of Directors (SS-1) and General Meetings (SS-2) issued by The Institute of Company Secretaries of India.
- (ii) The Listing Agreement entered with Stock Exchanges pursuant to the provisions of the SEBI (Listing Obligations and Disclosure Requirements) 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 Directors and Independent Director. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

Adequate notice is given to all directors 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. The Directors participated through video conferencing or other audio visual means during the period under review,





U74999TN2018PLC122594

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 clause 24A of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

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

1. Redeemed 22,000,000 8% Non-Cumulative Redeemable Preference Shares amounting to Rs. 22,00,00,000 (Rupees Twenty Two Crores only) issued to MPS Limited, Holding Company.

PLACE : CHENNAI
DATE : 24th May, 2021

For R.SRIDHARAN & ASSOCIATES
COMPANY SECRETARIES



CS R.SRIDHARAN
CP No. 3239
FCS No. 4775
UIN : S2003TN063400
UDIN: F004775C000361340

*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.*



U74999TN2018PLC122594

'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. It is the responsibility of the management of the company to devise proper systems to ensure compliance with the provisions of all applicable laws and Regulations and to ensure that the systems are adequate and operate effectively. Our examination was limited to the verification of procedure on test basis.
3. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices, we followed provide a reasonable basis for our opinion.
4. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.
5. Where ever required, we have obtained the Management representation about the compliance of laws, rules and regulations and happening of events etc.
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 : 24th May, 2021

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



CS R.SRIDHARAN
CP No. 3239
FCS No. 4775
UIN : S2003TN063400
UDIN: F004775C000361340

DETAILS OF REMUNERATION UNDER SECTION 197 OF COMPANIES ACT, 2013 AND RULE 5 OF COMPANIES (APPOINTMENT AND REMUNERATION OF MANAGERIAL PERSONNEL) RULES, 2014

A. Details as per Section 197 and Rule 5(1):

- (i) Ratio of the remuneration of each Director to the median remuneration of the employees of the Company for the financial year 2020-21, percentage increase in remuneration of Managing Director, Chief Executive officer, Chief Financial Officer, Company Secretary or Manager, if any, in the financial year 2020-21, is as follows:

Sl. No.	Name	% increase in Remuneration in the financial year 2020-2021	Ratio to median remuneration [#]
Non-Executive and Non-Independent Director			
1.	Nishith Arora*	Nil	Not Applicable
2.	Ms Yamini Arora*	Nil	Not Applicable
Independent Director			
3.	Ms. Jayantika Dave (Appointed w.e.f 30 th October, 2019)	Not Applicable	Not Applicable
4.	Ms. Achal Khanna (Appointed w.e.f 30 th October, 2019)	Not Applicable	Not Applicable
5.	Mr. Ajay Mankotia (Appointed w.e.f 29 th January, 2020)	Not Applicable	Not Applicable
6.	Dr. Piyush Kumar Rastogi (Appointed w.e.f 29 th January, 2020)	Not Applicable	Not Applicable
Managing Director			
7.	Rahul Arora**	Nil [^]	Not Applicable
Chief Financial Officer and Company Secretary			
8.	Sunit Malhotra	Nil [^]	Not Applicable

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

****Mr Rahul Arora was appointed as the CEO & Managing Director of the Company for a term of 5 years w.e.f August 12, 2018 to August 11, 2023 and the Remuneration was approved by the shareholders by way of special resolution passed by postal ballot on October 24, 2018.**

^There was no increase in remuneration of Mr. Rahul Arora and Mr. Sunit Malhotra in the current financial year, hence reported as NIL.

Median Annual Remuneration computed for the financial year 2020-21 is INR 2,80,416.

“The Independent Directors of the Company are paid sitting fees within the limits as approved by the Board and prescribed under the Companies Act, 2013. The details of remuneration paid to Independent Directors are detailed in the Corporate Governance Report.

(ii) Increase in Median Remuneration:

The number of permanent employees as on March 31, 2021 were 2269 and the median remuneration was INR 2,80,416 annually as compared to last year it was calculated as INR 2,82,477 annually. The median remuneration of employees (excluding above Directors and KMPs) in Financial Year 2021 has decreased by 0.72%.

(iii) Permanent Employees:

The Company had 2269 permanent employees on its rolls as on March 31, 2021.

(iv) Average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and exceptional circumstances, if any, for increase in the managerial remuneration:

There was no increase in the remuneration of the managerial personnel in the last financial year.

(v) Affirmation that the remuneration is as per the remuneration policy of the Company

The Company affirms that the remuneration to Directors and employees during the financial year 2020-21 is as per its Remuneration Policy.

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

1. During the financial year 2020-21, no employee of the Company, received remuneration of one crore and two lakh rupees or more per annum while working for the whole year or at the rate of eight lakh and fifty thousand rupees per month while working for a part of the year.
2. During the financial year 2020-21 or part thereof, no employee of the Company received remuneration in excess of the remuneration drawn by Managing Director or Whole-Time Director or Manager and no employee of the Company (by himself or along with his spouse and dependent children), was holding two percent or more of the equity shares of the Company.
3. During the financial year 2020-21, no employee of the Company, resident in India, posted and working in a country outside India, not being Directors or their relatives, had drawn more than sixty lakh rupees per year or five lakh rupees per month.

For and on behalf of the Board of Directors

**Gurugram
May 26, 2021**

**Nishith
Arora**

Digitally signed by Nishith Arora
DN: cn=Nishith Arora, o=MPS,
ou=Director,
email=nishith.arora@mpslimited.co
in, c=IN
Date: 2021.05.26 21:37:08 +05'30'

**Nishith Arora
Chairman**

Form MGT-9
EXTRACT OF ANNUAL RETURN

As on the financial year ended March 31, 2021
[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	Corporate Identification Number	L22122TN1970PLC005795
2	Registration Date	January 19, 1970
3	Name of the Company	MPS Limited
4	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
7	Name, Address and Contact details of Registrar and Transfer Agent, if any	Cameo Corporate Services Limited Subramanian Building, 1 Club House Road, Chennai - 600002 Tel: +91- 44 - 28460390 Fax: +91- 44- 28460129

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

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

Name and Description of main products / services	NIC Code of the Product/ service	% to total Turnover of the Company [#]
Content Solutions	620	59%
Platform Solutions	631	41%

[#]On the basis of gross turnover

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

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

S. No.	Name of Company	Address of Company	CIN / GLN	HOLDING / SUBSIDIARY / ASSOCIATE	% of shares held as on 31/03/2019	Applicable Section
1	ADI BPO Services Limited	RR Tower IV, Super A, 16/17, Thiru-Vi-Ka Industrial Estate, Guindy, Chennai-600 032	U22110DL2006PLC144592	Holding Company	67.77%	2(46)
2	MPS North America, LLC	5728 Major Blvd., Orlando, Florida 32819	L13000078013	Subsidiary Company	100%	2(87)
3	MPS Interactive Systems Limited*	RR Tower IV, Super A, 16/17, Thiru-Vi-Ka Industrial Estate, Guindy, Chennai-600 032	U74999TN2018PLC122594	Subsidiary Company	100%	2(87)
4	MPS Europa AG	Lindenstrassese 14, 6340 Baar, Switzerland	CHE-101.439.161 (Firm Number)	Subsidiary Company	100%	2(87)
5.	Topsim GmbH	Neckarhalde 55 D- 72070, Tubingen, Germany	HRB 382769 (Local Business Number)	Subsidiary Company	100%	2(87)
6	Highwire North America LLC	15575- Los Gatos Blvd , Los Gatos , CA 95032 USA	M20000005576	Subsidiary Company	100%	2(87)

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

IV. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)

(i) CATEGORY-WISE SHARE HOLDING

	Category of Shareholders	No. of shares held at the beginning of the year (as on 01.04.2020)				No. of shares held at the end of the year (as on 31.03.2021)				% change during the year
		Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A.	Promoters									
(1)	Indian									
(a)	Individual/HUF	-	-	-	-	-	-	-	-	-
(b)	Central Govt.	-	-	-	-	-	-	-	-	-
(c)	State Govt(s)	-	-	-	-	-	-	-	-	-
(c)	Bodies Corporate	12616996	0	12616996	67.7716	12271608	0	12271608	67.9857	0.2141
(d)	Banks / FI	-	-	-	-	-	-	-	-	-
(e)	Any Other	-	-	-	-	-	-	-	-	-
	Sub-Total (A)(1)	12616996	0	12616996	67.7716	12271608	0	12271608	67.9857	0.2141
(2)	Foreign									
(a)	NRIs - Individuals	-	-	-	-	-	-	-	-	-
(b)	Other - Individuals	-	-	-	-	-	-	-	-	-
(c)	Bodies Corp.	-	-	-	-	-	-	-	-	-
(d)	Banks / FI	-	-	-	-	-	-	-	-	-
(e)	Any Other	-	-	-	-	-	-	-	-	-
	Sub-Total (A)(2)	-	-	-	-	-	-	-	-	-
	Total shareholding of Promoter (A)= (A)(1)+(A)(2)	12616996	0	12616996	67.7716	12271608	0	12271608	67.9857	0.2141

I	Individual shareholders holding nominal share capital up to Rs. 1 lakh	1997111	13947	2011058	10.8023	2016989	13947	2030936	11.2515	0.4492
ii	Individual shareholders holding nominal share capital in excess of Rs.1 lakh	1169730	-	1169730	6.2831	1295198	-	1295198	7.1755	0.8923
(c)	Others (specify)									
	Directors and Relatives	-	-	-	-	-	-	-	-	-
	IEPF	4166	-	4166	0.0223	4191	-	4191	0.0232	0.0008
	Hindu Undivided Family	266656	-	266656	1.4323	243304	-	243304	1.3479	(0.0844)
	Non Resident Indians	533102	-	533102	2.8635	495109	-	495109	2.7429	(0.1205)
	Clearing Members	12405	-	12405	0.0666	12029	-	12029	0.0666	0.0000
	TRUSTS	1000	-	1000	0.0053	961	-	961	0.0053	(0.0000)
	Others	-	-	-	-	-	-	-	-	-
	Sub- Total (B)(2)	4246378	13947	4260325	22.8841	4270379	13947	4284326	23.7355	0.8513
	Total Public Shareholding (B)= (B)(1)+(B)(2)	5985983	13947	5999930	32.2283	5764705	13947	5778652	32.0142	(0.2141)
(C)	Shares held by Custodian for GDRs and ADRs	-	-	-	-	-	-	-	-	-
	GRAND TOTAL (A)+(B)+(C)	18602979	13947	18616926	100	18036313	13947	18050260	100	0.00

(ii) SHAREHOLDING OF PROMOTERS

Sl No.	Shareholder's Name	Shareholding at the beginning of the year (as on 01.04.2020)			Shareholding at the end of the year (as on 31.03.2021)			% change in shareholding during the year
		No. of Shares	% of total Shares of the Company	% of Shares Pledged / encumbered to total shares	No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	
1	ADI BPO Services Limited	12616996	67.7716	0.0000	12271608	67.9857	0.0000	(1.9134)
	Total	12616996	67.7716	0.0000	12271608	67.9857	0.0000	(1.9134)

(iii) CHANGE IN PROMOTERS' SHAREHOLDING

Sl. No.		Shareholding at the beginning of the year (as on 01.04.2020)		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	12616996	67.7716	12616996	67.7716
	Tender of the equity shares, pursuant to the Buyback offer from the Company during the year	(345388)	1.9134	12271608	67.9857
	At the end of the year (as on 31.03.2021)	12271608	67.9857	12271608	67.9857

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

		Shareholding at the beginning of the year		Cumulative Shareholding during the year	
Sl No	Name of the Share holder	No of shares	% of total shares of the company	No of shares	% of total shares of the company
1	ICICI LOMBARD GENERAL INSURANCE COMPANY LTD				
	At the beginning of the year 01-Apr-2020	471270	2.5314	471270	2.5314
	Sale 09-Oct-2020	(18778)	0.1040	452492	2.5068
	Sale 19-Mar-2021	(43208)	0.2393	409284	2.2674
	Sale 26-Mar-2021	(10949)	0.0606	398335	2.2068
	Sale 31-Mar-2021	(305)	0.0016	398030	2.2051
	At the end of the Year 31-Mar-2021	398030	2.2051	398030	2.2051
2	GOVERNMENT OF SINGAPORE - E				
	At the beginning of the year 01-Apr-2020	390379	2.0969	390379	2.0969
	Sale 09-Oct-2020	(15555)	0.0861	374824	2.0765
	At the end of the Year 31-Mar-2021	374824	2.0765	374824	2.0765
3	MUKUL AGRAWAL JT1 : PARAM CAPITAL RESEARCH PVT LTD				
	At the beginning of the year 01-Apr-2020	374700	2.0126	374700	2.0126
	Sale 05-Jun-2020	(374700)	2.0758	0	0.0000
	At the end of the Year 31-Mar-2021	0	0.0000	0	0.0000
	HAVING SAME PAN				
3	MUKUL AGRAWAL JT1 : PARAM CAPITAL RESEARCH PVT LTD				
	At the beginning of the year 01-Apr-2020	0	0.0000	0	0.0000
	Purchase 05-Jun-2020	374700	2.0758	374700	2.0758

	Purchase 19-Jun-2020	25829	0.1430	400529	2.2189
	Purchase 26-Jun-2020	11771	0.0652	412300	2.2841
	Purchase 10-Jul-2020	29895	0.1656	442195	2.4497
	Purchase 24-Jul-2020	7547	0.0418	449742	2.4916
	Purchase 31-Jul-2020	7442	0.0412	457184	2.5328
	Purchase 05-Aug-2020	2816	0.0156	460000	2.5484
	Sale 09-Oct-2020	(12636)	0.0700	447364	2.4784
	Purchase 05-Feb-2021	52636	0.2916	500000	2.7700
	At the end of the Year 31-Mar-2021	500000	2.7700	500000	2.7700
4	PINEBRIDGE GLOBAL FUNDS - PINEBRIDGE INDIA EQUITY FUND				
	At the beginning of the year 01-Apr-2020	344493	1.8504	344493	1.8504
	Sale 09-Oct-2020	(13726)	0.0760	330767	1.8324
	At the end of the Year 31-Mar-2021	330767	1.8324	330767	1.8324
5	NIHAR NANDAN NILEKANI				
	At the beginning of the year 01-Apr-2020	182358	0.9795	182358	0.9795
	Sale 09-Oct-2020	(7266)	0.0402	175092	0.9700
	At the end of the Year 31-Mar-2021	175092	0.9700	175092	0.9700
6	PARAMJIT MANN				
	At the beginning of the year 01-Apr-2020	161427	0.8670	161427	0.8670
	Sale 01-May-2020	(14335)	0.0794	147092	0.8149
	Sale 08-May-2020	(10988)	0.0608	136104	0.7540
	Sale 15-May-2020	(469)	0.0025	135635	0.7514
	Sale 22-May-2020	(1535)	0.0085	134100	0.7429
	Sale 29-May-2020	(594)	0.0032	133506	0.7396
	Sale 05-Jun-2020	(133506)	0.7396	0	0.0000
	At the end of the Year 31-Mar-2021	0	0.0000	0	0.0000
	HAVING SAME PAN				
6	PARAMJIT MANN				
	At the beginning of the year 01-Apr-2020	0	0.0000	0	0.0000

	Purchase 05-Jun-2020	117197	0.6492	117197	0.6492
	Sale 26-Jun-2020	(12133)	0.0672	105064	0.5820
	Sale 03-Jul-2020	(20000)	0.1108	85064	0.4712
	Sale 10-Jul-2020	(10000)	0.0554	75064	0.4158
	Sale 28-Aug-2020	(14002)	0.0775	61062	0.3382
	Sale 04-Sep-2020	(18317)	0.1014	42745	0.2368
	Sale 11-Sep-2020	(6935)	0.0384	35810	0.1983
	Sale 09-Oct-2020	(2092)	0.0115	33718	0.1868
	Sale 12-Mar-2021	(8946)	0.0495	24772	0.1372
	At the end of the Year 31-Mar-2021	24772	0.1372	24772	0.1372
7	PINEBRIDGE INDIA EQUITY FUND				
	At the beginning of the year 01-Apr-2020	118766	0.6379	118766	0.6379
	Sale 09-Oct-2020	(4732)	0.0262	114034	0.6317
	At the end of the Year 31-Mar-2021	114034	0.6317	114034	0.6317
8	RAMESH S DAMANI				
	At the beginning of the year 01-Apr-2020	115100	0.6182	115100	0.6182
	Sale 31-Jul-2020	(10000)	0.0554	105100	0.5822
	Sale 05-Aug-2020	(5962)	0.0330	99138	0.5492
	Sale 14-Aug-2020	(2880)	0.0159	96258	0.5332
	Sale 21-Aug-2020	(1924)	0.0106	94334	0.5226
	Sale 09-Oct-2020	(3190)	0.0176	91144	0.5049
	At the end of the Year 31-Mar-2021	91144	0.5049	91144	0.5049
9	AIRAVAT CAPITAL TRUST				
	At the beginning of the year 01-Apr-2020	96544	0.5185	96544	0.5185
	Purchase 03-Apr-2020	1005	0.0055	97549	0.5404
	Purchase 10-Apr-2020	1890	0.0104	99439	0.5509
	Sale 09-Oct-2020	(3962)	0.0219	95477	0.5289
	Sale 18-Dec-2020	(5630)	0.0311	89847	0.4977
	Sale 31-Dec-2020	(2440)	0.0135	87407	0.4842
	Sale 08-Jan-2021	(10131)	0.0561	77276	0.4281
	Sale 15-Jan-2021	(24418)	0.1352	52858	0.2928

	Director)							
3	Dr. Piyush Kumar Rastogi (Non- Executive and Independent Director)	Nil	Nil	Nil	Nil	Nil	Nil	Nil
4	Rahul Arora (CEO & Managing Director)	Nil	Nil	Nil	Nil	Nil	Nil	Nil
5	Yamini Tandon (Non-Executive Director)	Nil	Nil	Nil	Nil	Nil	Nil	Nil
6	Achal Khanna (Independent Director)	Nil	Nil	Nil	Nil	Nil	Nil	Nil
7	Jayantika Dave (Independent Director)	Nil	Nil	Nil	Nil	Nil	Nil	Nil
B. Key Managerial Personnel								
1	Sunit Malhotra (Chief Financial Officer & Company Secretary)	Nil	Nil	Nil	Nil	Nil	Nil	Nil

V. INDEBTEDNESS

The Company has not availed any term loan from any bank / financial institution during the financial year 2020-21.

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

A. REMUNERATION TO MANAGING DIRECTOR:

(INR in lakhs)

Sl. No	Particulars of Remuneration	Name of CEO & Managing Director
		Rahul Arora [#] (CEO & Managing Director)
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	250.09
2.	Stock Option	-
3.	Sweat Equity	-
4.	Commission - as % of profit - Others, specify	-
5.	Others, please specify	-
	Total (A)	250.09
	Ceiling as per the Act	INR 429.88 lakhs (being 5% of the net profits of the Company for the financial year ended March 31, 2021 computed as per Section 198 of the Companies Act, 2013)

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

(INR in lakhs)

Sl. no.	Particulars of Remuneration	Name of Directors				Total Amount
		Ms. Jayantika Dave	Ms. Achal Khanna	Mr. Ajay Mankotia	Dr. Piyush Kumar Rastogi	
1.	Fees for attending Board and Committee Meetings	6.4	5.2	7.8	7.8	27.2
2.	Commission	-	-			-
3.	Others, please specify	-	-			-
	Total (B)	6.4	5.2	7.8	7.8	27.2
	Total Managerial Remuneration (A+B) (INR in Lakhs)	277.29				

	Overall Ceiling as per the Act (INR in Lakhs)	INR 945.74 (being 11% of the net profits of the Company for the financial year ended March 31, 2021 computed as per Section 198 of the Companies Act, 2013.)
--	--	--

Note 1: # Mr Rahul Arora was appointed as CEO & Managing Director of the Company effective from August 12, 2018. The Appointment is for a term of 5 years. The Remuneration was approved by the shareholders. Mr. Rahul Arora received a total of INR 250.09 lakhs as remuneration, including performance linked bonus during the financial year 2020-21.

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

(INR in lakhs)

Sl. No.	Particulars of Remuneration	Key Managerial Personnel	
		CEO & Managing Director	CFO & Company Secretary
			Sunit Malhotra
1.	Gross salary	Covered under point VI (A) (in CEO & MD)	
	(a) Salary as per provisions contained in Section 17(1) of the Income-Tax Act, 1961		60.66
	(b) Value of perquisites under Section 17(2) of Income-Tax Act, 1961		-
	(c) Profits in lieu of salary under Section 17(3) of Income-Tax Act, 1961		
2.	Stock Option		-
3.	Sweat Equity		-
4.	Commission		-
	- as % of profit - others, specify		-
5.	Others, please specify		-
	Total		60.66

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

Date: May 26, 2021

Place: Gurugram

On Behalf of the Board of Directors

Nishith Arora

**Nishith Arora
Chairman**

Digitally signed by Nishith Arora
DN: cn=Nishith Arora, o=MPS,
ou=Director,
email=nishith.arora@mpslimited.com, c=IN
Date: 2021.05.26 21:37:42 +05'30'

CSR Annual Report**1. Brief outline on CSR Policy of the Company**

Your Company believes that Corporate Social Responsibility is a means to achieve a balance of economic, environmental and social imperatives, while addressing the expectations of shareholders and all other stakeholders. It is a responsible way of doing business. MPS's CSR policy is aimed at demonstrating care for the community through its focus on education and health amongst the disadvantaged and marginalized cross section of the society.

2. Composition of CSR Committee:

Sl. No.	Name of Director	Designation / Nature of Directorship	Number of meetings of CSR Committee held during the year	Number of meetings of CSR Committee attended during the year
1	Rahul Arora ²	Chairman	1	1
2	Jayantika Dave	Member	1	1
3	Yamini Tandon ²	Member	1	1
4	Nishith Arora ¹	-	-	-

¹Mr. Nishith Arora, Chairman of the Corporate Social Responsibility Committee resigned from the Committee with effect from August 12, 2020.

²Mr. Rahul Arora was designated as the Chairman post resignation of Mr. Nishith Arora and Ms. Yamini Tandon was appointed as the Member of the Corporate Social Responsibility Committee with effect from August 12, 2020.

3. Provide the web-link where Composition of CSR committee, CSR Policy and CSR projects approved by the board are disclosed on the website of the company -

Web-link for Composition of CSR committee <https://www.mpslimited.com/corporate-governance/>

Web - link for CSR Policy - <https://d12ux7ql5zx5ks.cloudfront.net/wp-content/uploads/Signed-CSR-Policy.pdf>

Web - link for CSR projects - <https://www.mpslimited.com/csr/>

4. Provide the details of Impact assessment of CSR projects carried out in pursuance of sub-rule (3) of rule 8 of the Companies (Corporate Social Responsibility Policy) Rules, 2014, if applicable. - **Not Applicable**

5. Details of the amount available for set off in pursuance of sub-rule (3) of rule 7 of the Companies (Corporate Social responsibility Policy) Rules, 2014 and amount required for set off for the financial year, if any - **Not Applicable**

6. Average net profit of the company as per section 135(5) - **INR 8149.12 Lakhs**

7. (a) Two percent of average net profit of the company as per section 135(5) - **INR 163 Lakhs**

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

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

(d) Total CSR obligation for the financial year 2020-21 (7a+7b-7c) - **INR 163 Lakhs**

8. (a) CSR amount spent or unspent for the financial year 2020-21: - **Total amount spent was INR 163 Lakhs in the financial year 2020-21.**

Total Amount Spent for the Financial Year. (in INR)	Amount Unspent (in INR)				
	Total Amount transferred to Unspent CSR Account as per section 135(6).		Amount transferred to any fund specified under Schedule VII as per second proviso to section 135(5).		
	Amount.	Date of transfer.	Name of the Fund	Amount.	Date of transfer.
163 Lakhs	NIL				

(b) Details of CSR amount spent against ongoing projects for the financial year 2020-21: **Not Applicable**

(1)	(2)	(3)	(4)	(5)		(6)	(7)	(8)	(9)	(10)	(11)	
Sl. No.	Name of the Project.	Item from the list of activities in Schedule VII to the Act.	Local area (Yes/No).	Location of the project.		Project duration.	Amount allocated for the project (in INR).	Amount spent in the current financial Year (in INR).	Amount transferred to Unspent CSR Account for the project as per Section 135(6) (in	Mode of Implementation - Direct (Yes/No).	Mode of Implementation - Through Implementing Agency	
				State.	District.						Name	CSR Registration number.

									INR).			
1.	NOT APPLICABLE											
2.												
3.												
	Total											

(c) Details of CSR amount spent against **other than ongoing projects** for the financial year 2020-21:

(1)	(2)	(3)	(4)	(5)		(6)	(7)	(8)	
Sl. No.	Name of the Project	Item from the list of activities in schedule VII to the Act.	Local area (Yes/ No).	Location of the project.		Amount spent for the project (in INR).	Mode of implementation - Direct (Yes/No)	Mode of implementation - Through implementing agency.	
				State.	District.			Name.	CSR registration number.
1.	Village Community Mental Health Programme	promoting health care including preventive health care	Yes	Haryana	Gurugram	30 Lakhs	No	Sambandh Health Foundation	CSR00003568
2.	Tobacco Control - Tobacco Free Educational Institutions	promoting health care including preventive health care	Yes	Uttar Pradesh	All	6 Lakhs	No	Sambandh Health Foundation	CSR00003568
3.	Education on Intellectual Development and Higher Values	Promoting Education, including Special Education	Yes	Maharashtra, District Pune & Online (Pan India)		20 Lakhs	No	Vedanta Cultural Foundation	CSR00004887
4	Prema Vasan	promoting health care	Yes	Tamil Nadu	Kancheepuram	12 Lakhs	No	Prem Chairtable	CSR00005828

		including preventive health care						Trust	
5	IIMPACT	Promoting Education, including Special Education	Yes	Uttarakhand	Dehradun	91 Lakhs	No	IIMPACT	CSR00002935
				Uttarakhand	Hardwar				
				Haryana	Mewat				
				Rajasthan	Rajsamand				
				Himachal Pradesh	Sirmaur				
				Uttarakhand	Tehri Garhwal				
				Uttarkashi	Uttarkashi				
6	Vedanta Institute Delhi	Promoting Education, including Special Education	Yes	Online (Pan India)		4 Lakhs	No	Vedanta Institute Delhi	-
Total						163 Lakhs			

(d) Amount spent in Administrative Overheads - Administrative expenses are within permissible 5% of the total CSR contribution made to implementing agencies during the financial year 2020-21.

(e) Amount spent on Impact Assessment - **NIL**

(f) Total amount spent for the Financial Year 2020-21 (8b+8c+8d+8e) - **INR 163 Lakhs**

(g) Excess amount for set off - **NIL**

Sl. No.	Particular	Amount (in INR)
(i)	Two percent of average net profit of the company as per section 135(5)	NIL
(ii)	Total amount spent for the Financial Year	

(iii)	Excess amount spent for the financial year [(ii)-(i)]	
(iv)	Surplus arising out of the CSR projects or programmes or activities of the previous financial years, if any	
(v)	Amount available for set off in succeeding financial years [(iii)-(iv)]	

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

Sl. No.	Preceding Financial Year.	Amount transferred to Unspent CSR Account under section 135 (6) (in INR)	Amount spent in the reporting Financial Year (in INR).	Amount transferred to any fund specified under Schedule VII as per section 135(6), if any.			Amount remaining to be spent in succeeding financial years. (in INR)
				Name of the Fund	Amount (in INR).	Date of transfer.	
1	NIL						
	Total						

(b) Details of CSR amount spent in the financial year for ongoing projects of the preceding financial year(s):

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
Sl. No.	Project ID.	Name of the Project.	Financial Year in which the project was commenced.	Project duration.	Total amount allocated for the project (in INR).	Amount spent on the project in the reporting Financial Year (in INR).	Cumulative amount spent at the end of reporting Financial Year. (in INR)	Status of the project - Completed /Ongoing.
1	NIL							
	Total							

10. In case of creation or acquisition of capital asset, furnish the details relating to the asset so created or acquired through CSR spent in the financial year - NIL

(a) Date of creation or acquisition of the capital asset(s). **Not Applicable**

(b) Amount of CSR spent for creation or acquisition of capital asset. **Not Applicable**

(c) Details of the entity or public authority or beneficiary under whose name such capital asset is registered, their address etc. **Not Applicable**

(d) Provide details of the capital asset(s) created or acquired (including complete address and location of the capital asset). **Not Applicable**

11. Specify the reason(s), if the company has failed to spend two per cent of the average net profit as per section 135(5) - **Not Applicable**

Rahul
Arora

Digitally signed by Rahul Arora
DN: cn=Rahul Arora, o=MPS
Limited, ou=Managing Director,
email=rahul.arora@mpslimited.
com, c=IN
Date: 2021.05.26 21:39:02
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Rahul Arora
CEO & Managing Director

Annexure E

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

<p>1. Specific areas in which R & D was carried out by the Company</p>	<ul style="list-style-type: none"> • Platforms for content creation, submission, peer review and editorial with improved user experience. • Research on new features / roadmap to the existing platforms based on customer requirements, market needs and feedback received • Integrating the MPS platforms with industry leading platforms to provide more flexibility, stability and automation • Potential application of Artificial Intelligence and Machine learning techniques in the Editorial and content production services • Simplification of the delivery platforms by bundling web and mobile offerings • Modules and functionalities in DigiCore platform and Mag+ for including diverse content and integration. • Optimization of production processes and workflows • Migrating to cloud based systems including using remote workspaces for certain functions
<p>2. Benefits derived from the above</p>	<ul style="list-style-type: none"> • Larger prospects base owing to wider capabilities • Improved competitive positioning due to multiple variants • Improved productivity for customers service teams due to streamlined communication • Further features added / preparation of roadmap to the existing platforms • Utilizing the latest technologies and infrastructure, several platforms were made cloud ready and migrated to web based solution • Technology migration - THINK web version • Revamped version of Mag+ resulting in new HTML5 based Mag+Now platform • Flexibility, stability and automation provided by 3rd party integrations for DigiCore and Think360 platforms lead to increased customer satisfaction and user base. • Increased interest in the DigiCore platform for diverse content types including tax, accounting and educational content processing • Custom development and enhancements in various modules of DigiCore and Think360 platform for customers • Custom development opportunity for analytics and reporting dashboards • Improved business continuity at optimized cost • Improved productivity with lean workflow and implementation of workflows / processes with more automation
<p>3. Future plan of action</p>	<ul style="list-style-type: none"> • Enhancing platforms further as per project roadmap • Further enhancing security of cloud architecture and platforms • Increased integration with different products in the portfolio • Further leverage of HTML5 for providing enhanced experience and powering interactive products from DigiCore and Mag+Now platforms • Migration of more systems to cloud with increased scalability and availability • Centralization of key processes for cost efficiencies • Improved process automation resulting in increased productivity
<p>4. Expenditure on R & D result</p>	<p>Expenditure on R&D towards enhancement & integrations of various platforms including newly added HighWire platforms in addition to DigiCore, THINK and Mag+Now platform and is charged to profit & loss account of the Company.</p>

Technology Absorption, Adaptation and Innovation

<p>Efforts in brief made towards technology absorption, adaptation, and innovation.</p>	<ul style="list-style-type: none"> • Implementing projects using latest technologies like Machine Learning, Artificial Intelligence and Natural Language Processing for achieving higher automation and reducing touch time. • Development and implementation of innovative cloud-based systems for end-to-end publishing services. • Implementation of deep security processes for key applications. • Implemented innovative ways for enabling secure work from home without compromising data security.
<p>Benefits derived from the above</p>	<ul style="list-style-type: none"> • Increased value addition to customers leading to higher satisfaction. • Tangible benefits to clients in terms of reducing time to publish and increasing productivity. • More secured and scalable products. • Improved customer interests and associated service/technology requests from various customers. • Could manage the productivity without breaching SLAs during the Covid-19 lock down by successfully executing work from home options.
<p>Imported Technology</p>	<p>No technologies were imported</p>

For and on behalf of the Board of Directors

**Nishith
Arora**

Digitally signed by Nishith Arora
DN: cn=Nishith Arora, ou=MPSC,
ou=Director,
email=nishith.arora@mpslimited.co
in, c=IN,
Date: 2021.05.26 21:38:36 +05'30'

**Nishith Arora
Chairman**

**Gurugram
May 26, 2021**

B S R & Co. LLP

Chartered Accountants

Building No. 10, 12th Floor, Tower-C,
DLF Cyber City, Phase-II,
Gurugram – 122 002, India

Telephone: +91 124 719 1000
Fax: +91 124 235 8613

INDEPENDENT AUDITORS' REPORT

To the Members of MPS Interactive Systems Limited

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of MPS Interactive Systems Limited (“the Company”), which comprise the balance sheet as at 31 March 2021, and the statement of profit and loss (including other comprehensive income), statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of the significant accounting policies and other explanatory information together referred to as “the financial statements”.

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 (“Act”) in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31 March 2021, and loss and other comprehensive income, changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Act. Our responsibilities under those SAs are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the 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 on the financial statements.

Other Information

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

Our opinion on the 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. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Principal Office:

Management's and Board of Directors' Responsibility for the Financial Statements

The Company's Management and Board of Directors are responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these financial statements that give a true and fair view of the state of affairs, profit/loss and other comprehensive income, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring 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.

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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 SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures in the financial statements made by the Management and Board of Directors.

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

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

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

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditors' Report) Order, 2016 ("the Order") issued by the Central Government in terms of section 143 (11) of the Act, we give in the "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
2. (A) As required by Section 143(3) of the Act, we report that:
 - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
 - b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books
 - c) The balance sheet, the statement of profit and loss (including other comprehensive income), the statement of changes in equity and the statement of cash flows dealt with by this Report are in agreement with the books of account
 - d) In our opinion, the aforesaid financial statements comply with the Ind AS specified under section 133 of the Act.
 - e) On the basis of the written representations received from the directors as on 31 March 2021 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2021 from being appointed as a director in terms of Section 164(2) of the Act.
 - f) With respect to the adequacy of the internal financial controls with reference to financial statements of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B"

(B) With respect to the other matters to be included in the Auditors' Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:

- i. The Company has disclosed the impact of pending litigations as at 31 March 2021 on its financial position in its financial statements - Refer Note 34 to the financial statements;
- ii. The Company did not have any long-term contracts including derivatives contracts for which there were any material foreseeable losses.
- iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.
- iv. The disclosures in the financial statements regarding holdings as well as dealings in specified bank notes during the period from 8 November 2016 to 30 December 2016 have not been made in these financial statements since they do not pertain to the financial year ended 31 March 2021.

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

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

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

SHASHANK Digitally signed by
AGARWAL SHASHANK AGARWAL
Date: 2021.05.24
23:48:14 +05'30'

Shashank Agarwal
Partner
Membership No. 095109
ICAI UDIN: 21095109AAAADL3763

Place: Gurugram
Date: 24 May 2021

Annexure A referred to in paragraph (1) under ‘Report on Other Legal and Regulatory Requirements’ in our Independent Auditor’s Report to the members of MPS Interactive Systems Limited for the year ended 31 March 2021. We report that:

- (i)
 - (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
 - (b) The Company has a regular program of physical verification of its fixed assets by which all fixed assets are verified every year, which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. In accordance with this program, all fixed assets have been physically verified by the management during the year. The discrepancies noticed on such verification were not material.
 - (c) According to the information and explanations given to us and on the basis of our examination of the records, the Company does not hold any immovable property. Thus paragraph 3(i)(c) of the Order is not applicable to the Company.
- (ii) The Company is a service company, primarily engaged in the business of providing eLearning and platform services. Accordingly, it does not hold any physical inventories. Thus, paragraph 3(ii) of the order is not applicable.
- (iii) According to the information and explanations given to us, the Company has not granted any loans, secured or unsecured to companies, firms, limited liability partnerships or other parties covered in the register maintained under section 189 of the Companies Act, 2013(‘the Act’). Accordingly, the provisions of paragraph 3 (iii) of the Order is not applicable.
- (iv) According to the information and explanations given to us and on examination of the records of the Company, the Company has not given any loans, or made any investments, or provided any guarantee, or security as under section 185 and 186 of the Act. Accordingly, paragraph 3(vi) of the Order is not applicable.
- (v) As per the information and explanations given to us, the Company has not accepted any deposits as mentioned in the directives issued by the Reserve Bank of India and the provisions of section 73 to 76 or any other relevant provisions of the Companies Act, 2013 and the rules framed there under. Accordingly, paragraph 3(v) of the Order is not applicable.
- (vi) According to the information and explanation given to us, the Central Government of India pursuant to the Companies (Cost Records and Audit) Amendment Rules, 2014 has not prescribed the maintenance of cost records under sub-section (1) of Section 148 of the Companies Act, 2013 for any of the services carried out by the Company.
- (vii)
 - (a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, amounts deducted /accrued in the books of account in respect of undisputed statutory dues including Provident Fund, Employees State Insurance, Income tax, Cess, Goods & Services Tax and other material statutory dues have been regularly deposited with the appropriate authorities. As explained to us, the provisions relating to sales tax, value added tax, Duty of excise and Duty of customs are not applicable to the Company.
 - (b) According to the information and explanations given to us, no undisputed amounts payable in respect of Provident Fund, Employees State Insurance, Income tax, Cess, Goods & Services Tax and other material statutory dues were in arrears as at 31 March 2021 for a period of more than six months from the date they become payable.
 - (c) According to the information and explanations given to us, there are no dues of Income tax

or Goods & Services Tax which have not been deposited by the Company with the appropriate authorities on account of any dispute as at 31 March 2021.

- (viii) The Company does not have any loans or borrowings from any financial institution, banks, government or debenture holders during the year. Accordingly, paragraph 3 (viii) of the Order is not applicable.
- (ix) According to information and explanations given to us, the Company has not raised any money by way of initial public offer or further public offer (including debt instruments) or term loan during the year. Accordingly, paragraph 3(ix) of the order is not applicable.
- (x) According to the information and explanations given to us, no material fraud by the Company and no material fraud on the Company by its officers or employees has been noticed or reported during the year.
- (xi) According to the information and explanations provided to us and on the basis of our examination of the records of the Company, the Company has not paid any remuneration during the year. Accordingly, paragraph 3(xi) of the order is not applicable.
- (xii) According to the information and explanations given to us, the Company is not a Nidhi company. Accordingly, paragraph 3(xii) of the Order is not applicable.
- (xiii) According to the information and explanations given to us and on the basis of our examination of the records of the Company, there are no transactions with the related parties which are not in compliance with section 177 and 188 of the Act and the details have been disclosed in the financial statements, as required, by the applicable accounting standards.
- (xiv) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year. Accordingly, paragraph 3(xiv) of the Order is not applicable.
- (xv) According to the information and explanations given to us, the Company has not entered into any non-cash transactions with directors or persons connected with him. Accordingly, paragraph 3(xv) of the Order is not applicable.
- (xvi) According to the information and explanations given to us, the Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934.

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

SHASHANK Digitally signed by
AGARWAL SHASHANK AGARWAL
Date: 2021.05.24
23:48:42 +05'30'

Shashank Agarwal
Partner
Membership No. 095109
ICAI UDIN: 21095109AAAADL3763

Place: Gurugram
Date: 24 May 2021

Annexure B to the Independent Auditors' report on the financial statements of MPS Interactive Systems Limited for the year ended 31 March 2021

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

(Referred to in paragraph 2(A)(f) under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

Opinion

We have audited the internal financial controls with reference to financial statements of **MPS Interactive Systems Limited** ("the Company") as of 31 March 2021 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

In our opinion, the Company has, in all material respects, adequate internal financial controls with reference to financial statements and such internal financial controls were operating effectively as at 31 March 2021, based on the internal financial controls with reference to financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (the "Guidance Note").

Management's Responsibility for Internal Financial Controls

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

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls with reference to financial statements based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing, prescribed under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls with reference to financial statements. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to financial statements were established and maintained and whether such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls with reference to financial statements and their operating effectiveness. Our audit of internal financial controls with reference to financial statements included obtaining an understanding of such internal financial controls, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

B S R & Co. LLP

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls with reference to financial statements.

Meaning of Internal Financial controls with Reference to Financial Statements

A company's internal financial controls with reference to financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial controls with reference to financial statements include those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial controls with Reference to Financial Statements

Because of the inherent limitations of internal financial controls with reference to financial statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls with reference to financial statements to future periods are subject to the risk that the internal financial controls with reference to financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

For B S R & Co. LLP

Chartered Accountants

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

**SHASHANK
AGARWAL**

Digitally signed by

SHASHANK

AGARWAL

Date: 2021.05.24

23:49:02 +05'30'

Shashank Agarwal

Partner

Membership No. 095109

ICAI UDIN: 21095109AAAADL3763

Place: Gurugram

Date: 24 May 2021

MPS Interactive Systems Limited
Balance Sheet as at 31 March 2021

		INR in Lacs	
	Note	As at 31 March 2021	As at 31 March 2020
ASSETS			
Non-current assets			
Property, plant and equipment	3.1	217.39	249.39
Capital work in progress	3.1	-	2.69
Right-of-use assets	3.2	344.55	537.18
Goodwill	4	3,959.72	3,959.72
Other intangible assets	4	365.68	584.59
Financial assets			
Loans	6 (i)	73.18	77.78
Other financial assets	7 (i)	475.91	24.46
Income tax assets (net)	8	179.39	450.09
Other non-current assets	9 (i)	115.40	120.68
Total non-current assets		5,731.22	6,006.58
Current assets			
Financial assets			
Investments	5	201.73	2,998.48
Trade receivables	10	756.06	1,499.17
Cash and cash equivalents	11 (i)	360.36	973.40
Other bank balance	11 (ii)	791.81	411.10
Loans	6 (ii)	1.28	1.35
Other financial assets	7	49.78	60.50
Other current assets	9 (ii)	473.84	991.47
Total current assets		2,634.86	6,935.47
TOTAL ASSETS		8,366.08	12,942.05
EQUITY AND LIABILITIES			
Equity			
Equity share capital	12	6,200.00	6,200.00
Other equity		(452.46)	421.39
Total equity		5,747.54	6,621.39
Liabilities			
Non-current liabilities			
Financial liabilities			
Borrowings and Lease liabilities	14 (i)	149.07	3,771.50
Provisions	18 (i)	63.62	57.13
Deferred tax liabilities (net)	13	678.16	109.68
Total non-current liabilities		890.85	3,938.31
Current liabilities			
Financial liabilities			
Borrowings and lease liabilities	14 (ii)	265.89	265.89
Trade payables	15		
Due to Micro and Small enterprises		-	-
Due to Others		196.90	276.10
Other financial liabilities	16	112.47	677.06
Other current liabilities	17	1,137.54	1,140.10
Provisions	18 (ii)	14.89	23.19
Total current liabilities		1,727.69	2,382.34
TOTAL EQUITY AND LIABILITIES		8,366.08	12,942.05
Significant accounting policies	2		
Notes to financial statements	3-38		

The accompanying notes form an integral part of financial statements.

As per our report of even date attached

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

SHASHANK
AGARWAL
Digitally signed by SHASHANK
AGARWAL
Date: 2021.05.24 23:42:42 +05'30'

Shashank Agarwal
Partner
Membership Number: 095109

For and on behalf of the Board of Directors of
MPS Interactive Systems Limited
16

RAHUL ARORA
Digitally signed by Rahul Arora
DN: cn=Rahul Arora, o=MPS
Interactive Systems Limited,
ou=Finance and Accounting,
email=rahul.arora@mpsi.com,
c=IN

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

Sunit
Malhotra
Digitally signed by Sunit Malhotra
DN: cn=Sunit Malhotra, o=MPS
Interactive Systems Limited,
ou=Finance and Accounting,
email=sunit.malhotra@mpsi.com,
c=IN

Sunit Malhotra
Chief Financial Officer &
Company Secretary

Ajay
Mankotia
Digitally signed by Ajay Mankotia
DN: cn=Ajay Mankotia, o=MPS
Interactive Systems Limited,
ou=Finance and Accounting,
email=ajay.mankotia@mpsi.com,
c=IN

Ajay Mankotia
Director

DIN: 03123827

Place : Gurugram
Date : 24 May 2021

Place : Gurugram
Date : 24 May 2021

MPS Interactive Systems Limited
Statement of Profit & Loss for the year ended 31 March 2021

INR in Lacs

	Note	For the year ended 31 March 2021	For the year ended 31 March 2020
Revenue from operations	19	4,737.89	6,432.46
Other income	20	134.83	461.11
Total income		4,872.72	6,893.57
Expenses			
Employee benefits expense	21	3,065.68	3,753.60
Finance costs	22	151.79	505.56
Depreciation and amortization expense	23	446.85	503.42
Other expenses	24	1,287.46	1,644.76
Total expenses		4,951.78	6,407.34
(Loss) / profit before tax		(79.06)	486.23
Tax expense:			
Current tax	25	22.98	4.80
Deferred tax		551.66	174.94
Total tax expenses		574.64	179.74
(Loss) / profit for the year		(653.70)	306.49
Other comprehensive income			
Remeasurement of gain/(losses) net defined benefit plans		66.80	(32.10)
Income tax relating to items that will not be reclassified to profit or loss		(16.81)	8.08
Total other comprehensive income for the year, net of tax		49.99	(24.02)
Total comprehensive (loss)/income for the year		(603.71)	282.47
(Loss) / earnings per equity share (nominal value of share INR 10)			
- Basic and diluted (earnings per equity share expressed in absolute amount in Indian Rupees)	26	(1.05)	0.49
Significant accounting policies	2		
Notes to financial statements	3-38		
The accompanying notes form an integral part of financial statements.			

As per our report of even date attached

For **B S R & Co. LLP**

Chartered Accountants

ICAI Firm Registration Number: 101248W/W-100022

SHASHANK Digitally signed by
AGARWAL SHASHANK AGARWAL
Date: 2021.05.24
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Shashank Agarwal

Partner

Membership Number: 095109

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

RAHUL Digitally signed by RAHUL ARORA
ARORA DN: cn=RAHUL ARORA, o=MPS Interactive Systems Limited, email=rahul.arora@mpsinteractive.com, c=IN
Date: 2021.05.24 23:20:41 +05'30'

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

Sunit Digitally signed by Sunit Malhotra
Malhotra DN: cn=Sunit Malhotra, o=MPS Interactive Systems Limited, email=sunit.malhotra@mpsinteractive.com, c=IN
Date: 2021.05.24 23:20:40 +05'30'

Sunit Malhotra
Chief Financial Officer &
Company Secretary

Ajay Digitally signed by Ajay Mankotia
Mankotia DN: cn=Ajay Mankotia, o=MPS Interactive Systems Limited, email=ajay.mankotia@mpsinteractive.com, c=IN
Date: 2021.05.24 23:23:54 +05'30'

Ajay Mankotia
Director

DIN: 03123827

Place : Gurugram
Date : 24 May 2021

Place : Gurugram
Date : 24 May 2021

MPS Interactive Systems Limited
Statement of change in equity for the year ended 31 March 2021

	INR in Lacs		
	For the year ended 31 March 2021	For the year ended 31 March 2020	
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	
B. Other equity			INR in Lacs
Particulars	Capital Reserve	Reserve and Surplus Retained earnings	Total
Balance as at 31 March 2019	427.76	(338.71)	89.05
Transition impact of Ind AS 116 (refer note 35 b)		(14.83)	(14.83)
Restated balance as at 1 April 2019	427.76	(353.54)	74.22
Profit for the year	-	306.49	306.49
Other comprehensive income	-	(24.02)	(24.02)
Total comprehensive income/(loss) for the year	427.76	(71.07)	356.69
8% Cumulative Redeemable Preference Shares (equity portion) (transaction with shareholder - refer note 14)	64.70	-	64.70
Balance as at 31 March 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) -refer note 14	(270.14)	-	(270.14)
Balance as at 31 March 2021	222.32	(674.78)	(452.46)

Notes:

1 Nature and purpose of other equity:

Reserve and Surplus: This represents the cumulative loss 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 accompanying notes form an integral part of financial statements.

As per our report of even date attached

For BSR & Co. LLP

Chartered Accountants

ICAI Firm Registration Number: 101248W/W-100022

**SHASHANK
AGARWAL**

Digitally signed by SHASHANK
AGARWAL
Date: 2021.05.24 23:44:07 +05'30'

Shashank Agarwal
Partner
Membership Number: 095109

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

**RAHUL
ARORA**

Digitally signed by RAHUL ARORA
DN: cn=Rahul Arora, o=MPS Interactive Systems Limited, email=rahul.arora@mpsi.com, c=IN
Date: 2021.05.24 23:44:07 +05'30'

Rahul Arora
Chief Executive Officer
& Whole Time Director

DIN: 05353333

**Ajay
Mankotia**

Digitally signed by Ajay Mankotia
DN: cn=Ajay Mankotia, o=MPS Interactive Systems Limited, email=ajay.mankotia@mpsi.com, c=IN
Date: 2021.05.24 23:24:15 +05'30'

Ajay Mankotia
Director

DIN: 03123827

**Sunit
Malhotra**

Digitally signed by Sunit Malhotra
DN: cn=Sunit Malhotra, o=MPS Interactive Systems Limited, email=sunit.malhotra@mpsi.com, c=IN
Date: 2021.05.24 23:21:00 +05'30'

Sunit Malhotra
Chief Financial Officer &
Company Secretary

Place : Gurugram
Date : 24 May 2021

Place : Gurugram
Date : 24 May 2021

MPS Interactive Systems Limited
Cash Flows Statement for the year ended 31 March 2021

INR in Laacs

Particulars	For the year ended 31 March 2021	For the year ended 31 March 2020
A. Cash flows from operating activities		
(Loss) / profit before tax	(79.06)	486.23
Adjustments:		
Depreciation and amortisation expense	446.85	503.42
Interest income	(48.77)	(15.31)
Gain on lease termination	(0.92)	-
Rent Concession	(15.37)	-
Interest on Income tax refund	(22.61)	-
Net gain on sale of current investment	(4.31)	(9.30)
Finance costs	151.79	505.56
Loss / (gain) on sale/disposal/discard of property, plant and equipment (net)	1.67	(6.32)
(Gain) on investment carried at fair value through profit or loss	(15.22)	(240.95)
Liabilities/provisions no longer required written back	-	(56.16)
Allowances for expected credit loss	48.99	65.31
Bad debts written off	9.10	3.88
Unrealised foreign exchange loss (net)	28.34	16.49
Operating cash flows before working capital changes	500.48	1,252.86
Decrease / (increase) in trade receivables	659.50	(711.33)
Decrease / (increase) in loans	4.68	(0.10)
Decrease in other financial assets	18.29	69.65
Decrease / (increase) in other current assets	517.63	(284.13)
Decrease in other non current assets	5.28	64.82
(Decrease) in trade payables	(82.02)	(185.35)
(Decrease) in other financial liabilities	(37.80)	(64.55)
Increase / (decrease) in other current liabilities	39.38	(577.71)
Increase / (decrease) in provisions	65.00	(11.35)
Cash generated / (used in) from operations	1,690.42	(447.20)
Income tax paid (net of refunds)	270.33	(109.16)
Net cash generated / (used in) from operating activities (A)	1,960.75	(556.36)
B. Cash flows from investing activities		
Purchase of property, plant and equipment (including capital work-in-progress)	(40.83)	(58.06)
Purchase of other intangible assets	(0.01)	(3.74)
Proceeds from sale of property, plant and equipment	3.66	21.19
Proceeds from sale of current investments	4,705.94	4,099.00
Purchase of current investments	(1,889.66)	(2,414.00)
Investment in Fixed Deposit	(2,847.44)	(442.20)
Redemption of Fixed Deposit	2,015.28	142.15
Interest received	41.21	11.17
Net cash generated from investing activities (B)	1,988.15	1,355.50
C. Cash flows from financing activities		
Redemption of preference shares	(2,200)	-
Repayment of rent lease Liability along with interest	(184.87)	(198.93)
(Repayment) of intercorporate deposit	(2,052.60)	(247.40)
Interest paid	(95.05)	(195.00)
Dividend paid on preference share	(29.41)	(176.00)
Tax on dividend	-	(36.19)
Net cash (used in) from financing activities (C)	(4,561.93)	(853.52)
Net (decrease) in cash and cash equivalents (A+B+C)	(613.04)	(54.37)
Cash and cash equivalents at the beginning of the year	973.40	1,027.77
Cash and cash equivalents at the end of year (see below)	360.36	973.40
Components of cash and cash equivalents:		
Cash on hand	0.09	0.21
Balances with banks		
- Current accounts	235.12	164.36
- EEFC accounts	125.15	309.83
- Demand deposit accounts (demand deposits and deposits having original maturity of 3 months or less)	-	499.00
	360.36	973.40

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 BSR & Co. LLP
Chartered Accountants
ICAI Firm Registration Number: 101248W/W-100022
SHASHANK
AGARWAL
Digitally signed by SHASHANK AGARWAL
Date: 2021.05.24 23:44:36 +05'30'
Shashank Agarwal
Partner
Membership Number: 095109

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

RAHUL
ARORA
Digitally signed by RAHUL ARORA
Date: 2021.05.24 23:44:36 +05'30'
Rahul Arora
Chief Executive Officer
& Whole Time Director
DIN: 05353333

Sunit Malhotra
Digitally signed by Sunit Malhotra
Date: 2021.05.24 23:44:36 +05'30'
Sunit Malhotra
Chief Financial Officer &
Company Secretary

Ajay
Mankotia
Digitally signed by Ajay Mankotia
Date: 2021.05.24 23:24:38 +05'30'
our-Director,
email=ajaymankotia@theindia.com,
c=IN,
Date: 2021.05.24 23:24:38 +05'30'
Ajay Mankotia
Director
DIN: 03123827

Place : Gurugram
Date : 24 May 2021

Place : Gurugram
Date : 24 May 2021

MPS Interactive Systems Limited
Notes forming part of the Financial Statements

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 per the Companies (Indian Accounting Standards) Rules, 2015 notified under Section 133 of Companies Act, 2013, (“the Act”) and other relevant provisions of the Act.

The financial statements of the Company for the year ended 31 March 2021 were approved for issue in accordance with the resolution of the Board of Directors on 24 May 2021.

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.

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- 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 13
- Estimation of obligations relating to employee benefits – refer note 28
- Fair value measurement – refer note 29
- Provisions and contingencies : key assumptions about the likelihood and magnitude of an outflow of resources – refer note 34
- 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.

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2.3 Property, plant and equipment (PPE), Investment properties 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 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.

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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.

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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.

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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.

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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.

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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.

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

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

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

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

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

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

The Company disaggregates revenue from contracts with 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.

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

- a) Short-term employee benefits:** All employee benefits falling due within twelve months of the end of the period in which the employees render the related services are classified as short term employee benefits, which include benefits like salaries, wages, short term compensated absences, performance incentives, etc. and are recognised as expenses in the period in which the employee renders the related service and measured accordingly.
- b) Post-employment benefits:** Post employment benefit plans are classified into defined benefits plans and defined contribution plans as under:
 - **Gratuity:** The Company has an obligation towards gratuity, a defined benefit retirement plan covering eligible employees. The plan provides for a lump sum payment to vested employees at retirement, death while in employment or on termination of employment of an amount based on the respective employee's salary and the tenure of employment. The liability in respect of Gratuity is recognised in the

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

- **Superannuation:** Certain employees of the Company are also participants in the superannuation plan ('the Plan'), a defined contribution plan. Contribution made by the Company to the plan 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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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:

- o 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;
- o 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
- o 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.

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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.

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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.

2.18 New standards and interpretations not yet adopted

On 24 March 2021, the Ministry of Corporate Affairs ("MCA") through a notification amended Schedule III of the Companies Act, 2013. The amendments revise Division I, II and III of Schedule III and are applicable from 1 April 2021. The Company is evaluating the effect of the amendments on its financial statements.

MPS Interactive Systems Limited
Notes forming part of Financial Statements for the year ended 31 March 2021
(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 & equipment	Furniture & Fixtures	Vehicles	Leasehold improvements	Capital Work-in-Progress	Total
Gross carrying value						
As at 1 April 2019	273.31	98.41	5.31	31.25	18.38	426.66
Additions	41.47	8.20	6.06	-	2.34	58.07
Disposals/adjustments	(10.21)	(12.79)	(6.06)	-	(18.03)	(47.09)
As at 31 March 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
Accumulated depreciation						
As at 1 April 2019	64.47	18.10	1.55	23.86	-	107.98
Depreciation charge for the year	64.15	19.46	1.88	6.28		91.77
Disposals/adjustments	(3.87)	(6.64)	(0.57)	(3.11)		(14.19)
As at 31 March 2020	124.74	30.92	2.87	27.02	-	185.56
Depreciation charge for the year	48.10	16.80	0.22	2.37		67.49
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

Net carrying value	Plant & equipment	Furniture & Fixtures	Vehicles	Leasehold improvements	Capital Work-in-Progress	Total
As at 31 March 2021	170.04	45.63	1.72	0.00	-	217.39
As at 31 March 2020	179.83	62.90	2.44	4.22	2.69	252.08

Net carrying value	As at 31 March 2021	As at 31 March 2020
Property, plant and equipment	217.39	249.39
Capital work in progress	-	2.69

MPS Interactive Systems Limited

Notes forming part of Financial Statements for the year ended 31 March 2021

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

3.2 Right-of-use asset

Particulars	Buildings (refer note 35 b)	Total
Gross carrying value		
As at 1 April 2019	702.56	702.56
Additions	-	-
Disposals/adjustments	-	-
Depreciation charge for the year	165.38	165.38
As at 31 March 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

Net carrying value	Buildings (refer note 35 b)	Total
As at 31 March 2021	344.55	344.55
As at 31 March 2020	537.18	537.18

Amount recognised in profit or loss for Right-of-use asset	As at 31 March 2021	As at 31 March 2020
Depreciation for the year	160.44	165.38
Interest on lease liabilities	54.34	68.79

MPS Interactive Systems Limited
Notes forming part of Financial Statements for the year ended 31 March 2021
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4. Intangible assets

Particulars	Goodwill	Other intangible assets			Total
		Customer relationship	Order Book	Computer software (acquired)	
Gross carrying value					
As at 1 April 2019	3,959.72	671.60	151.62	226.96	5,009.90
Additions	-	-	-	3.74	3.74
Disposals/adjustments	-	-	-	-	-
As at 31 March 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
Accumulated depreciation/amortisation					
As at 1 April 2019	-	111.96	42.65	68.45	223.06
Amortisation expense for the year	-	134.23	49.98	62.06	246.27
Disposals/adjustments	-	-	-	-	-
As at 31 March 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

Net carrying value	Goodwill	Customer relationship	Order Book	Computer software (acquired)	Total
As at 31 March 2021	3,959.72	291.09	8.45	66.14	4,325.40
As at 31 March 2020	3,959.72	425.41	58.99	100.19	4,544.31

Net carrying value	As at 31 March 2021	As at 31 March 2020
Goodwill	3,959.72	3,959.72
Other Intangible assets	365.68	584.59

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 2021	31 March 2020
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 2021 (31 March 2020: 4%) representing management view on the future long-term growth rate.
- Discount rate of 18% for the year ended 31 March 2021 (31 March 2020: 19%) 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.

MPS Interactive Systems Limited
Notes forming part of Financial Statements for the year ended 31 March 2021
(INR in Lacs, except share and per share data, unless otherwise stated)

5 Current investments				
Particulars	As at 31 March 2021		As at 31 March 2020	
	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)				
HDFC Overnight Fund - Direct Plan - Growth Option	-	-	22.21	659.32
ICICI Prudential Liquid Fund - Direct Plan - Growth	49.88	151.99	0.10	0.29
Kotak Liquid Direct Plan Growth	-	-	10.40	417.54
Axis Liquid Direct Plan Growth	-	-	16.88	372.01
ICICI Prudential Overnight Fund - Direct Plan - Growth	-	-	830.29	894.62
Kotak Overnight Direct Plan Growth	-	-	42.49	452.87
ABSL Liquid Fund - Direct Plan - Growth Option	15.00	49.74	63.16	201.83
Total	64.88	201.73	985.51	2,998.48
Aggregate market value of unquoted investments		201.73		2,998.48
6 Loans				
Particulars	As at 31 March 2021		As at 31 March 2020	
(i) Non Current (unsecured, considered good)				
Security deposits			73.18	77.78
			73.18	77.78
(ii) Current (unsecured, considered good)				
Security deposits			1.28	1.35
			1.28	1.35
7 Other financial assets				
Particulars	As at 31 March 2021		As at 31 March 2020	
(i) Non Current (unsecured, considered good)				
Bank deposits due to mature after 12 months of the reporting date			475.91	24.46
			475.91	24.46
(ii) Current (unsecured, considered good)				
Interest accrued on deposits			13.63	6.07
Others advances				
- Other recoverable			36.15	54.43
			49.78	60.50
8 Income taxes				
Particulars	As at 31 March 2021		As at 31 March 2020	
Advance income tax (net of provision of INR 15.49 lacs (31 March 2020: INR 5.59 lacs)			179.39	450.09
			179.39	450.09

MPS Interactive Systems Limited
Notes forming part of Financial Statements for the year ended 31 March 2021

9 Other assets		
Particulars	As at 31 March 2021	As at 31 March 2020
(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	13.19
	<u>115.40</u>	<u>120.68</u>
(ii) Other current assets (unsecured, considered good)		
Advances to employees		
Considered good	-	17.76
	-	17.76
Contract assets		
Considered good	187.73	741.20
Advance to suppliers	12.10	12.73
Prepaid expenses	63.69	103.71
Balances with government authorities		
-Goods and Services Tax, Credit	176.67	110.13
-Others	4.47	-
Prepayment rent	5.28	5.28
Others	-	0.66
Gratuity fund	23.90	-
	<u>473.84</u>	<u>991.47</u>

MPS Interactive Systems Limited
Notes forming part of Financial Statements for the year ended 31 March 2021

10 Trade receivables		
Particulars	As at 31 March 2021	As at 31 March 2020
Current		
Trade receivables	756.06	1,491.68
Receivables from fellow subsidiary (refer note 32)	-	7.49
	756.06	1,499.17
Break-up for details:		
Trade receivables (unsecured)		
Considered good	886.01	1,580.13
Less: Expected credit loss allowance (refer note 30 (ii))	129.95	80.96
	756.06	1,499.17
Trade receivables which have significant increase in credit risk	-	-
Trade receivables - credit impaired	-	-
Less: expected credit loss allowance (refer note 30 (ii))	-	-
	-	-
Total trade receivables	756.06	1,499.17
11 Cash and Bank balances		
Particulars	As at 31 March 2021	As at 31 March 2020
(i) Cash and cash equivalents		
Balances with banks		
-In Current accounts	235.12	164.36
-In EEFC accounts	125.15	309.83
-In demand deposit accounts (demand deposits and deposits having original maturity of 3 months and less)	-	499.00
Cash on hand	0.09	0.21
	360.36	973.40
(ii) Other Bank Balance		
Bank deposits due to mature within 12 months of the reporting date	791.81	411.10
	791.81	411.10
Details of bank balances/deposits		
Bank balances available on demand/deposits with original maturity of 3 months or less included under 'Cash and cash equivalents'	-	499.00
Bank deposits due to mature within 12 months of the reporting date included under 'Other balances with banks'	791.81	411.10
Bank deposits due to mature after 12 months of the reporting date included under 'Other non-current financial assets'	475.91	24.46
	1,267.72	934.56

MPS Interactive Systems Limited
Notes forming part of Financial Statements for the year ended 31 March 2021

12 Share capital

(i) Particulars	As at	
	31 March 2021	31 March 2020
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
	<u>6,500.00</u>	<u>9,000.00</u>
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
	<u>6,200.00</u>	<u>6,200.00</u>

(ii) Reconciliation of the equity share outstanding at beginning and for the year ended 31 March 2021

Particulars	As at		As at	
	31 March 2021		31 March 2020	
	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	<u>6,20,00,000</u>	<u>6,200.00</u>	<u>6,20,00,000</u>	<u>6,200.00</u>

(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.

Preference Shares : The Company had only one class of preference shares, i.e., cumulative redeemable preference shares having a par value of INR 10 per share. Each holder of preference shares was entitled to vote as per Section 47(2) of the Companies Act, 2013. Each holder of preference shares carried a preferential right with respect to payment of dividend and repayment, in the case of a winding up or repayment of capital vis-a-vis equity shares. 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 2021.

The Company has revised the terms of preference shares vide AGM dated 23 July 2019 by way of special resolution as detailed below:-

- 1) Payment of dividend from non-cumulative to cumulative basis; and
- 2) Redemption of shares on the call of the company anytime earlier than previous redemption terms i.e. in two equal installments in the end of 5th year from the date of allotment year and in the end of 6th year from the date of allotment year.

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

Particulars	As at		As at	
	31 March 2021		31 March 2020	
	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
Preference shares of INR 10 each fully paid up and held by				
MPS Limited	-	-	2,20,00,000	2,200

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

Class of shares / Name of shareholder	As at		As at	
	31 March 2021		31 March 2020	
	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%
Preference shares of INR 10 each fully paid up and held by				
MPS Limited	-	0.00%	2,20,00,000	100.00%

(vi) Aggregate number of bonus shares issued, shares issued for consideration other than cash and shares bought back during the period of five years immediately preceding the reporting date:

There are no bonus shares issued and shares bought back since incorporation of the Company.

MPS Interactive Systems Limited
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(INR in Lacs, except share and per share data, unless otherwise stated)

13 Deferred tax

Deferred income tax reflect the net tax effects of temporary difference between the carrying amount of asset and liabilities for financial reporting purposes and the amounts used for income tax purposes. Significant component of the Company's net deferred 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 2019	5.19	2.92	363.64	-	17.17	388.92
(Charged)/credited						
-Addition on account of IND AS 116	-	-	-	6.72	-	6.72
- to statement of profit and Loss	15.19	16.26	(70.15)	7.57	(17.05)	(48.19)
- to other comprehensive income	-	8.08	-	-	-	8.08
As at 31 March 2020	20.38	27.26	293.49	14.29	0.12	355.53
(Charged)/credited						
- 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

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 2019	(328.09)	(10.37)	(338.46)
(Charged)/credited			
- to statement of profit and Loss	(116.19)	(10.57)	(126.75)
- to other comprehensive income	-	-	-
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)

Reflected in the Balance Sheet as follows:

	As at 31 March 2021	As at 31 March 2020
Deferred tax assets	311.55	355.53
Deferred tax liabilities	(989.71)	(465.21)
Deferred tax (liability)	(678.16)	(109.68)

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

	As at 31 March 2021	As at 31 March 2020
Balance as at the commencement of the year	(109.68)	50.46
Credit during the year recognised in Statement of profit and loss	551.67	174.94
Expense during the year recognised in other comprehensive income	16.81	(8.08)
Addition on account of IND AS 116	-	6.72
Balance as at 31 March 2021	(678.16)	(109.68)

MPS Interactive Systems Limited
Notes forming part of Financial Statements for the year ended 31 March 2021

14 Borrowings and Lease liabilities		
Particulars	As at 31 March 2021	As at 31 March 2020
(i) Non-current borrowings		
Lease liabilities	149.07	328.08
Loan * (refer note 32)	-	2,052.60
Less: Amount included under 'Other financial Liabilities'	-	(526.79)
	149.07	1,853.89
Liability Component of Non Cumulative Redeemable Preference Shares**	-	1,883.55
Add: Interest Accrued on Preference share capital (net of dividend & dividend distribution tax payment)	-	34.07
	-	1,917.61
	149.07	3,771.50
(ii) Current borrowings		
Lease liabilities	265.89	265.89
	265.89	265.89

Note:

* The Company had borrowed loan of INR 2,300 Lacs at 8.5 % p.a. from MPS Limited as on 18 June 2018. Repayment schedule is as below:

S. no.	Due date of payment	Installment towards loan
1	31 December 2019	247.40
2	30 June 2020	257.91
3	31 December 2020	268.88
4	30 June 2021	280.30
5	31 December 2021	292.22
6	30 June 2022	304.63
7	31 December 2022	317.58
8	30 June 2023	331.08
		2,300.00

As per the terms of the loan agreement, the company had exercised the right to prepay the entire loan amount and the interest due thereon.

** 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.

MPS Interactive Systems Limited
Notes forming part of Financial Statements for the year ended 31 March 2021

15 Trade payables		
Particulars	As at 31 March 2021	As at 31 March 2020
Trade payables		
Due to micro and small enterprises (refer note 27)	-	-
Due to others	196.90	240.42
Trade payables to related parties (refer note 32)	-	35.68
	196.90	276.10
16 Other financial liabilities (Current)		
Particulars	As at 31 March 2021	As at 31 March 2020
Borrowings	-	526.79
Employee payable	112.47	150.27
Others	-	0.00
	112.47	677.06
17 Other current liabilities		
Particulars	As at 31 March 2021	As at 31 March 2020
Income received in advance (contract liabilities) (refer note 33 (iii))	1,074.50	987.76
Interest accrued but not due (refer note 32)	-	39.26
Statutory remittances*	62.73	113.08
Others	0.31	-
	1,137.54	1,140.10
*includes goods and services tax, tax deducted at source, provident fund and employee state insurance, etc.		
18 Provisions		
Particulars	As at 31 March 2021	As at 31 March 2020
(i) Non Current		
Provision for compensated absences	63.62	57.13
	63.62	57.13
(ii) Current		
Provision for compensated absences	14.89	13.57
Provision for gratuity	-	9.62
	14.89	23.19

MPS Interactive Systems Limited**Notes forming part of Financial Statements for the year ended 31 March 2021****(INR in Lacs, except share and per share data, unless otherwise stated)**

19 Revenue from operations			
Particulars		For the year ended 31 March 2021	For the year ended 31 March 2020
Sale of services			
Exports (earnings in foreign currency)		4,204.96	5,316.09
Domestic		532.93	1,116.37
		4,737.89	6,432.46

20 Other income			
Particulars		For the year ended 31 March 2021	For the year ended 31 March 2020
Interest income on:			
- Deposits with banks		48.77	15.31
Interest on Income tax refund		22.61	-
Net gain on sale of current investment carried at fair value through profit		4.31	9.30
Net gain on foreign currency transactions		-	54.84
Rent Concession		15.37	-
Other non-operating income (refer note (i) below)		43.77	381.66
		134.83	461.11

Note (i) Other non-operating income comprises:

Particulars		For the year ended 31 March 2021	For the year ended 31 March 2020
Gain on sale/disposal/discard of property, plant and equipment (net)		-	6.32
Gain on investment carried at fair value through profit or loss		15.22	240.95
Liabilities no longer required written back		-	56.16
Gain on lease termination		0.92	-
Miscellaneous income		27.63	78.23
		43.77	381.66

MPS Interactive Systems Limited**Notes forming part of Financial Statements for the year ended 31 March 2021****(INR in Lacs, except share and per share data, unless otherwise stated)****21 Employee benefits expenses**

Particulars	For the year ended 31 March 2021	For the year ended 31 March 2020
Salaries and wages (refer note 28)	2,866.38	3,513.17
Contribution to provident and other funds (refer note 28)	157.45	171.00
Staff welfare expenses	41.85	69.43
	3,065.68	3,753.60

22 Finance costs

Particulars	For the year ended 31 March 2021	For the year ended 31 March 2020
Interest on lease liabilities (refer note 35)	54.34	68.79
Interest expense on inter corporate deposits & preference shares	97.45	436.77
	151.79	505.56

23 Depreciation and amortisation expense

Particulars	For the year ended 31 March 2021	For the year ended 31 March 2020
Depreciation on property, plant and equipment (refer note 3.1)	67.50	91.77
Depreciation on right of use assets (refer note 3.2)	160.44	165.38
Amortization on intangible assets (refer note 4)	218.91	246.27
	446.85	503.42

MPS Interactive Systems Limited**Notes forming part of Financial Statements for the year ended 31 March 2021****(INR in Lacs, except share and per share data, unless otherwise stated)****24 Other expenses**

Particulars	For the year ended 31 March 2021	For the year ended 31 March 2020
Outsourcing cost	720.58	716.91
Power and fuel	54.87	90.36
Rent (refer note 35 b)	8.29	18.34
Repairs and maintenance - buildings	28.78	64.59
Repairs and maintenance - others	31.08	29.85
Insurance	1.50	2.84
Rates and taxes	3.26	1.59
Communication	44.17	47.04
Travelling and conveyance	2.43	225.43
Legal and professional	61.98	66.38
Sales and marketing expense	49.87	69.17
Software expense	131.99	156.79
Directors sitting fees	4.00	5.00
Payments to auditors (refer note (i) below)	14.50	14.50
Bad debts written off	9.10	3.88
Allowances for expected credit loss and doubtful advances	48.99	65.31
Loss on sale/disposal/discard of property, plant and equipment (net)	1.67	-
Net loss on foreign currency transactions	41.01	-
Miscellaneous expenses	29.38	66.78
	1,287.46	1,644.76

**(i) Payments to the auditors comprises
(net of GST credit, where applicable):**

	For the year ended 31 March 2021	For the year ended 31 March 2020
To statutory auditors		
for statutory audit	10.50	10.50
for transfer pricing	2.50	2.50
for tax audit	1.50	1.50

MPS Interactive Systems Limited

Notes forming part of Financial Statements for the year ended 31 March 2021

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

25 Income tax

The major components of income tax expense for the year ended 31 March 2021 and 31 March 2020 are:

	For the year ended 31 March 2021	For the year ended 31 March 2020
Current income tax:		
Current income tax charge for the year	22.98	4.80
Adjustments in respect of current income tax of previous period	-	-
	22.98	4.80
Deferred tax:		
Deferred tax on profits for the year	551.66	174.94
Adjustments in respect of deferred tax of previous period	-	-
	551.66	174.94
Income tax expense reported in the Statement of Profit and Loss	574.65	179.74
OCI section		
Tax related to items that will not be reclassified to Profit and Loss	(16.81)	8.08
Income tax charged to OCI	(16.81)	8.08

Reconciliation between average effective tax rate and applicable tax rate for the year ended 31 March 2021 and 31 March 2020:

	For the year ended 31 March 2021	For the year ended 31 March 2020
Accounting profit (loss) before income tax	(79.06)	486.23
At India's statutory income tax rate	25.17%	25.17%
Computed Tax Expense	(19.90)	122.37
Change in tax rate	-	11.05
Non-deductible expenses	10.48	62.02
Additional allowances for tax purpose	(28.55)	(3.84)
Others	29.03	(11.86)
DTL created on unamortised balance of goodwill in the tax books of the company	560.58	-
Income tax charged to Statement of Profit and Loss at effective rate of 697.91% (31 March 2020: 36.97%)	551.64	179.74

- (a) Effective tax rate has been calculated on profit before tax.
- (b) As per the recent 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 is 561 Lacs is created on unamortised portion of Goodwill in tax books.

26 (Loss) / Earnings per equity share

	For the year ended 31 March 2021	For the year ended 31 March 2020
(Loss) / profit for the year attributable to the owners of the Company	(653.70)	306.49
Weighted average number of equity shares outstanding	6,20,00,000	6,20,00,000
Face value per share (INR)	10	10
Loss / earnings per share- basic & diluted (INR)	(1.05)	0.49

MPS Interactive Systems Limited**Notes forming part of Financial Statements for the year ended 31 March 2021****(INR in Lacs, except share and per share data, unless otherwise stated)****27 Micro, small and medium enterprises**

There are no Micro, Small and Medium Enterprises, to whom the company owes dues, which are outstanding for more than 45 days as at the end of 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 2021	As at 31 March 2020
(i) The principal amount remaining unpaid to any supplier as at Balance Sheet date	-	-
(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	-	-

MPS Interactive Systems Limited
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28 Employee benefits in respect of the Company have been calculated as under:

(A) Defined Contribution Plans

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

Particulars	For the year ended 31 March 2021	For the year ended 31 March 2020
Employer's contribution to provident fund	127.12	135.64
Employer's contribution to superannuation fund	29.80	34.86
Employer's contribution to employee state insurance	0.51	0.48
Employer's contribution to labour welfare fund	0.02	0.02
	157.45	171.00

(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 6.06% (Previous year: 6.24%) 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 (2006-08) .

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 6.06% (Previous year: 6.24%) p.a.

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

Particulars	As at 31 March 2021	As at 31 March 2020
Present value of obligation at the beginning of the year	597.04	664.71
Current service cost	42.31	40.81
Interest cost	37.26	46.99
Liability transferred on acquisition	(0.45)	5.14
Actuarial (gains)/ loss	(66.89)	22.31
Benefits paid	(137.10)	(182.92)
Present value of obligation	472.17	597.04

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

Particulars	As at 31 March 2021	As at 31 March 2020
Present value of obligation	472.17	597.04
Fair value of plan assets	(496.07)	(587.42)
Net (Assets) / liabilities recognised in the Balance Sheet	(23.90)	9.62

MPS Interactive Systems Limited
Notes forming part of Financial Statements for the year ended 31 March 2021
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28 Employee benefits in respect of the Company have been calculated as under:
Fair Value of Plan Assets

Particulars	As at	As at
	31 March 2021	31 March 2020
Plan assets at the beginning of the year	587.42	721.72
Expected return on plan assets	36.57	41.23
Assets transferred on acquisitions	(0.45)	5.14
Actual benefits paid	(137.10)	(182.92)
Contributions by the employer	9.63	2.25
Plan assets	496.07	587.42

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

Composition of the plan assets is as follows:

Particulars	As at	As at
	31 March 2021	31 March 2020
Central government securities	19.09%	19.35%
State government securities	50.97%	56.02%
Government guaranteed securities	0.01%	0.01%
Debentures and bonds	23.85%	20.94%
Equity Shares	6.08%	3.67%
C.B.L.O. and bank balance	0.00%	0.00%

The above composition of plan assets are based on details received for 31 March 2020 (for previous year composition of plan assets are based on details received for 31 March 2019). Details for 31 March 2021 are awaited from LIC.

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

Particulars	For the year ended	For the year ended
	31 March 2021	31 March 2020
Current service cost	42.31	40.81
Interest cost	0.60	(4.03)
Expense recognised in the Statement of Profit and Loss	42.91	36.78

Amount recognised in the other comprehensive income:

Particulars	For the year ended	For the year ended
	31 March 2021	31 March 2020
Actuarial loss/(gain) due to demographic assumption change	-	-
Actuarial loss/(gain) due to financial assumption change	(66.89)	23.64
Actuarial loss/(gain) due to experience adjustment	-	(1.33)
Actuarial (gain)/loss on plan assets	0.09	9.79
Amount recognised in the other comprehensive income	(66.80)	32.10

MPS Interactive Systems Limited
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28 Employee benefits in respect of the Company have been calculated as under:
Sensitivity analysis

	As at 31 March 2021	As at 31 March 2020
Assumptions -discount rate		
Sensitivity Level (a hypothetical increase / (decrease) by)	0.50%	0.50%
Impact on defined benefit obligation -increase of sensitivity level	(11.31)	(14.28)
Impact on defined benefit obligation -decrease of sensitivity level	11.86	15.00
Assumptions -Future salary rate		
Sensitivity level (a hypothetical increase / (decrease) by)	0.50%	0.50%
Impact on defined benefit obligation-increase of sensitivity level	11.83	14.97
Impact on defined benefit obligation-decrease of sensitivity level	(11.14)	(14.14)

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 2021	As at 31 March 2020
(C) Present value of obligation	78.52	70.70

MPS Interactive Systems Limited
Notes forming part of Financial Statements for the year ended 31 March 2021
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29 Fair value measurements

Particulars	Note	Level of hierarchy	As at 31 March 2021			As at 31 March 2020		
			FVPL	FVOCI	Amortised cost	FVPL	FVOCI	Amortised cost
Financial assets								
Investments in mutual fund	(c)	2	201.73	-	-	2,998.48	-	-
Trade receivables	(a)		-	-	756.06	-	-	1,499.17
Loans	(a, b)		-	-	74.46	-	-	79.13
Cash and bank balances	(a)		-	-	791.81	-	-	411.10
Other financial assets	(a, b)		-	-	525.69	-	-	84.96
Total financial assets			201.73	-	2,148.02	2,998.48	-	2,074.37
Financial liabilities								
Trade payables	(a)		-	-	196.90	-	-	276.10
Borrowings	(d)	3	-	-	-	-	-	3,970.21
Lease liabilities	(a)		-	-	414.96	-	-	593.97
Other financial liabilities	(a)		-	-	112.47	-	-	150.27
Total financial liabilities			-	-	724.33	-	-	4,990.55

Note:

- (a) Fair valuation of financial assets and liabilities with short term maturities is considered as approximate to respective carrying amount due to the short term maturity of these instruments.
(b) Fair value of non-current financial assets has not been disclosed as there is no significant differences between carrying value and fair value.
(c) The fair value of the mutual funds are based on net assets value of the funds as at reporting date.
(d) During the year, the company had exercised the right to prepay the entire loan amount and the interest due as on date of prepayment as per the terms of the agreement. In the previous year, the fair value of borrowing : INR 3989.47 lacs based upon a discounted cash flow analysis that uses the aggregate cash flows from principal and finance costs over the life of the debt and current market interest rates.

Financial instruments not measured at fair value

Type	Valuation technique	As at 31 March 2021		As at 31 March 2020	
		Significant unobservable inputs	Inter-relationship between key unobservable inputs and fair value measurement	Significant unobservable inputs	Inter-relationship between key unobservable inputs and fair value measurement
Intercompany loan	Discounted cash flows: The valuation model considers the present value of expected receipts discounted using an adjusted discount rate.	-		Adjusted discount rate 9.4%	The estimated fair value would increase by INR 31.93 lacs / decrease by 30.55 lacs if the adjusted discount rate was lower by 1% / higher by 1%.
Non-cumulative redeemable preference shares	Discounted cash flows: The valuation model considers the present value of expected receipts discounted using an adjusted discount rate.	-		Adjusted discount rate 13.5%	The estimated fair value would increase by INR 70.95 lacs / decrease by 67.21 lacs if the adjusted discount rate was lower by 1% / higher by 1%.

MPS Interactive Systems Limited
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30 Financial risk management

Risk management framework

The Company's activities expose it to a variety of financial risks: market risk, credit risk, and liquidity risk.

i Market risk

Market risk includes foreign exchange risk, pricing risk and interest risk that may affect the Company's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the returns.

Currency risk

The Company is exposed to currency risk to the extent that there is a mismatch between the currencies in which revenue and expense are denominated and the functional currency of the Company. The currencies in which the Company is exposed to risk are USD, 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 2021				31 March 2020			
	USD	CAD	GBP	Others	USD	CAD	GBP	Others
Cash and cash equivalents	261.08	22.88	-	0.02	189.10	95.26	-	61.15
Trade receivables	549.00	22.56	5.05	151.85	578.61	184.87	4.92	200.12
Other financial assets	(0.95)	-	-	-	7.02	18.18	-	-
Trade payables	(72.18)	-	(1.57)	-	(63.90)	(10.33)	(10.05)	(35.69)
Other financial liabilities	(48.39)	-	-	-	(28.02)	-	-	-
Net statement of financial position exposure	688.56	45.44	3.48	151.87	682.81	287.98	(5.13)	225.58

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 2021		31 March 2020	
	Strengthening	Weakening	Strengthening	Weakening
USD (1% movement)	6.89	(6.89)	6.83	(6.83)
CAD (1% movement)	0.45	(0.45)	2.88	(2.88)
GBP (1% movement)	0.03	(0.03)	(0.05)	0.05
Others (1% movement)	1.52	(1.52)	2.26	(2.26)

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's borrowings are at fixed rate of interest. Hence the Company is not significantly exposed to interest rate risk.

MPS Interactive Systems Limited
Notes forming part of Financial Statements for the year ended 31 March 2021
(InR in Lacs, except share and per share data, unless otherwise stated)

30 Financial risk management
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 31 March 2021	For the year ended 31 March 2020
Revenue from top 2 customers (more than 10% revenue individually)	1,567.24	1,779.79
Revenue from top 15 customers	3,636.58	4,709.14

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 756.06 Lacs as at 31 March 2021 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.

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

Particulars	As at 31 March 2021			As at 31 March 2020		
	Gross carrying amount	Allowance for credit losses	Net carrying amount	Gross carrying amount	Allowance for credit losses	Net carrying amount
Less than 180 days	742.13	1.24	740.89	1,450.27	1.69	1,448.58
More than 180 days	143.88	128.71	15.17	129.86	79.27	50.59
	886.01	129.95	756.06	1,580.13	80.96	1,499.17

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

Particulars	As at 31 March 2021	As at 31 March 2020
Balance at the beginning of the year	80.96	16.65
Add: Provided during the year (net of reversal)	48.99	64.31
Less: Amount written off	-	-
Balance for the year ended 31 March 2021	129.95	80.96

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.

MPS Interactive Systems Limited
Notes forming part of Financial Statements for the year ended 31 March 2021
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30 Financial risk management

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 31 March 2021			As at 31 March 2020		
	Carrying Amount	Within 1 year	More than 1 Year	Carrying Amount	Within 1 year	More than 1 Year
Non-derivative financial liabilities						
Trade payables	196.90	196.90	-	276.10	276.10	-
Borrowings	-	-	-	3,970.21	526.79	3,443.42
Lease liabilities	414.96	265.89	149.07	593.97	265.89	328.08
Other financial liabilities	112.47	112.47	-	150.27	150.27	-

31 Capital management

The Company's policy is to maintain a strong capital base so as to maintain investor, creditor and market confidence and to sustain future development of the business.

The capital structure is as follows:

Particulars	As at
	31 March 2021
Total equity attributable to the equity shareholders of the Company	6,200.00
As percentage of total capital	100%
Total lease liabilities	414.96
As a percentage of total capital	7%
Total capital (lease liabilities and equity)	6,614.96

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.

In the previous year, the company was financed through equity share capital, preference share capital, and intercorporate deposit from holding company. 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.

In the previous year, 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
	31 March 2020
Long term borrowing	3,443.42
Current portion of long term borrowing	526.79
Total borrowing	3,970.21
Less :	
Cash and cash equivalents	973.40
Other bank balance	411.10
Net debt	2,585.71
Total equity	6,621.39
Gearing ratio	0.39

MPS Interactive Systems Limited
Notes forming part of Financial Statements for the year ended 31 March 2021
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32 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 HighWire Press Limited Semantico Limited
4	Company under common control	ADI Media Private Limited
5	Key management personnel (KMP)	Mr. Nishith Arora, Non-Executive Chairman Mr. Rahul Arora, Chief Executive Officer and Whole Time Director Mr. Ajay Mankotia, Non-Executive Director Mr. Sunit Malhotra, CFO & Company Secretary

B Transactions during the year

	Description of transactions	Name of related party	Relationship	For the year ended 31 March 2021	For the year ended 31 March 2020
1	Finance costs	MPS Limited	Holding Company	55.80	190.51
2	Dividend paid on preference shares	MPS Limited	Holding Company	29.41	176.00
3	Outsourcing cost	TOPSIM GmbH	Fellow Subsidiary Company	104.58	48.07
4	Rendering of services	MPS North America LLC MPS Europa AG	Fellow Subsidiary Company Fellow Subsidiary Company	(4.23) 2.46	7.47 19.89
5	Fixed assets sale	MPS Limited	Holding Company	-	6.51
	Fixed assets purchase	MPS Limited	Holding Company	1.87	-
6	Redemption of preference share capital (refer note 14)	MPS Limited	Holding Company	2,200.00	-
7	Repayment of loan	MPS Limited	Holding Company	2,052.60	247.40
8	Expenses incurred during the year on behalf of the Company	MPS Limited	Holding Company	1.50	38.05
		MPS North America LLC	Fellow Subsidiary Company	1.64	19.90
9	Director sitting fees	Mr. Vijay Sood Mr. Ajay Mankotia	KMP KMP	- 4.00	5.00 -

MPS Interactive Systems Limited
Notes forming part of Financial Statements for the year ended 31 March 2021
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32 Related party transactions

C Outstanding balance as at 31 March 2021

Particulars	Name of related party	Relationship	As at	As at
			31 March 2021	31 March 2020
1 Intercorporate loan	MPS Limited	Holding Company	-	2,052.60
2 Trade receivables	MPS North America LLC	Fellow Subsidiary Company	-	7.49
3 Trade payables	TOPSIM GmbH	Fellow Subsidiary Company	-	35.68
4 Interest accrued but not due	MPS Limited	Holding Company	-	39.26

Notes:

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

Notes forming part of Financial Statements for the year ended 31 March 2021
(INR in Lacs, except share and per share data, unless otherwise stated)

33 Revenue

(i) Revenue from contracts with customers

Revenues for the year ended 31 March 2021 & 31 March 2020 are as follows:

Particulars	For the year ended 31 March 2021	For the year ended 31 March 2020
eLearning	4,637.03	6,319.74
Platform solutions	100.86	112.72
	4,737.89	6,432.46

(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 2021			For the year ended 31 March 2020		
	eLearning	Platform solutions	Total	eLearning	Platform solutions	Total
India (country of domicile)	432.07	100.86	532.93	1,003.65	112.72	1,116.37
Europe	121.94	-	121.94	209.68	-	209.68
USA	3,347.32	-	3,347.32	4,187.86	-	4,187.86
Rest of the World	735.70	-	735.70	918.55	-	918.55
Total	4,637.03	100.86	4,737.89	6,319.74	112.72	6,432.46

Refer note 30 (ii) on Financial risk management for information on revenue from top customers.

(iii) Contract balances

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

Particulars	As at 31 March 2021	As at 31 March 2020
Receivables, which are included in 'Trade and other receivables' (refer note no. 10)	756.06	1,499.17
Contract assets (refer note no. 9 (ii))	187.73	741.20
Contract liabilities (refer note no. 17)	1,074.50	987.76

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.

Notes forming part of Financial Statements for the year ended 31 March 2021

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

Significant changes in the contract assets and the contract liabilities balances for the year ended 31 March 2021 and 31 March 2020 are as follows

Particulars	For the year ended 31 March 2021		For the year ended 31 March 2020	
	Contract Assets	Contract Liabilities	Contract Assets	Contract Liabilities
Balance as at beginning of the year	741.20	987.76	531.66	1,513.16
Increases due to cash received, excluding amounts recognised as revenue during the period	-	942.11	-	828.72
Revenue recognised that was included in the contract liability balance	-	(838.44)	-	(1,339.59)
Reversal of Contract liability	-	(16.93)	-	(14.53)
Increases as a result of changes in the measure of progress	187.73	-	732.75	-
Transfers from contract assets to receivables	(577.13)	-	(486.97)	-
Reversal of Contract Asset	(164.07)	-	(36.24)	-
Balance at the end of the year	187.73	1,074.50	741.20	987.76

(iv) Transaction price allocated to the remaining performance obligations

The following table includes revenue expected to be recognised in the future related to performance obligations that are unsatisfied (or partially unsatisfied) at the reporting date.

Particulars	As at 31 March 2021				Total
	Year ended 31 March 2022	Year ended 31 March 2023	Year ended 31 March 2024	Year ended 31 March 2025	
eLearning solutions	3,079.30	264.64	118.61	25.97	3,488.52
Platform solutions	192.52	61.27	-	-	253.79
	3,271.82	325.91	118.61	25.97	3,742.31

- (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.

MPS Interactive Systems Limited
Notes forming part of Financial Statements for the year ended 31 March 2021
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34 Contingent liabilities to the extent not provided for:

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

	As at 31 March 2021	As at 31 March 2020
(a) Service tax	100.68	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.

35 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) Impact of adoption of Ind AS 116 on the retained earnings

Particulars	As at 1 April 2019
Right-of-use assets (refer note 3.2)	702.56
Lease liabilities (refer note 14)	(724.11)
Deferred tax (credit) (refer note 12)	6.72
Impact on the retained earnings	(14.83)

Reconciliation of lease liabilities (refer note 14)

Particulars	As at 31 March 2021	As at 31 March 2020
Balance as at beginning of the year	593.97	-
Impact of Ind AS 116	-	724.11
Interest on lease liabilities	54.34	68.79
Repayment of lease liabilities including interest expenses	184.87	198.93
Exchange difference on lease liabilities	-	-
Impact on Kolkata lease termination(Office Closure)	33.12	-
Rent waiver during the year	15.37	-
Balance at the end of the year	414.96	593.97

MPS Interactive Systems Limited

Notes forming part of Financial Statements for the year ended 31 March 2021

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

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

Particulars	For the year ended 31 March 2021	For the year ended 31 March 2020
Interest on lease liabilities (refer note 22)	54.34	68.79
Depreciation of Right-of-use assets (refer note 23)	160.44	165.38
Deferred tax (credit) (refer note 12)	70.15	(7.57)
Impact on the statement of profit and loss for the year	284.93	226.60

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

Particulars	For the year ended 31 March 2021	For the year ended 31 March 2020
Expense related to short-term leases	-	6.44
Expense related to leases of low value assets, excluding short term leases of low value	30.79	35.05
Total	30.79	41.49

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

Particulars	For the year ended 31 March 2021	For the year ended 31 March 2020
Repayment of lease liabilities including interest expenses	184.87	198.93
Impact on the statement of cash flows for the year	184.87	198.93

(vii) Refer note 30 (iii) for contractual maturities of lease liabilities.

(viii) The Company does not foresee significant down-sizing of its employee base rendering the physical infrastructure redundant. The leases that the Company has entered with lessors towards properties used as offices are long term in nature and no changes in terms of those leases are expected due to the COVID-19.

MPS Interactive Systems Limited
Notes forming part of Financial Statements for the year ended 31 March 2021
(INR in Lacs, except share and per share data, unless otherwise stated)

36 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.

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

38 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 are 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.
- (b) **Platform Solutions:** Platform solutions means developing and implanting various software and technology services programs.

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.

Common allocable costs are allocated to each segment according to the relative contribution of each segment to the total common costs.

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:

MPS Interactive Systems Limited
Notes forming part of Financial Statements for the year ended 31 March 2021
(INR in Lacs, except share and per share data, unless otherwise stated)

(i) Particulars	INR in Lacs	
	For the year ended 31 March 2021	For the year ended 31 March 2020
Segment revenue		
eLearning	4,637.03	6,319.74
Platform solutions	100.86	112.72
Total revenue from operations	4,737.89	6,432.46
Segment results		
eLearning	(17.94)	559.47
Platform solutions	(44.16)	26.06
Total	(62.10)	585.53
Add: Interest income	48.77	15.31
Less: Finance cost	151.79	505.56
Less: Un-allocable expenditure (net of un-allocable income)	(86.06)	(390.95)
(Loss) / profit before tax	(79.06)	486.23
Tax expense	574.65	179.74
(Loss) / profit for the year	(653.71)	306.49

(ii) Assets and liabilities used in the Company's business are not identified to any of the reportable segments, as these are used interchangeably between segments and the management believes that it is not practicable to provide segment disclosures relating to total assets and liabilities.

(c) **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 Lacs	
	For the year ended 31 March 2021	For the year ended 31 March 2020
India (country of domicile)	532.93	1,116.37
Europe	121.94	209.68
USA	3,347.32	4,187.86
Rest of the World	735.70	918.55
Total	4,737.89	6,432.46

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

Particular	INR in Lacs	
	As at 31 March 2021	As at 31 March 2020
India (country of domicile)	5,179.66	5,900.89
Europe	-	-
USA	2.06	2.87
Rest of the World	0.40	0.59
Total	5,182.12	5,904.35

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

As per our report of even date attached

For **BSR & Co. LLP**

Chartered Accountants

ICAI Firm Registration Number: 101248W/W-100022

**SHASHANK
AGARWAL**

Digitally signed by SHASHANK
AGARWAL
Date: 2021.05.24 23:45:55 +05'30'

Shashank Agarwal

Partner

Membership Number: 095109

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

**RAHUL
ARORA**

Digitally signed by RAHUL
ARORA
Date: 2021.05.24 23:22:21 +05'30'

Rahul Arora
Chief Executive Officer
& Whole Time Director

DIN: 05353333

**Sunit
Malhotra**

Digitally signed by Sunit Malhotra
DN: cn=Sunit Malhotra, o=MPS
Limited, ou=Finance and General,
email=sunit.malhotra@mpslimited.
com, c=IN
Date: 2021.05.24 23:22:21 +05'30'

Sunit Malhotra
Chief Financial Officer &
Company Secretary

Place : Gurugram
Date : 24 May 2021

**Ajay
Mankotia**

Digitally signed by Ajay Mankotia
DN: cn=Ajay Mankotia, o=MPS,
ou=Director,
email=ajaymankotia@mps.com,
c=IN
Date: 2021.05.24 23:22:51 +05'30'

Ajay Mankotia
Director

DIN: 03123827

NOTICE

Notice is hereby given that the 3rd (Third) Annual General Meeting of the members of **MPS Interactive Systems Limited** will be held on **Tuesday, June 29, 2021** at **05:30 PM 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, 2021 including Balance Sheet as at March 31, 2021, 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 retirement of Mr. Nishith Arora (DIN: 00227593), Non-Executive Director, who retires by rotation, and, has not offered himself for re-appointment and the vacancy so caused be filled up by the appointment of Ms. Yamini Tandon.

“**RESOLVED THAT** pursuant to the applicable provisions of the Companies Act, 2013, read with the rules made thereunder and the Articles of Association of the Company, the consent of the members of the company, be and are hereby accorded for the appointment of Ms. Yamini Tandon (DIN: 06937633), the Additional Director of the Company as Non-Executive Director with effect from May 25, 2021, in place of Mr. Nishith Arora (DIN: 00227593), retires by rotation at this Annual General Meeting (“AGM”), as he is not seeking reappointment.”

3. To consider the appointment of Statutory Auditors in place of existing Auditors

“**RESOLVED THAT** pursuant to the provisions of Section 139(8) and other applicable provisions of the Companies Act, 2013 read with rules made thereunder (including any Statutory modification(s) or re-enactment thereof for the time being in force), M/s. Walker Chandiook & Co LLP (Firm Registration Number - 001076N/N500013) be and are hereby appointed as the Statutory Auditors of the Company to fill the casual vacancy caused by resignation of M/s BSR & Co., LLP (Firm Registration No.: 101248W/W-100022)”.

“**RESOLVED THAT** pursuant to the applicable provisions of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof, for the time being in force), based on the recommendation of the Board of Directors, M/s. Walker Chandiook & Co LLP, Chartered Accountants (Firm Registration Number- 001076N/N500013), be and is hereby appointed as the Statutory Auditors of the Company to hold office from the conclusion of this Annual General Meeting till the conclusion of the Annual General Meeting of the Company to be held in the year 2026, at an annual audit fees of INR 10.50 lacs (Ten Lacs fifty Thousand only) and other out of pocket expenses as may be applicable.”

By Order of the Board

Sunit
Malhotra

Digitally signed by Sunit Malhotra
DN: cn=Sunit Malhotra, o=MPS
Interactive Systems Limited, email=sunit.malhotra@mpsinteractive.com

Sunit Malhotra
CFO & Company Secretary

Place: Noida
Date: June 24, 2021

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:-

1. The explanatory statement, pursuant to section 102 of the Companies Act, 2013, with regard to the resolution mentioned above is enclosed.

General instructions for accessing and participating in the 3rd AGM through VC/OAVM Facility:

- a. In view of the ongoing COVID-19 pandemic and social distancing norm to be followed and pursuant to General Circular dated April 08, 2020, April 13, 2020, May 05, 2020 and January 13, 2021, issued by the Ministry of Corporate Affairs (“MCA Circulars”), the 3rd AGM of the Company is being conducted through VC/OAVM Facility, which does not require physical presence of members at a common venue.
- b. In terms of the MCA Circulars since the physical attendance of Members has been dispensed with, there is no requirement of appointment of proxies. Accordingly, the facility of appointment of proxies by Members under Section 105 of the Act will not be available for the 3rd AGM.
- c. Pursuant to the provisions of Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014 (as amended) and MCA Circulars dated April 08, 2020, April 13, 2020 and May 05, 2020, where a poll is required, the members are requested to cast their vote on the resolution only by sending emails through their email addresses which are registered with the Company. The said emails shall only be sent to secretarial@mpslimited.com.
- d. Members may join the 3rd 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 05:15 PM IST i.e. 15 minutes before the time scheduled to start the 3rd AGM and the Company may close the window for joining the VC/OAVM Facility 15 minutes after the scheduled time to start the 3rd AGM.
- e. The attendance of the Members attending the AGM through VC/OAVM will be counted for the purpose of ascertaining the quorum under Section 103 of the Companies Act, 2013.
- f. Since the AGM will be held through VC/OAVM Facility, the Route Map is not annexed in this Notice.

EXPLANATORY STATEMENT

As required under Section 102 of the Companies Act, 2013 (“Act”), the following explanatory statement sets out all material facts relating to business mentioned under Item No. 3 of the accompanying Notice:

Item No. 3

The Members of the Company at the 1st Annual General Meeting of the Company held on July 23, 2019, had appointed M/s. BSR & Co., LLP (firm registration no. 101248W/W-100022) as the Statutory Auditors of the Company for a term of 5 years to hold office till the conclusion of the 6th AGM of the Company to be held in the year 2024.

M/s. BSR & Co., LLP, Statutory Auditors vide their letter dated June 24, 2021, have tendered its resignation as Statutory Auditors of the Company with immediate effect, pursuant to completion of their term of appointment as auditors on the Holding Company (MPS Limited).

M/s. Walker Chandiook & Co LLP (“WCC LLP”) (Firm Registration Number - 001076N/N500013) have given their consent to act as the Statutory Auditors of the Company and have confirmed that the said appointment, if made, will be in accordance with the conditions prescribed under Sections 139 and 141 of the Act.

The Resolution passed through circulation by the Board of Directors on June 24, 2021 have recommended the appointment, subject to the approval of the shareholders of the Company, has approved the appointment of M/s. Walker Chandio & Co LLP, as the Statutory Auditors of the Company to hold office from the conclusion of this Annual General Meeting till the conclusion of the Annual General Meeting of the Company to be held in the year 2026.

WCC LLP was established in 1935 and is registered with the Institute of Chartered Accountants of India as well as the PCAOB (US Public Company Accountancy Oversight Board). WCC LLP licenses audit software as well as audit methodology from Grant Thornton. For multinational companies and other organisations with international operations or interests, WCC LLP has access to Grant Thornton member firms in other countries that adopt the same rigorous standards and utilise the same tools and methodologies. WCC LLP is an independent Indian partnership firm that provides audit, tax and advisory services.

None of the Directors and Key Managerial Personnel of the Company, or their relatives, is interested in this Resolution.

The Board recommends this Resolution as set out at item no. 3 for approval as an Ordinary Resolution.

OTHER GUIDELINES FOR MEMBERS ATTENDING AGM THROUGH VC/OAVM

- a) Members will be provided with a facility to attend the 3rd 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.
- b) Members are encouraged to join the Meeting through Laptops / IPads for better experience.
- c) Further, Members will be required to allow Camera and use Internet with a good speed to avoid any disturbance during the meeting.
- d) 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.
- e) 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 3rd AGM, depending upon the availability of time.

Place: Noida
Date: June 24, 2021

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

By Order of the Board

Sunit
Malhotra

Digitally signed by Sunit Malhotra
DN: cn=Sunit Malhotra, o=MPS Limited, ou=Finance
and Accounts, email=Sunit.Malhotra@mpslimited.com, c=IN
Date: 2021.06.24 16:03:22 +05'30'

Sunit Malhotra
CFO & Company Secretary