

STATEMENT OF UNAUDITED CONSOLIDATED FINANCIAL RESULTS FOR THE QUARTER AND HALF YEAR ENDED 30 SEPTEMBER 2020

(INR in lacs, except per equity share data)

S.No.	Particulars	Three months ended	Preceding three months ended	Corresponding three months ended in previous year	Year to date figures for six months in current period ended	Year to date figures for six months in previous period ended	Previous year ended
		30-Sep-2020 (Un-Audited)	30-Jun-2020 (Un-Audited)	30-Sep-2019 (Un-Audited)	30-Sep-2020 (Un-Audited)	30-Sep-2019 (Un-Audited)	31-Mar-2020 (Audited)
I	Revenue from operations (net)	11,034	8,177	8,820	19,211	17,183	33,165
II	Other income	127	249	644	376	1,212	1,998
III	Total income (I+II)	11,161	8,426	9,464	19,587	18,395	35,163
IV	Expenses						
	Employee benefits expense	5,559	3,956	4,078	9,515	8,355	16,562
	Finance costs	50	42	53	92	106	215
	Depreciation and amortization expense	601	387	385	988	770	1,537
	Other expenses	2,997	2,150	2,090	5,147	4,139	8,707
	Total expenses	9,207	6,535	6,606	15,742	13,370	27,021
V	Profit before exceptional items (III-IV)	1,954	1,891	2,858	3,845	5,025	8,142
VI	Exceptional items	-	-	-	-	-	-
VII	Profit before tax (V-VI)	1,954	1,891	2,858	3,845	5,025	8,142
VIII	Tax expenses						
	Current tax	402	474	550	876	1,150	2,379
	Adjustment of tax relating to earlier years	-	-	21	-	21	36
	Deferred tax charge	162	31	77	193	106	(259)
	Total tax expenses	564	505	648	1,069	1,277	2,156
IX	Profit for the period (VII-VIII)	1,390	1,386	2,210	2,776	3,748	5,986
X	Other comprehensive income						
	Items that will not be reclassified to profit or loss						
	Remeasurement of the net defined benefit liability/asset	33	(75)	(43)	(42)	(51)	(53)
	Income tax relating to items that will not be reclassified to profit or loss	(8)	19	11	11	13	13
	Items that will be reclassified subsequently to profit or loss						
	Exchange differences on translation of foreign operations	(178)	-	152	(178)	157	687
	Total other comprehensive income	(153)	(56)	120	(209)	119	647
XI	Total comprehensive income for the period (IX+X)	1,237	1,330	2,330	2,567	3,867	6,633
XII	Paid-up equity share capital (Face value - INR 10 per equity share)	1,862	1,862	1,862	1,862	1,862	1,862
XIII	Earnings per equity share (nominal value of share INR 10)						
	Basic and diluted	7.47	7.44	11.87	14.91	20.13	32.15

STATEMENT OF UNAUDITED CONSOLIDATED ASSETS AND LIABILITIES

(INR in lacs)

S.No.	Particulars	As at 30-Sep-2020 (Un-Audited)	As at 31-Mar-2020 (Audited)
A	ASSETS		
1	Non-current assets		
	Property, plant and equipment	2,367	1,998
	Capital work-in-progress	1	3
	Investment property	106	108
	Right-of-use assets	1,641	1,543
	Goodwill	8,959	6,177
	Other intangible assets	3,932	1,673
	Financial assets		
	Investments	690	-
	Loans	358	182
	Other financial assets	109	52
	Income tax assets (net)	719	973
	Deferred tax assets (net)	31	40
	Other non-current assets	355	286
	Total non-current assets	19,268	13,035
2	Current assets		
	Financial assets		
	Investments	4,317	8,572
	Trade receivables	7,250	6,228
	Cash and cash equivalents	6,405	8,170
	Other bank balances	5,542	1,276
	Loans	102	113
	Other financial assets	290	189
	Income tax assets (net)	19	-
	Other current assets	7,315	6,776
	Total current assets	31,240	31,324
	TOTAL ASSETS	50,508	44,359
B	EQUITY AND LIABILITIES		
1	Equity		
	Equity share capital	1,862	1,862
	Other equity	37,409	34,829
	Total equity	39,271	36,691
2	Liabilities		
	Non-current liabilities		
	Financial liabilities		
	Lease liabilities	1,261	1,279
	Other financial assets	47	-
	Provisions	85	57
	Deferred tax liabilities (net)	617	392
	Total non-current liabilities	2,010	1,728
3	Current liabilities		
	Financial liabilities		
	Lease liabilities	1,118	605
	Trade payables		
	Due to Micro and Small enterprises	9	10
	Due to Others	2,136	1,210
	Other financial liabilities	810	753
	Other current liabilities	4,404	2,933
	Provisions	466	166
	Income tax liabilities (net)	284	263
	Total current liabilities	9,227	5,940
	TOTAL EQUITY AND LIABILITIES	50,508	44,359

STATEMENT OF UNAUDITED CONSOLIDATED CASH FLOW

(INR in lacs)

S.No.	Particulars	Year to date figures for six months in current period ended	Year to date figures for six months in previous period ended	Previous year ended
		30-Sep-2020 (Un-Audited)	30-Sep-2019 (Un-Audited)	31-Mar-2020 (Audited)
A	Cash flows from operating activities			
	Net profit before tax	3,845	5,025	8,142
	Adjustments:			
	Depreciation and amortisation expense	988	770	1,537
	Interest income	(112)	(288)	(362)
	Dividend income	-	(3)	(3)
	Net (gain)/loss on sale of current investment	(34)	(25)	13
	Finance costs	92	106	215
	Gain on sale/disposal/discard of property, plant and equipment (net)	(2)	(10)	(5)
	Rent concession as a variable lease payment	(42)	-	-
	Gain on investment carried at fair value through profit or loss (net)	(77)	(649)	(1,006)
	Liabilities/provisions no longer required written back	(5)	(66)	(254)
	Allowances for expected credit loss	159	22	120
	Bad debts written off	14	-	4
	Allowances for doubtful advances	-	2	3
	Advances written off	-	1	3
	Unrealised foreign exchange loss (net)	124	74	105
	Unrealised foreign exchange (gain)/loss on mark-to-market on forward contracts	(122)	123	177
	Operating cash flows before working capital changes	4,828	5,082	8,689
	Decrease in trade receivables	694	1,817	390
	Decrease/(increase) in loans	3	(29)	(24)
	Decrease/(increase) in other financial assets	52	(157)	29
	Decrease/(increase) in other current assets	153	(1,152)	(1,389)
	(Increase)/decrease in other non current assets	(68)	7	176
	(Decrease) in trade payables	(108)	(191)	(102)
	(Decrease)/increase in other financial liabilities	(240)	81	82
	(Decrease) in other liabilities	(400)	(1,215)	(452)
	(Decrease) in provisions	(99)	(38)	(25)
	Cash generated from operations	4,815	4,205	7,374
	Income tax paid (net of refund)	(692)	(1,203)	(2,100)
	Net cash generated from operating activities (A)	4,123	3,002	5,274
B	Cash flows from investing activities			
	Purchase of property, plant and equipment (including capital work-in-proress)	(527)	(61)	(256)
	Purchase of other intangible assets	(31)	(95)	(220)
	Sale of property, plant and equipment	2	17	15
	Acquisition of business (net of cash and cash equivalents acquired)	(4,737)	-	-
	Purchase of current investments	(17,729)	(11,585)	(23,330)
	Sale of current investments	22,096	16,090	36,955
	Purchase of term deposits	(3,167)	(32)	(1,307)
	Redemption of term deposits	2,376	-	2,922
	Rent received	125	-	-
	Dividends received	-	3	3
	Interest received	54	144	382
	Net cash (used in)/generated from investing activities (B)	(1,538)	4,481	15,164
C	Cash flows from financing activities			
	Repayment of lease liabilities including interest expenses	(469)	(347)	(697)
	Deposits placed/earmarked for buyback of equity shares	(3,490)	-	-
	Transaction costs related to buy back of shares	(27)	-	-
	Finance costs	-	-	(1)
	Dividend paid	-	(4,654)	(13,963)
	Tax on dividend	-	(957)	(2,870)
	Net cash used in financing activities (C)	(3,986)	(5,958)	(17,531)
	Net (decrease)/increase in cash and cash equivalents (A+B+C)	(1,401)	1,525	2,907
	Impact on cash flow on account of foreign currency translation reserve	(149)	110	470
	Effects of exchange differences on cash and cash equivalents held in foreign currency	(215)	(16)	41
	Cash and cash equivalents at the beginning of the period	8,170	4,752	4,752
	Cash and cash equivalents at the end of the period	6,405	6,371	8,170

Notes:

1 These results have been prepared in accordance with the Ind AS notified under the Companies (Indian Accounting Standards) Rules 2015. These results have been reviewed by the Audit Committee and upon their recommendation, approved by the Board of Directors at their meeting held on 10 November 2020. The Statutory auditors of the Company have carried out limited review of the financial results for the quarter and half year ended 30 September 2020 and an unmodified report has been issued. The same has been filed with Stock Exchanges and is also available on the Company's website at www.mpslimited.com.

2 Segment Reporting

(a) Based on the "management approach" as defined in Ind AS 108 Operating Segments, the Chief Operating Decision Maker ("CODM") evaluates the Group's performance and allocates resources based on an analysis of various performance indicators by business segments. Accordingly, information has been presented along with these business segments. The accounting principles used in the preparation of the financial statements are consistently applied to record revenue and expenditure in individual segments. The CODM has evaluated the segment wise allocation for the business of the new acquisition of HighWire Group into existing segment of Platform solutions.

(INR in lacs)

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		30-Sep-2020	30-Jun-2020	30-Sep-2019	30-Sep-2020	30-Sep-2019	31-Mar-2020
		(Un-Audited)	(Un-Audited)	(Un-Audited)	(Un-Audited)	(Un-Audited)	(Audited)
i	Segment revenue						
	Content solutions	5,395	5,477	5,449	10,872	10,449	20,347
	eLearning solutions	1,343	1,338	1,917	2,681	3,813	7,501
	Platform solutions	4,296	1,362	1,454	5,658	2,921	5,317
	Total revenue from operations	11,034	8,177	8,820	19,211	17,183	33,165
ii	Segment results (profit before tax, exceptional items and interest from each segment)						
	Content solutions	1,744	1,918	2,026	3,662	3,480	6,457
	eLearning solutions	(185)	(15)	247	(200)	445	650
	Platform solutions	821	452	609	1,273	1,122	1,599
	Total	2,380	2,355	2,882	4,735	5,047	8,706
	Less: Finance costs	50	42	53	92	106	215
	Less: Un-allocable expenditure (net of un-allocable income)	376	422	(29)	798	(84)	349
	Profit before tax	1,954	1,891	2,858	3,845	5,025	8,142

(b) Assets and liabilities used in the Group'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.

3 On 1 July 2020, the Company has completed the acquisition of the HighWire Press US Business at a purchase consideration of INR 5,446 Lacs through its US branch and the newly incorporated wholly owned subsidiary, HighWire North America LLC. MPS North America LLC, an existing US based wholly owned subsidiary of the Company has also acquired, through Stock Purchase Agreement, 100% shares of HighWire Press Limited, based at Northern Ireland along with its wholly owned subsidiary, Semantico Limited, based at the United Kingdom at a purchase consideration of INR 770 Lacs. This being a Business Combination thus based on the preliminary purchase price allocation to the various identifiable acquired assets and assumed liabilities, provisional goodwill of INR 2,863 Lacs has been recognized subject to working capital and tax adjustments.

4 The Board of Directors, at its meeting held on 11 August 2020, approved Buyback of fully paid-up equity shares of face value of INR 10 each from the eligible equity shareholders through the tender offer process, at a price not exceeding INR 600 per equity share, for an aggregate amount not exceeding INR 3,400 Lacs, payable in cash. The Company has bought back 5,66,666 fully paid up equity shares on 7 October 2020 under the Buyback offer by utilising INR 4,214 Lacs including brokerage, transactions costs and applicable taxes. All the shares bought back have been extinguished on 12 October 2020 as per the records of the depositories.

5 The Code on Social Security, 2020 relating to employee benefits during employment and post employment benefits received Presidential assent in September 2020. The Code has been published in the Gazette of India. However, the date on which the Code will come into effect has not been notified. The Group will assess the impact of the Code when it comes into effect and will record any related impact in the period the Code becomes effective.

6 In assessing the recoverability of receivables including unbilled receivables, contract assets, goodwill, intangible assets and investments, the Group has considered internal and external information up to the date of approval of these financial results including economic forecasts considering emerging situations due to COVID-19. Based on current indicators of future economic conditions, the Group expects to recover the carrying amount of these assets. Due to the nature of the pandemic, the Group will continue to monitor developments to identify significant uncertainties in future periods.

7 The Standalone results of the Company are available on the Company's website www.mpslimited.com. The key standalone financial information of the Company is given below:

(INR in lacs)

Particulars	Three months ended	Preceding three months ended	Corresponding three months ended in previous year	Year to date figures for six months in current period ended	Year to date figures for six months in previous period ended	Previous year ended
	30-Sep-2020	30-Jun-2020	30-Sep-2019	30-Sep-2020	30-Sep-2019	31-Mar-2020
	(Un-Audited)	(Un-Audited)	(Un-Audited)	(Un-Audited)	(Un-Audited)	(Audited)
Revenue from operations	7,290	4,925	5,102	12,215	9,780	18,765
Profit before tax	1,899	1,835	2,361	3,734	4,113	6,969
Tax expense	510	471	497	981	1,012	1,692
Profit for the period	1,389	1,364	1,864	2,753	3,101	5,277
Other comprehensive income, net of income tax	44	(48)	(3)	(4)	(13)	(16)
Total comprehensive income for the period	1,433	1,316	1,861	2,749	3,088	5,261

By Order of the Board of Directors

Rahul Arora

Place: Gurugram

Dated: 10 November 20

Managing Director