

**Date: June 04, 2022**

The Manager - Listing Department National Stock Exchange of India Limited Exchange Plaza, 5 <sup>th</sup> Floor, Plot No. C/1, G Block, Bandra Kurla Complex, Bandra (East), Mumbai - 400 051	The Manager - Listing Department BSE Limited Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai - 400 001
<b>NSE Symbol: MPLTLD</b>	<b>BSE Scrip Code: 532440</b>

Dear Sir,

**Subject: 52<sup>nd</sup> Annual General Meeting- Annual Report 2021-22**

The 52<sup>nd</sup> Annual General Meeting (“AGM”) of the Company would be held on Monday, June 27, 2022 at 11:30 a.m. (IST) through Video Conferencing / Other Audio Visual Means.

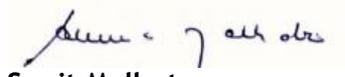
Pursuant to the Regulation 34(1) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, we are submitting herewith the Integrated Annual Report of the Company along with the Notice of AGM for the financial year 2021-22, which is being sent through the electronic mode to the Members.

The Integrated Annual Report containing the Notice has also been uploaded on the Company’s website <https://www.mpslimited.com/annual-general-meeting/>.

The Register of Members and Share Transfer Books of the Company shall remain closed from Tuesday, June 21, 2022 to Monday, June 27, 2022 (both days inclusive) for the purpose of the Annual General Meeting and Dividend.

This is for your information and records

Yours faithfully,  
For **MPS Limited**



**Sunit Malhotra**  
CFO & Company Secretary

**Enclosed: a/a**

GOING

# gestalt

MPS LIMITED



52<sup>ND</sup>  
ANNUAL  
REPORT | 20  
21-22

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## Notice of Annual General Meeting

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### Forward-looking statements

Some of the information in this report may contain forward-looking statements, which include statements regarding the Company's expected financial position and results of operations, business plans and prospects, etc. They are generally identified by forward-looking words, such as "believe", "plan", "anticipate", "continue", "estimate", "expect", "may", "will", or other similar words. Forward-looking statements are dependent on assumptions or the basis underlying such statements. We have chosen these assumptions or basis in good faith, and we believe that they are reasonable in all material respects. However, we caution that the actual results, performances or achievements could differ materially from those expressed or implied in such forward-looking statements. We undertake no obligation to update or revise any forward-looking statement, whether as a result of new information, future events, or otherwise.

# Corporate information

## Board of Directors

**Mr. Rahul Arora**  
Chairman and Managing Director

**Mr. Ajay Mankotia**  
Independent Director

**Ms. Jayantika Dave**  
Independent Director

**Ms. Achal Khanna**  
Independent Director

**Dr. Piyush Kumar Rastogi**  
Independent Director

**Ms. Yamini Tandon**  
Non-Executive Director

## Chief Financial Officer and Company Secretary

**Mr. Sunit Malhotra**

## Statutory Auditors

Walker Chandio & Co LLP,  
Chartered Accountants  
Firm Registration No.: 001076N/N500013  
L-41, Connaught Circus, New Delhi – 110001

## Bankers

**HDFC Bank Limited**  
C/25, Stellar IT Park, Sector 62, Noida – 201306

**Kotak Mahindra Bank Limited**  
Kotak Aerocity, Asset Area 9, 1st Floor, Corporate Banking,  
Ibis Commercial Block, Hospitality, District, IGI Airport,  
New Delhi – 110037

## Corporate Office

4th Floor, Tower – A, Windsor IT Park, A-1, Sector 125,  
Noida, Uttar Pradesh, 201303, India

## Registered Office

RR Towers IV, Super A, 16/17, Thiru-vi-ka Industrial Estate,  
Guindy, Chennai – 600032

## Other Offices

- HMG Ambassador, 137 Residency Road,  
Bengaluru – 560025, Karnataka
- 709 DLF Corporate Greens, Sector-74A, Narsinghpur,  
Gurugram – 122004
- 33, IT Park, Sahastradhara Road, Dehradun – 248001,  
Uttarakhand
- 1901 S. 4th Street, Suite 222, Effingham, IL 62401, USA
- 477 Madison Avenue, 6th Floor, New York, NY 10022, USA
- 103 Carnegie Center, Dr. Suite 300, Princeton,  
New Jersey, 08540, USA

## Subsidiaries

**MPS North America LLC**  
5728 Major Boulevard, Suite 528, Orlando, FL-32819, USA

**MPS Interactive Systems Limited**  
RR Towers IV, Super A, 16/17, Thiru-vi-ka,  
Industrial Estate, Guindy, Chennai – 600032  
The Great Oasis, D-13, 2nd Floor, Marol Industrial Estate,  
Andheri (E), Mumbai 400093, Maharashtra  
Smartworks, Room No-30,31, Victoria Park, Block GN,  
Plot no. 37/2, Sector V, Salt lake, Kolkata – 700091,  
West Bengal

**TOPSIM GmbH**  
2nd floor, Neckarhalde 55, 72070 Tübingen

**MPS Europa AG**  
First Floor, Lindenstrasse 14, 6340 Baar, Switzerland

**Semantico Limited**  
Lees House, 21-23 Dyke Rd, Brighton, BN1 3FE, UK

## Registrar and Share Transfer Agent

Cameo Corporate Services Limited  
Subramanian Building, 1 Club House Road,  
Chennai – 600002

GOING

gestalt

### Why Gestalt?

According to the Cambridge English Dictionary, gestalt is defined as “something such as a structure or experience that, when considered as a whole, has qualities that are more than the total of all its parts.”

We, at MPS, strive to unlock the significant synergies resulting from our distinct acquisitions and combine them to create something momentous.

### How is it important for us at MPS?

For over five decades, MPS has been transforming the way the world learns. Over the years, we have been accelerating growth, both organically and inorganically. With the aim of achieving significant expansion in terms of both the scale and scope of our business, we acquired seven businesses in the last eight years.

Now, it is all about making these distinct businesses add up to something impactful and value accretive for our customers and stakeholders. It is all about “Going Gestalt” with the right strategy, execution model, and foresight.

For over five decades, MPS has been transforming the way the world learns.

Our growth pivots include ramping up our business offerings to achieve better synergies within segments, driving a platform-led approach in all aspects of the business, maximizing the market share in high-performing areas, and elevating our stature in the marketplace as a platform company that ensures consistent value creation.

At MPS, our vision for the future is to power the differentiation and competitiveness of our customers through

**smarter** content solutions  
**richer** platforms  
**immersive** eLearning solutions

We help transform learning by making it transparent, real time, and outcome oriented. With our holistic approach, we are GOING gestalt, where the whole of all that we are doing now or plan to do in future will be far greater than the sum of its parts. Through the successful execution of this strategy, we aim to be the undisputed market leader, admired by all our stakeholders.

**MPS overview**

# Pioneering digital disruption

We are a leading content, technology, and eLearning platform focused on the digital learning landscape.

MPS is a premium digital-first outsourcing platform with end-to-end solutions that target a rapidly growing market. Some of our key highlights are as follows:

**Well-Established Platform**

We are a combination of three leading institutions across content outsourcing (Macmillan/1970), eLearning (Tata Group/1991), and an independent platform (Stanford/1995)

**Robust Industry Drivers**

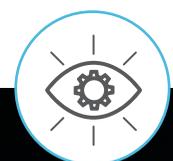
We have a large \$310bn+ total addressable market with significant runway for growth across research content outsourcing, digital education content, and corporate eLearning end-markets

**Compelling Value Proposition**

We are the only independent vendor that provides end-to-end solutions throughout the content lifecycle

**Tremendous Growth Opportunities**

We aim to maximize cross-selling with existing customers and develop a central growth engine to add new logos

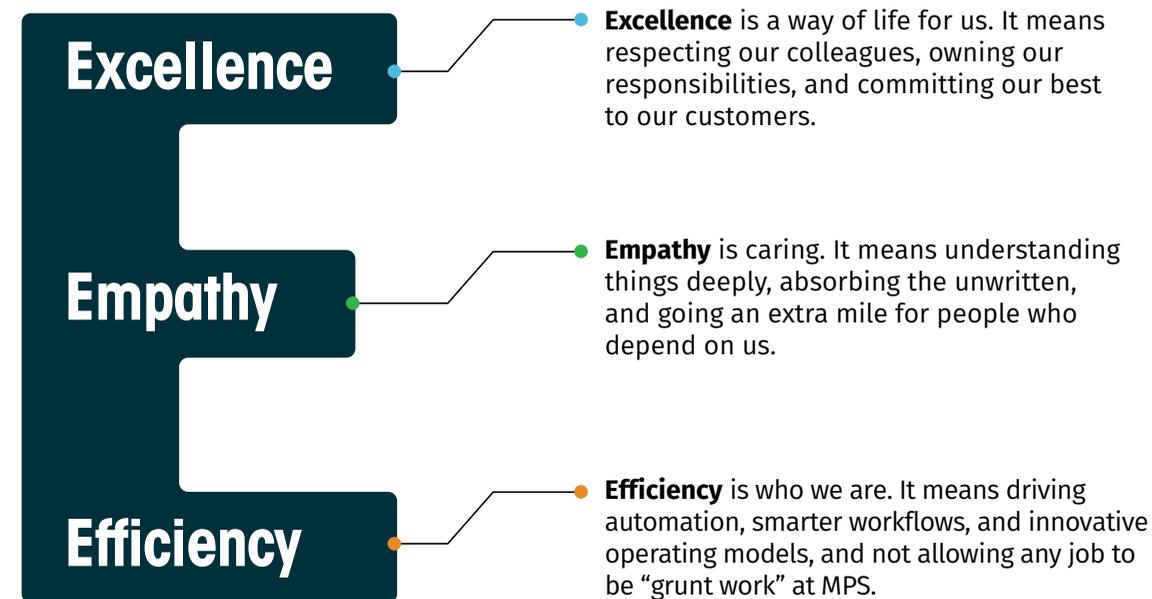


# Vision 2027

To create a compelling learning company at a meaningful scale that helps the world learn smarter. We aspire to be the provider of choice in our markets that powers experiential learning experiences with the latest technology innovations.

## Our Values

Our ambitions are powered by our core values that we call the **Triple E**. These are principles we will not compromise on, and are tools that we depend on.



**Key highlights**

**50+**

Years of rich history

**15**

Offices

**2500+**

Talent pool

**7**

Acquisitions in 8 years

**₹ 449 Cr**

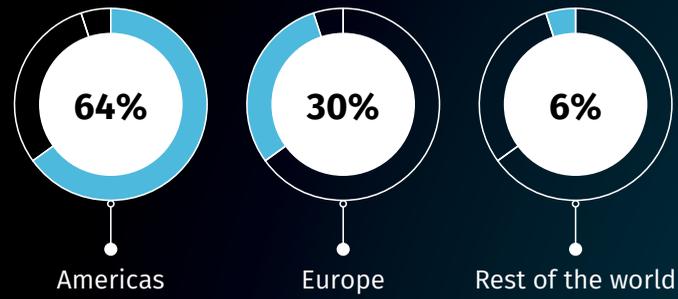
Revenue

**₹ 118 Cr**

PBT

# Leaving a global footprint

## Revenue Mix



## Our Base



## Employees

42

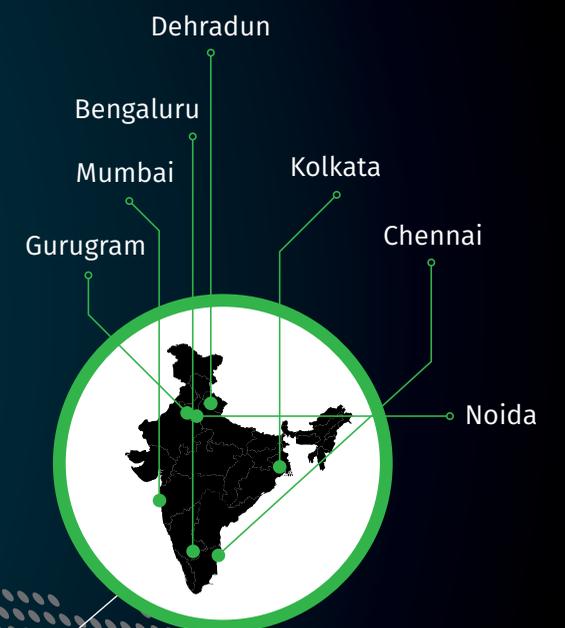
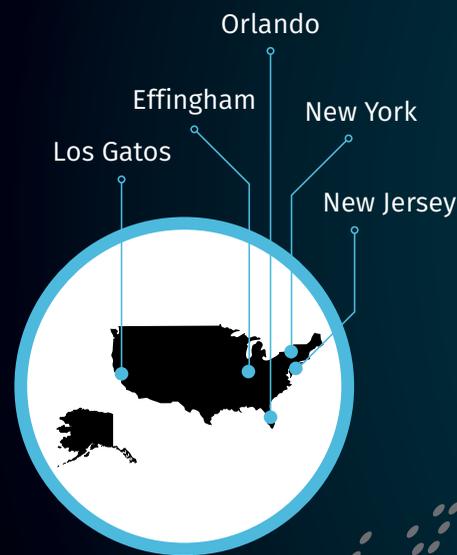
Americas

44

Europe

2,519

India



Americas

Europe

India

# Chairman's Letter

## To the Shareholders of MPS Limited

MPS earned an unprecedented INR 48.61 per share in FY22. This year, I decided to write you a letter, hopefully the beginning of a longstanding tradition, to help you navigate what's changed at MPS. The excellent business performance in FY22 resulted from a journey that started a decade ago when the change of majority ownership from Macmillan to ADI was completed in 2012.

The timing is relevant, but more importantly, there is a great deal that I want to share with you about the Company, including a deeper understanding of what got us here, the specific progress in the last two years, and our growth strategy that envisions a new scale for MPS in FY27. While on the one hand I have never believed in five-year business plans, on the other hand, I believe it is important to have and own a bold vision; put in more efforts than anybody else to pursue the vision; stay relentless because while there will be ups, there will be many downs, and we learn more from failure than anything else; and ignore any naysayers because growth comes with optimism, and while the paranoid does survive, it's the dreamer who thrives.

### Let us begin by understanding what got us here

Macmillan gave us a great platform. During the change of ownership, the exiting Chairman of MPS commented that they were handing over the jewel in their crown, and that we must nurture their legacy. His comment was on point because MPS possessed more capabilities and depth than anybody else in the marketplace. What was missing was a drive toward speed and efficiency that customers needed. We brought that perspective in by moving the organization to a flatter structure powered by a culture of agility, and that assumed efficiency was table stakes. The impressive and global-scale infrastructure in Dehradun allowed us to get ahead of our competitors. This plus the small mercy of the rupee depreciation offered us additional tailwinds in FY12 and 13.

MPS' dominance was in content solutions outsourcing, with a strong focus on scholarly publishing, though our ambitions were grander. We scaled our presence in the education market through the acquisitions of Element,

EPS, and TSI Evolve between 2013 and 2015, which also helped us establish meaningful onshore operations in the US. The resulting momentum allowed us to raise our growth capital via a QIP process in 2015, which funded the next three acquisitions. The acquisitions of Magplus (2016) and THINK (2017) improved our revenue quality since they are platform businesses with a high proportion of SaaS-based recurring revenue. The acquisition of Tata Interactive Systems Group in 2018 powered our definitive entry into the eLearning space with operations in India, Switzerland, and Germany. The expansion also opened us to newer markets, including corporates and educational institutions. Our most recent acquisition of HighWire in 2020 further improved our revenue quality as HighWire again is a platform play. All the acquisitions we made were motivated by the expansion of scope to enhance our competitive advantage. The period between FY14 and 20 was a thoughtful diversification play that:

1. Expanded our total addressable market from USD 2 billion to USD 310 billion.
2. Enhanced the business mix from 100% content in FY14 to 60% content, 28% platform, and 12% eLearning in FY20.
3. Reduced the revenue concentration from the top 10 customers - 75% in FY14 to 53% in FY20.

During our diversification phase, all our energies were focused on optimizing each of the acquisitions because we had acquired assets that were historically premium but more recently distressed. With each turnaround, we got more efficient and had better upside with each subsequent acquisition. To develop a greater whole, we

“  
Instead of taking five years to expand margins, we will achieve our target margins in the second year while ensuring a high ROIC and timely payback.  
”

have begun to optimize the sum of the parts in the past two years. We have unlocked synergies across the business mix during this phase to further extend the margins of our expansion. We have developed new revenue streams that can combine our business interests to solve the increasingly complex problems of our customers.

- We have seen robust growth in our education business through a revamped and integrated global delivery model that combines diverse capabilities.
- We realized a profitable transformation of our eLearning business by utilizing wage arbitrage levers at a group level versus a business segment level.
- We built a new scale in our research content customer base by successfully delivering through the pandemic by leveraging a more diverse talent pool than any of our competitors.
- We expanded our Platform business through acquiring HighWire, advancing positioning in the research end-market as a “thought leader.”

The road to FY27 then is about diligently building new scales. We have redefined our sales and marketing strategy to include a market-oriented approach to drive organic growth. Our customer interactions are focused on leveraging multiple capabilities to address customer needs versus a product-based approach. In the research market, we now play the role of a price warrior and aim to bundle our products/services to acquire the market share. Our tech IP and low-cost delivery locations help us protect our margins in this competitive marketplace. To further our momentum in the corporate market, where we have an unprecedented Order Book, we are

scaling up our investments by three-fold in marketing and adding sales hunters in new markets to better our geographical coverage. We are also going to gestalt in the Education sphere by unlocking the synergies between our content and eLearning solutions to focus on digital and experiential learning. The expansion in education also includes a developing customer base, including educational institutions, Edtech, and emerging learning companies.

A new Acquisition Playbook will further augment our ambition to build serious scale. We are enhancing the first phase of the acquisition playbook, which was about acquiring distressed assets at distressed prices, to moving into the next stage about acquiring growing assets at competitive prices. We are now pursuing growth assets that have inherent financial strength. Our inorganic focus will be on acquiring growing companies at attractive valuations, ensuring that our recently established momentum attains further acceleration. The next wave of acquisitions will also give access to new markets, enhancing our competitive advantage. Instead of taking five years to expand margins, we will achieve the target margins in the second year while ensuring a high ROIC and timely payback.

My vision for MPS in 2027 is to create a compelling learning company at a meaningful scale that would help the world learn smarter. We aspire to be the provider of choice in our markets that powers experiential learning experiences with the latest technology innovations.

Regards  
*Rahul Arora*  
**Rahul Arora**  
Chairman and Managing Director

**Business overview**

# Distinct solutions for diverse clients

We are recognized as trusted industry partners who provide comprehensive offerings across the value chain. Our end-to-end offerings provide a one-stop solution, leading to operational efficiencies, enhanced scale, and unparalleled customer experience.

## Content Solutions



**Overview:** Comprehensive content solutions from content creation to delivery across all media that help drive the competitiveness and differentiation of educational, academic, science, technical, medical, and professional publishers

**Key offerings**

- Content authoring, development, and learning design
- Rights and permissions solutions
- Media asset development and creative services
- Content production powered by Digital First workflows
- Digital transformation

**Customers:**

Educational Companies, Research Content Organizations, and Educational Institutes

**Key Highlights for FY22**



## Platform Solutions



**Overview:** Complete range of configurable platform solutions across the entire content lifecycle majorly delivered as SaaS. First to market with each platform offering and respected as the innovator and thought leader in the space

**Key offerings**

- Submission, peer review, and workflow
- Hosting and identity management
- Insights and analytics
- Customer service and order management

**Customers:**

Research Content Organizations and Educational Institutions

**Key Highlights for FY22**



## eLearning



**Overview:** Deliver high-impact learning and performance support solutions that offer a high engagement quotient, drive learner performance, and deliver high ROI for the learner and organization

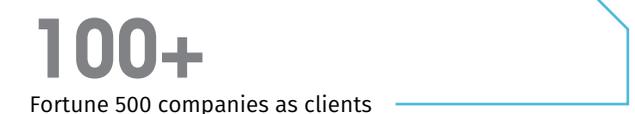
**Key offerings**

- Custom eLearning
- Gamification and serious games
- Learning websites
- Micro learning, mobile learning
- Simulations
- VR/AR/Animation
- Experience Centers
- Learning platforms

**Customers:**

Research Content Organizations, Corporates, and Educational Institutions

**Key Highlights for FY22**



Our Multipronged Growth Strategy

# Focusing on a customer-centric approach

MPS is poised for significant growth through both organic initiatives and M&A



## Market-based Approach

- **Refocused sales strategy** using a market-based approach to enhance and unlock cross-sell synergies across research, education, and corporate end-markets
- Client interaction focused on **leveraging multiple capabilities** to address client needs vs. product-based approach
- Lead marketing with **compelling value proposition & impactful brands**



## Penetration within Existing Customers

- More proactive management of key accounts to **advance relationships with strategic clients** using dedicated account managers
- Executive sponsors from the senior management team assigned to each star account
- **Leverage strong client** relationships to continue to **gain wallet share** with existing clients



## Winning New Logos

- **Research Content:** Bundle our products/services and play the role of a price warrior to acquire the market share
- **Corporate eLearning:** Advance our unprecedented Order Book by scaling up the marketing three-fold and improving geographical coverage
- **Digital Education Content:** Unlock our synergies to expand our customer base geographically and by client type (e.g. Edtech)



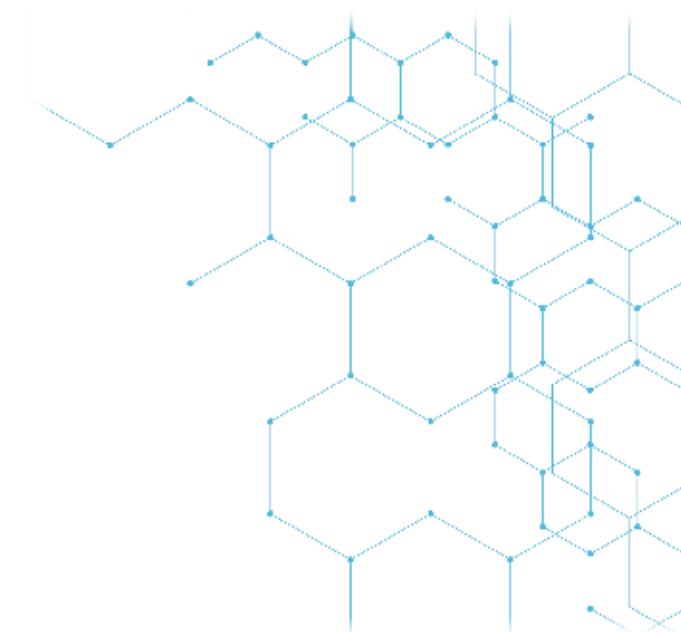
## New Product and Capability Development

- **Grow experience center business** globally to target the marketing budgets of large corporates
- Unlock synergies between Content and eLearning business by **launching a Digital Studio** dedicated to the education market
- **Expand Platform offerings** via a series of new product launches



## Strategic Inorganic Expansion

- Approach to M&A evolving from acquiring distressed assets to **acquiring growth assets**
- **Tried and tested M&A Playbook** enabling seamless integration and focusing on value creation
- Continue to target **superior ROIC and rapid payback**



Content	Platforms	E-Learning
 Electronic Publishing Services  Element LLC	  	

# Key industry drivers

Positive business tailwinds create an attractive opportunity for scaled players. MPS is well established to benefit from market tailwinds and growth enabled by technology.



## eLearning\*

- Increasing demand for trusted providers with deep technology expertise and the ability to manage end-to-end eLearning solutions.
- Answering the need for digital learning capabilities, particularly post pandemic
- Unprecedented demand for immersive and experiential learning including simulations, games, AR, VR, and XR

(Served by content and platform)

21%

Industry growth



## Digital education content\*\*

- The pandemic has accelerated the shift of our content to digital
- Preference to work with players that have a track record in a global delivery model
- New outsourcing programmes are expected as customers do not have the in-house capacity to deliver on demand

(Served by content, platform, and eLearning)

11%

Industry growth



## Research content outsourcing\*\*\*

- Vendor consolidation in mature areas of outsourcing
- Customer preference to work with partners that own technology IP that will support efficiency requirements and future-proof customer needs
- Drive to automate new processes and application of AI/ML to mature processes

(Served by eLearning and platform)

5%

Industry growth

Source:

\* eLearning - <https://www.gminsights.com/industry-analysis/elearning-market-size>

\*\* Digital Education Content - <https://www.prnewswire.com/news-releases/global-digital-education-content-market-to-reach-108-billion-by-2026-301305030.html>

\*\*\* Research content outsourcing - Global publishing outsourcing market size - EY Parthenon

## Our journey

# Making strides into the future

Our journey highlights a track record of growth—Years of acquiring customers and expanding our capabilities. Our journey can be summarized in four major phases of evolution.

### Drive for speed and efficiency

#### FY12-FY13

- Acquisition of MPS, a subsidiary of Macmillan
- Opened the largest global office in Dehradun to improve efficiency and lower costs
- Acquired Element LLC to expand content solutions

### Major diversification play

#### FY14-FY20

- Completed 7 acquisitions over 8 years
- All acquisitions of scope to enhance strategic competitive advantage
- Reduced revenue concentration from top 10 customers - 75% in FY14 to 53% in FY20
- Diversified business mix from 100% Content in FY14 to 60% Content, 28% Platform, and 12% eLearning in FY20
- Expanded TAM from \$2 bn to \$365 bn

### Unlocking synergies

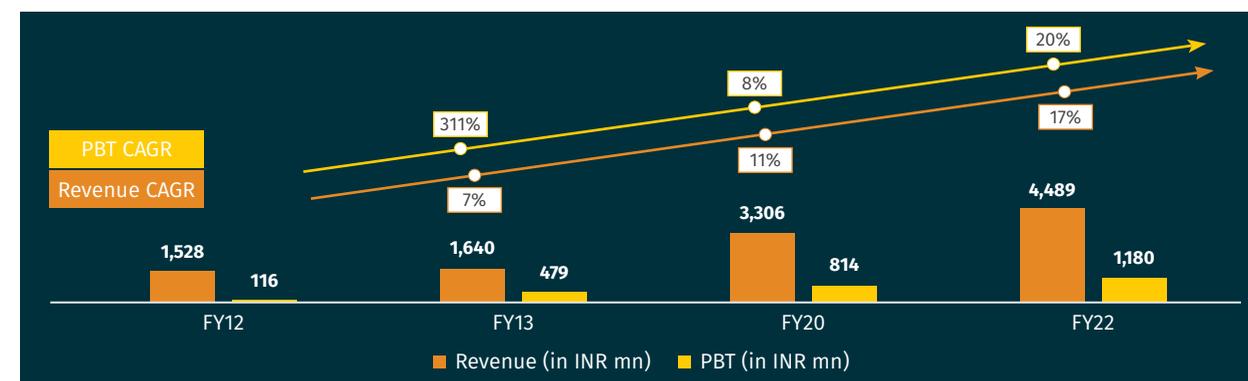
#### FY21-FY22

- Robust growth in the education business through revamped and integrated global delivery model that combines diverse capabilities
- Profitable transformation of the corporate eLearning business by leveraging wage arbitrage levers
- Expanded the platform business through the acquisition of HighWire, advancing our positioning in the research end-market as a “thought leader”

### Building scale

#### 2023 onwards

- Redefine sales and marketing strategy to a market-oriented approach to drive organic growth
- Shift the focus of inorganic strategy to focus on acquiring growth assets
- Explore opportunities for further consolidation to further improve efficiencies and drive margin expansion



Operational excellence

# Leveraging our expertise to create value

Our employees are at the core of our growth, and we employ a highly trained workforce dedicated to creating improved value for all our customers. Our expertise in building, maintaining, and managing a highly trained and scalable workforce has resulted in exemplary employee metrics.

# Awards and recognition

**Our scale allows** our diversified pool of talent to drive efficiency in **15** delivery locations

**Our global integrated delivery** has allowed us to take on larger projects and avail service from **low-cost** destinations

**Improved contribution margin** as **9** out of our **15** delivery systems are located in low-cost cities, which offers **50%** lower labor cost

**Our relentless effort** on employee well being has resulted in a low attrition rate allowing employees to build **specialization**



**Deep domain expertise**

We have reinforced our expertise in content transformation and eLearning with a robust technology, a team of industry experts, and a comprehensive portfolio of capabilities. More than 50 years of content building has helped us provide the best-in-class outsourcing solution for the publishers.



**Leveraging technology for excellence**

We enhance customer experience by integrating our operational expertise with technology. Our cloud-based workflow processes are highly automated and streamlined, resulting in quicker turnaround time.



1 Brandon Hall Technology Award



30 Brandon Hall Excellence Awards



APEX Awards 2021



Top 20 Companies - Training Outsourcing 2021



Top 20 Companies - Custom Content Development 2021



LearnX Live! Diamond and 2 Gold Awards 2021



Top 20 Companies - Experiential Learning Technologies 2021



Ranked among the top in the industry for Gamification and Learning Content Development



Strategic Challenger in Fosway Group's 9-Grid for Digital Learning

# Board of Directors

## Rahul Arora

### Chairman and Managing Director

Rahul Arora is Chairman and Managing Director of MPS Limited. As Chairman and Managing Director, Rahul has been leading MPS to achieve its maximum potential by relying on the core values of Excellence, Empathy, and Efficiency. MPS is at an inflection point and Rahul aspires to lead disruptive innovation in this industry to unlock value. Rahul is an authentic leader who takes pride in his agility to adapt swiftly to market needs. A total of 2,800 associates spread across India, US, UAE, Germany, and Canada support Rahul in his vision to become the undisputed market leader by 2023, as a leader who is loved and admired by all stakeholders.

Rahul caught the entrepreneurial bug during his undergraduate days at Babson College. Upon receiving overwhelming consensus on a case study that he authored on his situation, leading the family business versus jumping into Corporate America, Rahul returned to India to manage the B2B magazine publishing business.

A Bachelor of Science graduate from Babson College (2006), with an MBA from the Indian School of Business (2011), he completed the Wharton Advanced Management Program in 2017.

## Mr. Ajay Mankotia

### Independent Director and Chairman of the Audit Committee

Mr. Ajay Mankotia pursued BA in Economics (Honours) from St. Stephen's College, Delhi University, followed by a Master's Degree in Economics from the Delhi School of Economics, Delhi University. He has a Diplôme D'études Supérieures Spécialisées (DESS) in Diplomacy and Administration of International Organizations from the University of Paris-XI, Paris, Diploma in International Economic Relations from Institute International d'Administration Publique (IIAP), Paris, and Bachelor's Degree in Law (LLB) from the Law Centre, Delhi University.

Ajay, who joined the Indian Revenue Service in 1982, has worked in a wide variety of posts in the Income Tax Department – Assessments, Appeals, Administration, Central Board of Direct Taxes, and Search and Seizure. During the course of his career, he was also deputed as Chief Vigilance Officer of a few public sector fertilizer companies and was deputed for foreign courses in Vigilance and Internal Affairs. When he was Commissioner of Income Tax, he decided to opt for Voluntary Retirement in 2008 after having spent 26 years as an IRS officer, and joined a media company as President (Corporate Planning and Operations). He presently runs his own Tax and Legal Advisory.

## Dr. Piyush Kumar Rastogi

### Independent Director

Dr. Piyush Kumar Rastogi is Senior Partner with Rastogi and Donald, a leading Chartered Accountants' firm with offices in New Delhi and Noida, UP, that was established in 1986. The firm is registered with the Comptroller and Auditor General of India and leads public sector audits. The firm is on the panel of nationalized banks and financial institutions and leads statutory audits of banks and provides consultancy services to financial institutions. Additionally, the firm provides financial consultancy services to public and private limited companies.

Previously, Dr. Rastogi has been a Lecturer in Rohilkhand University teaching Audit, Financial Accounting, Corporate Law, and Financial Management, and continues his teaching passion as a Visiting Professor at Ishan Institute of Management in Greater Noida, Uttar Pradesh.

Dr. Rastogi is a Fellow Member of the Institute of Chartered Accountants of India and holds a Doctorate Degree in Commerce (Banking) from Rohilkhand University. Piyush also completed his LLB and his Masters in Commerce from the same University, while he completed his Bachelor's Degree in Commerce from Agra University.

## Jayantika Dave

### Independent Director and Chairperson of Nomination and Remuneration Committee

Jayantika is an Independent, Non-Executive Director on the Ingersoll Rand India Board, and is a Founder Trustee of the Delhi Bird Foundation and the KN Dave Educational Trust. She is also an Executive Coach, and a consultant on HR Strategy.

Prior to these roles, she was the Vice-President – Human Resources in Ingersoll Rand India, and led the Human Resource strategy and direction for Ingersoll Rand's aggressive growth plans in India. Under her leadership, Ingersoll Rand India was repeatedly recognized as an Employer of Choice, and the Human Resources team won a number of awards for excellence in Leadership Development and for Innovative HR Practices. Before this, she was the Head of Human Resources for Agilent Technologies in India, and also held Human Resource leadership positions in Hewlett Packard India. She has also worked as a consultant in different areas of business and as an entrepreneur.

Throughout her multifaceted, 35-year-long career, she has always been a key business consulting partner, as well as the architect for senior leadership development, a coach for the senior leaders in the organization in India, and a mentor for the HR team. Her role has involved growing, acquiring, and divesting businesses, and building organization capability. She has had multisector experience in the Industrial, Hi-Tech, and Financial Services sector, and with diverse teams – Sales, R&D, and Support.

She is a certified Executive and Life Coach from ICF, a certified Assessor for the Intercultural Development Inventory (IDI), for Myers Briggs Type Indicator (MBTI), and for Personality & Profiles Inventory (PAPI). She is an Economics Honours graduate from Lady Shri Ram College, Delhi University, and has a Master's in Business Administration from the Faculty of Management Studies, Delhi University.

## Achal Khanna

### Independent Director

Ms. Achal Khanna is the CEO for SHRM India and Asia Pacific Head for Business Development. SHRM India is a wholly owned subsidiary of the Society for Human Resource Management (SHRM), which is the world's largest association devoted to human resource management with more than 2,90,000 members worldwide. Achal is responsible for leading the India operations of SHRM, as well as Asia Pacific operations, including Middle-East.

She serves on the global SHRM Leadership Team and is responsible for building the brand, expanding its business,

and developing professional relationships with government agencies, and other HR and business associations in the region. Achal has over 30 years of work experience. Prior to joining SHRM, she was Managing Director for Kelly India operations, Vice President for GE, and Country Manager for Polaroid India. She has also worked with Dupont, ITC, and Cosmo Group in various capacities. She has been a recipient of the "Best Women Executive in India" award.

Achal holds a Bachelor's degree in Economics, a Master's Degree in English Literature, and she is an MBA from Delhi.

## Yamini Tandon

### Non-Executive Director

Yamini is a graduate from Lady Shri Ram College and a post graduate from the Indian School of Business, Hyderabad, with a specialization in Marketing and Strategy. She is currently also serving as Senior Vice President, School Delivery of MPS North America, LLC (Subsidiary of MPS Limited)

Ms. Tandon has previously worked as a Senior Consultant with Gallup consulting across their US and India offices, and as a Strategic Planner at Euro RSCG in New Delhi, India.

# Management Discussion and Analysis – FY22

## Company Overview

Over the past 50 years, MPS has been transforming the way the world learns. This mission was further accelerated in 2012 after a change in majority ownership from Macmillan to ADI in 2011-12. The new leadership team launched MPS into an era of rapid growth through a transformation of organizational culture by instilling an entrepreneurial mindset, reiterating the importance of customer focus, and driving forward a continuous improvement of efficiency.

Our acquisitions of US-based Content Development and Design houses during the years 2013-2015 allowed us to expand the scope of our services, which now include end-to-end publishing solutions, from content production to delivery, all delivered on a global scale. From 2015 to 2020, we diversified our business to target new customers, enter adjacent markets, and develop additional business streams.

The first step in the diversification was the establishment of a platform business via the acquisitions of Magplus and THINK. In 2018, the acquisition of Tata Interactive Systems India, AG, and GmbH marked our definitive entry into the Corporate Learning and Development market. Our success with preceding acquisitions provided us the conviction to acquire HighWire Press in 2020, during the pandemic, which allowed us to scale our platforms business. Platforms and eLearning solutions now constitute a considerable proportion of MPS' business.

MPS' deep domain expertise in content transformation and eLearning is underpinned by a robust

technology platform, a team of industry experts, and a comprehensive portfolio of capabilities:

- **50+ years** of content experience results in providing **best-in-class outsourcing solutions**
- **Cloud-based highly automated** and streamlined workflow processes result in quicker structuring, review, edit, and delivery
- **Multi-functional team of industry experts** having strong capabilities and domain expertise ensures stellar outputs
- **Access to proprietary smart tools** ensures standardization of services and faster and more economically vis-à-vis customers
- Ability to **cross-sell solutions across a diverse client base** allows for multiple touch points enabling expertise in multiple verticals/service lines
- Innovative technology solutions clubbed with **global sourcing partnerships** enables efficient delivery of complex content

## Business Segment Overview for FY2022

MPS Limited is a leading global provider of Content, Platforms, and eLearning solutions. Our goal “Make Learning Smarter” unifies our diverse talent pool of over 2,500 professionals spread across seven countries. MPS' business segments have seen significant upgrades during the past financial year, ranging from deeper digital

integration into workflows and offerings to enhanced remote working setups. A summary of MPS' business segments, including Overview, Proportion of Total Revenue, Target Market, Key Acquisitions, Business Strategy, and Value Proposition, is provided below:

	Content Solutions	Platform Solutions	eLearning Solutions
<b>Overview</b>	Providing a wide range of content solutions, which involves the creation of the content and its delivery across all the media channels that help in driving competitiveness and differentiates all the educational, academic, STM, and professional publishers.	Providing a complete range of configurable platform solutions throughout the entire content lifecycle primarily delivered as SaaS. Foremost when it comes to delivering innovation in platform offerings and known to be the thought leader in the space.	Developing and delivering high-impact and comprehensive learning and performance support solutions that provide a high engagement quotient and enhance learners' performance. All the solutions ensure high ROI for the learners, business, and the organization.
<b>Proportion of total revenue</b>	54%	27%	19%
<b>Key acquisitions</b>	2013 – Elements LLC 2014 – EPS 2015 – TSI Evolve	2016 – Mag+ 2017 – THINK 2020 – HighWire Press	2018 – Tata Interactive Systems India, Switzerland, and Germany
<b>Competitive strategy</b>	Operational excellence	Product leadership	Solutions leadership
<b>Key Value Proposition</b>	Efficiency and differentiation	Innovation and thought leadership	Experiential and transformative
<b>Customers</b>	Educational Companies, Research Content Organizations, and Educational Institutes	Research Content Organizations and Educational Institutions	Research, Educational Institutes, and Corporates
<b>Key Offerings</b>	<ul style="list-style-type: none"> <li>• Content Authoring, Development, and Learning Design</li> <li>• Rights and Permissions Solutions</li> <li>• Media Asset Development &amp; Creative Services</li> <li>• Content Production powered by Digital-First Workflows</li> <li>• Digital Transformation</li> </ul>	<ul style="list-style-type: none"> <li>• Submission, Peer Review, and Workflow</li> <li>• Hosting and Identity Management Insights and Analytics</li> <li>• Customer Service and Order Management</li> </ul>	<ul style="list-style-type: none"> <li>• Custom eLearning</li> <li>• Gamification and Serious Games</li> <li>• Learning Websites</li> <li>• Micro-Learning &amp; Mobile Learning</li> <li>• Simulations</li> <li>• VR/AR/Animation</li> <li>• Experience Centers</li> <li>• Learning Platforms</li> </ul>

## Content Solutions

### Overview

- Offers **End-to-End Content Outsourcing Solutions** to leading education and research players
- **Global Delivery Model** combines local content expertise with offshore horsepower to produce high-quality deliverables with unparalleled efficiency
- **Deep Domain Expertise** powers the development of highly differentiated learning and research products that enable the growth of MPS' customers
- **Automation and Tech-Enabled Delivery** enables faster time to market and competitiveness of MPS' customers
- **Key Acquisitions:** Element LLC (2013), EPS (2014), and TSI Evolve (2015)

### Areas of Excellence

- The first content outsourcing company in the world with 50+ years of experience providing comprehensive content outsourcing services
- Positioned as the market developer and led several new waves of outsourcing for the industry
- Robust technology-supported production processes backed by a large pool of experienced resources
- Highly regarded management and delivery teams with deep relationships and the ability to handle complex programs

### Areas of Upside Opportunity

- Transition from technology-supported to technology-led production and rapid development of automated delivery
- Application of machine learning and advanced analytics to reduce turnaround time and improve cost efficiencies
- Lead consolidation among vendors and vertically aligned services to continue to expand wallet share
- Market is ripe for disintermediation and recently established outsourcing programs with leading educational institutions lending support to this positive outlook

## Platform Solutions

### Overview

- **Revenue Model** is SaaS and the majority of the revenue is recurring and license based
- **Product Portfolio** is the most comprehensive in the marketplace, and each product solves a meaningful problem in a compelling way
- **Market Positioning** is of Thought Leader after the acquisition of HighWire Press, which was the first independent platform company incubated at Stanford University in 1995
- **Operating Leverage** is high and margins have significant room to grow given the nature of the business
- **Key Acquisitions:** Mag+ (2016), Think Subscription (2017), and HighWire Press (2020)

### Areas of Excellence

- The first independent platform company in the world with 25+ years of experience with the most comprehensive product suite in the marketplace
- Advanced technical skills combined with deep domain expertise is a unique combination in a market that values rich experience
- Mature and diverse customer base that allows for great reference-ability for future growth
- Large, highly trained offshore workforce that provides the horsepower needed for scale and rapid product development

### Areas of Upside Opportunity

- Still at an early stage of integrating and cross-selling with other lines of business, providing significant upside potential
- New product development and enhancement opportunities identified, which represent a tremendous scale of opportunity
- Entry into adjacent markets including sales enablement, marketing communications, and experiential learning
- Platform business provides a proprietary opportunity for a new wave of complete content operations outsourcing in a single-supplier mode

## eLearning Solutions

### Overview

- **Unparalleled Solution Portfolio**, including Simulations, Games, Experience Centers, Digital Learning, Assessments, Extended Reality, and Learning Technology
- **Deep Domain Expertise** across content, creative, learning design, and technology, and as the first eLearning company in the world, established in 1990
- **Premium Pricing** is supported by higher fidelity of learning deliverables enabled for modern learners
- **Diverse Customer Base**, including 100+ Fortune 500 companies across the Americas, EMEA, India, Switzerland, and Germany
- Ability to address varied customer needs with expertise across industries, verticals, solution formats, and topics
- **Key Acquisitions:** Tata Interactive Systems India, Switzerland, and Germany (2018)

### Areas of Excellence

- The first eLearning company in the world with 30+ years of experience that commands a premium pricing model
- Developed 2mn+ hours of cutting-edge content and a reputation for pioneering innovative solutions
- Deeply entrenched relationships with 100+ Fortune 500 clients spread across North America, EU, UK, Middle East, Asia Pacific, and India
- Won 200+ industry awards and featured in Top 20 content development, gamification, and training outsourcing lists

### Areas of Upside Opportunity

- Leverage reputation to continue to win logos and build a diversified and marquee customer base. Extend automated sales to optimize time-to-facility for customers and provide faster development
- Strategically tap into high-dollar Edtech clients with a differentiated value proposition
- Leverage the advent of new technologies to drive recurring license revenue
- Availability of Market consolidation opportunities, and the company's robust inorganic strategy and experience can drive rapid growth

## Vision

MPS' vision is to power the differentiation and competitiveness of our customers through smarter content solutions, richer platforms, and immersive eLearning solutions. We will transform learning by making it transparent, in real-time, and always focused on the outcome. Through the successful execution of this vision, we will become the undisputed market leader, admired by all our stakeholders.

## Values

Our ambitions will be powered by our values, which define who we are today and will shape our future. These are not principles that we will compromise but tools upon which we will depend.

Excellence is a way of life for us. It means respecting our colleagues, owning our responsibilities, and committing our best efforts to our customers. Excellence is not perfection but rather the simplicity in giving our best effort to every interaction, deliverable, and decision.

Empathy is caring. It means caring to understand things deeply, absorbing the unwritten, and going the extra mile for the people who depend on us. Although empathy is usually intuitive, we believe that it can be developed intellectually through impactful programs.

Efficiency is who we are. It means driving automation, smarter workflows, and innovative operating models and not allowing any job to be considered grunt work. We will be doing things very differently by 2023, and we will be innovating to make publishing and learning smarter along every step of the journey.

## Certifications

Our commitment and success are acknowledged by the following certifications:

**ISO 9001:2015:** This is an international quality management system for the company's production business.

**ISO/IEC 27001:2013:** This strengthens the information security management system; it applies to MPS' Indian production units.

**PCI-DSS:** This global information security standard is awarded by the Payment Card Industry Security Standards Council. This certification (PCI-DSS version 3.2.1) extends across the MPS' fulfillment services/THINK units.

**GDPR Compliant:** The General Data Protection Regulation (GDPR) is legislation that updated and unified data privacy laws across the European Union (EU).

**COUNTER 5 Compliant:** This is an international initiative services librarians, publishers, and intermediaries. The standards facilitate the consistent and credible recording and reporting of online usage statistics.

**Financial Overview\***

Items	(INR in lakhs)		
	FY 2021-22	FY 2020-21	YoY Change
Revenue from operations	44,888	42,255	6.23%
EBITDA	12,601	10,677	18.01%
PAT	8,712	5,856	48.77%

\*Basis Consolidated Financials

Items	(INR in lakhs)		
	FY 2021-22	FY 2020-21	YoY Change
Revenue from operations	28,402	27,902	1.79%
EBITDA	10,172	9,283	9.58%
PAT	7,146	6,053	18.06%

Basis Standalone Financials

**Key Ratios\***

In accordance with the SEBI (Listing Obligations and Disclosure Requirements) (Amendment) Regulations 2018, the Company is required to provide details of significant changes (i.e., change of 25% or more as compared with the immediate previous financial year) in key financial ratios, along with detailed explanations. The key financial ratios are given below:

Items	FY 2021-22	FY 2020-21	YoY Change
Debtors turnover (no. of days)	74	69	8%
Current ratio (in times)	2.71	2.66	2%
Operating profit margin	27%	23%	18%
Net profit margin	19%	14%	40%**
Return on net worth	23%	16%	49%**

\*Basis Consolidated Financials

\*\*Explanation for changes is provided in the balance sheet section later in the report.

Items	FY 2021-22	FY 2020-21	YoY Change
Debtors turnover (no. of days)	70	60	16%
Current ratio (in times)	2.25	2.38	(5%)
Operating profit margin	35%**	32%	10%
Net profit margin	25%	22%	16%**
Return on net worth	31%**	25%	23%**

\*Basis Standalone Financials

\*\*Explanation for changes provided in the balance sheet section later in the report.

**Financial Performance with Respect to Operational Performance**

MPS has achieved a new level of Profitability in FY22 with a PBT of INR 118 crores, representing 26.30% growth over the previous year. The momentum from FY21 carried forward, and on a consolidated basis, FX-adjusted revenues for FY22 were recorded at INR 451.21 crores, against INR 424.22 crores in FY21. EBITDA significantly improved from INR 109.56 crore in FY21 to INR 129.93 crores in FY22. MPS continued to remain debt-free through the year, with surplus funds of INR 184 crores on its balance sheet at the close of the year under review.

**Segment-Wise Performance**

For FY22, content solutions accounted for 54% of MPS' revenues, platform solutions accounted for 27%, and eLearning accounted for 19%.

The post-pandemic recovery of the eLearning business was the highlight of FY22. Revenues from eLearning in FY22 grew by 15.2% on an FX-adjusted basis. The high degree of operating leverage in the eLearning business meant that recovery in profitability was even sharper. Segment results has grown from INR 4.58 crores in FY21 to INR 11.44 crores in FY22. The bounce-back of the eLearning business resulted

from the development of business with new customers, an increase in the proportion of product license revenue, and revival of business with longstanding customers post-pandemic. Apart from the financial metrics, FY22 ended with all business health metrics in green, including an expanded order book, growing pipeline, robust productivity, and continued improvement in efficiency.

After an excellent performance in FY21, the Content Solutions business strengthened further with a revenue growth of 8.3% on an FX-adjusted basis. Profitability was robust, and segment results has grown from INR 72.29 crores in FY21 to INR 76.65 crores in FY22. Our customers reevaluating their supply chain as an outcome of the pandemic benefitted us with the expansion of scope and volume of work. And while much of our growth in the past two years in the Content Solutions vertical has come from Education customers, at the end of FY22, we witnessed a solid growth from Research customers, particularly in the Journals business.

The Platform business saw a slight decline in revenue, and in FY22, revenues were recorded at INR 123.55 crores against INR 126.22 crores in FY21 on an FX-adjusted basis. Despite the marginal decrease in revenue, profitability improved, with segment results growing by 2.7% in FY22 compared with the previous year. We have now adopted a Price Warrior Strategy to acquire market share from competitors with higher cost structures to drive growth. We have consolidated all our SaaS offerings across prior acquisitions under the HighWire umbrella brand. The combined product suite is the most comprehensive in the marketplace, and the strategy to bundle products to expand business with customers is expected to improve the quality of Revenue. Our revised go-to-market approach will also enable cross-selling with other lines of business, particularly Content Solutions.

**Industry Overview**

**Educational publishing: school, higher education, and continuing education**

Printed curriculum material, consisting of textbooks, workbooks, test papers, and even story books formed the core of educational publishing until the 21st century. However, the \$16 billion industry is undergoing a major transformation with technological disruptions. The traditional business structures are replaced with an increasing focus on online courses and course materials

across grades. The educators are also provided with professional development services. Some major disruptive technologies in this space include e-books, video streaming, digital distribution, gaming, and cloud computing.

Rising higher education enrolment is a critical growth factor, which rose by 14% (23.9 million students) by 2020.<sup>1</sup> Pent-up demand in the K-12 education market can enhance state spending on instructional resources, such as textbooks, software, and other instructional media for the 48 million public school students. The focus on print was already existent and is further boosted in the current scenario. The digital educational publishing business is likely to grow by \$6.96 billion between 2020 and 2024.<sup>2</sup>

**Upcoming Trends in the Educational Publishing Industry**

**Authoring a Course**

With rapid digitization in the industry, almost 58% of publishers are likely to employ course creation tools.<sup>3</sup> These tools make learning a lot more interactive by integrating multimedia components into learning materials. The course authoring software is extremely cost-effective and optimizes time and labor.

**Interactive Study Material**

To keep up with the transforming landscape, providing interactive books facilitates business growth. The interactive books market is likely to grow at a CAGR of 16.5%, to be worth \$2.3 billion by 2027.<sup>4</sup>

**Rental e-books**

The e-book phenomenon is likely to dominate the rental sector. The market is expected to grow at a CAGR of 22% between 2020 and 2024 and be valued at \$295 million by 2024.<sup>5</sup> The digital transformation is beyond being a by-product of the pandemic, and thus provides a significant impetus to educational publishers to streamline operations by considering robust digital platforms and henceforth stay relevant.

**Academic and Scientific, Technical, and Medical (STM) Publishing**

Notwithstanding the challenges, the scholarly publishing sector offers several growth indications. The global market is likely to restore to the pre-pandemic value of \$28 billion by 2023.

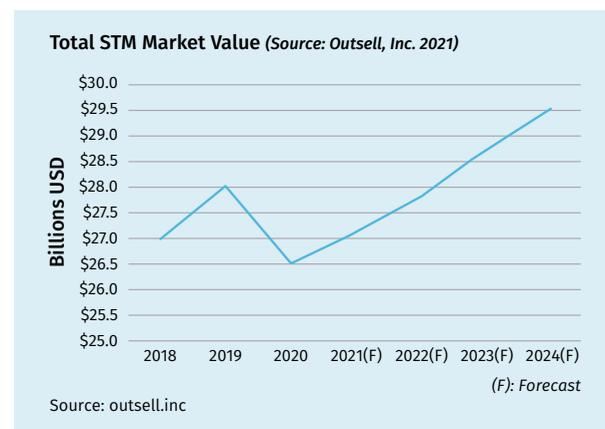
<sup>1</sup> <https://www.marketresearch.com/Technology-Media-c1599/Media-c92/Education-Publishing-c1660/>

<sup>2</sup> Technavio Analysis

<sup>3</sup> <https://www.getmagicbox.com/blog/look-at-future-educational-publishing-2021-and-beyond/>

<sup>4</sup> Marketresearch.com

<sup>5</sup> Technavio Analysis



### Research Content Outsourcing

The publishing outsourcing market growth is driven by growth in demand for digital content and print-on-demand solutions. India will continue to remain the largest outsourcing destination due to the availability of necessary IT infrastructure and skilled workforce. Based on the primary and secondary research by EY-Parthenon, the industry is expected to grow at 3-5% per annum in the five years from 2020 to 2025 (Source: EY Parthenon; Global Industry Analysts; Global Market Insights).

The key drivers anticipated for the industry are as follows:

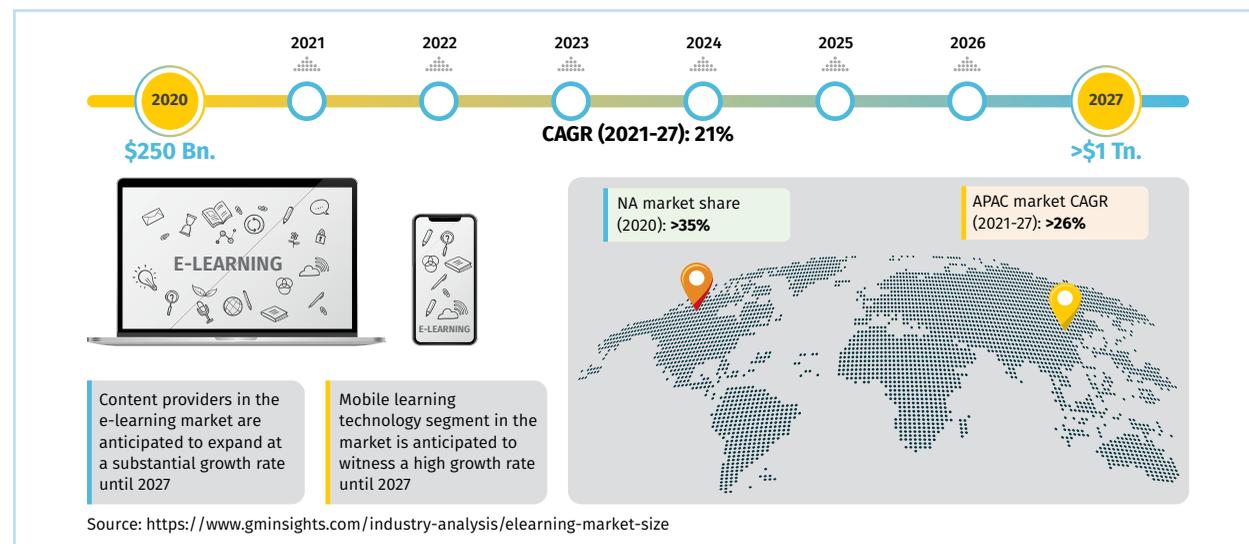
- Vendor consolidation in mature areas of outsourcing to provide further impetus to scaled players
- Customer preference to work with partners who own technology IP that will support efficiency requirements and future proof customer needs
- Drive to automate new processes and applications of AI/ML to mature processes

### eLearning

The eLearning market size surpassed \$250 billion in 2020 and is likely to record growth at a CAGR of more than 21 percent between 2021 and 2027.<sup>6</sup> The pandemic drastically disrupted the industry, leading organizations to digitize their entire operational models, including training and development programs. This reflects how digitization has impacted every sphere of life.

The advent of advanced technologies, such as AI, VR, and cloud-based learning management systems (LMS), are key growth drivers. Furthermore, the emergence of an AI-enabled eLearning solution facilitates the development of smart content, digitized study guides, and real-time questioning.

eLearning platforms have been experiencing a major upswing in the last few years. The US Edtech sector gained investments worth \$1.6 billion in 2019. Schools and businesses are adopting interactive tools to enhance student engagement and to further improve the learning experience. Resultantly, service providers are expanding their Edtech products and services.



<sup>6</sup> <https://www.gminsights.com/industry-analysis/elearning-market-size>

The pandemic undoubtedly transformed the global eLearning market. Consequently, the sector is expecting dramatic growth across geographies, such as Germany, which is expecting a 20% growth in market size, and the service providers segment in the US market, which is likely to grow at a CAGR of 17%.<sup>7</sup> The UAE education sector is drastically growing, with the government significantly prioritizing education. The UAE Vision 2021 strongly emphasizes on top-rated education system along with its further expansion plan.

### Major eLearning Trends

**Mobile Learning:** This undoubtedly remains an underexplored trend among corporations, higher education institutions, and other organizations in the eLearning sector. There are an estimated 4 billion smart phone users overall, thus keeping a lot of room for the trend to pick up.

**Micro-learning:** Micro-learning offers a very distinct effect yet is mutually inclusive with macro-learning. This looks like a promising trend to achieve macro-learning/training objectives.

**Video-based Learning:** Ever since the pandemic, video-based learning has been gaining significant traction. Almost 3 trillion minutes (5 million years) of video material is likely to cross the Internet each month in 2022. To put things into perspective, every second, 1.1 million minutes of video content is streamed or downloaded.

**Interactive Content:** Engagement is the fulcrum of this surging trend. By 2022, interactive content is likely to be a major part of eLearning deliverables.

**Social Learning:** Several eLearning platforms are now integrating forums, chatrooms, and file-sharing possibilities among learners and instructors. COVID-19 created the need for this segment, causing a significant upswing.

### Strengths

We are a market-focused organization and have built capabilities to help our customers achieve their business outcomes. The strengths that allow us to retain our market and capability positioning include the following:

### Learning Focus

Our mission is to help make learning smarter. We have a strong emphasis on learning outcomes enabled by efficient yet immersive learning paths. We provide services across the entire learner journey. In the educational publishing segment, these services include content assembly, media asset development, project management, rights and permissions, design, rich media, and digital learning objects. On the enterprise side, these services include content

<sup>7</sup> <https://www.gminsights.com/industry-analysis/elearning-market-size>

consultation, content authoring and curation, content organization, content delivery, and content upgrade.

### Unparalleled Platform-Based Approach

MPS platforms have gained significant momentum in the last five years, and the value proposition of this business is product leadership. Smart and reliable engineering, dedicated customer support, and innovative marketing power our platforms. With the consolidation of our entire tech IP under the HighWire umbrella brand, we have further strengthened our platform suite. We are relentlessly focused on leveraging our combined knowledge to enhance our products.

### Focus on Meaningful Innovation

MPS has a strong focus on developing and implementing highly automated, efficient, scalable, and technologically superior workflows across all stages of content creation. These workflows bring together an optimum combination of input file structuring and validation, XML transformation, pagination, and quality assurance (QA) processes. We are also leveraging our strong technological capabilities to significantly reduce production time for eLearning solutions. We have empowered employees at all levels in the organization to propose and deliver meaningful changes in the way we produce content.

### Financial Stability and Transparency

MPS is listed on the Indian stock exchanges and had a market capitalization of around INR 1,009 crores as of March 31, 2022. We have recently entered a new phase of growth, with revenue and PBT CAGR of 16% and 20%, respectively, between FY20 and FY22. We have an active acquisition strategy that is focused on purchasing assets that will enable us to be a more meaningful partner to our customers. Our financial stability enables us to reinvest in our platform technology, production processes, and infrastructure (IT and facilities). This reinvestment further allows us to ramp up production quickly, manage operational risk, and attract the best talent to service our customers in the best possible way.

### Employer Brand

MPS is one of the most desired employers in its industry with unrivaled experience, people, and breadth of expertise, all of which contribute to award-winning solutions. The company fosters an inclusive, healthy, and nurturing work environment, which supports and promotes the well-being and growth of 2500+ experts. MPS is a combination of three leading institutions across content outsourcing (Macmillan, 1970), eLearning (Tata Group, 1991) and independent platform (Stanford, 1995). With a diverse

clientele and long history of excellence, the goodwill accumulated in the brand is hard to replicate with newer and smaller companies.

**Continuous Improvement Mindset**

MPS has a dedicated Center of Operational Excellence that serves as a consultant and auditor to enhance the company’s operations. We have integrated real-time analytics into the operational processes and employed machine learning and natural language processing to build advanced services like content profiling and cognitive quality control. We optimize the workflows, processes, and systems for all our customers leveraging on its scale of operations.

**Change Design and Implementation**

MPS has successfully implemented change programs and analytics-led innovation over the 50-year legacy in publishing outsourcing, 30-year leadership status in eLearning, and 25-year Innovation status in platforms. As a result, we have a unique vantage point: we have learned from the past, have enabled the present, and are now well positioned to define the future.

**Opportunities**

**Total Addressable Market That Is Growing**

MPS caters to a USD 310 Billion+ total addressable market that includes Research Content Outsourcing, Digital Education Content, and Corporate eLearning. The market has a significant runway for growth across research content outsourcing, digital education content, and corporate eLearning end-markets. There is a secular shift to digital and increased outsourcing across all end markets with an increased need for an end-to-end solutions provider.

**Vendor Consolidation**

In the markets that MPS serves, customers prefer to reduce the total number of vendors for ease of management and cost advantages. This tilts the balance in favor of the larger providers such as MPS, which have been regularly augmenting their services through organic and inorganic strategies. Another round of vendor consolidation emerged as a consequence of the COVID-19 pandemic as stronger vendor partners such as MPS have been able to create harder lines of differentiation, while smaller companies have been unable to adapt to the new operating model.

**Higher Demand for Remote Learning**

The eLearning industry is growing at more than 10% per annum and presents opportunities for growth. Educational institutions are expanding their digital presence, and Corporates are increasingly enhancing their ratio of virtual training to total learning and development. MPS Interactive is well positioned to capitalize on these forces.

**Rapid Digitization**

The pandemic confined everyone to their homes. Due to the constraints on movement, audiences are consuming more content online and on mobile devices, leading to a surge in traffic for platforms. Businesses are looking for eLearning solutions that will help them adapt to the new normal and regain their level of productivity. In the long run, this represents a positive development as companies emerge from the crisis with an increased acceptance of digital learning methods. In the medium term, we will balance the impact of our clients’ economic pressures and delayed expenditures with our ability to focus on healthy sectors, mission-critical expenditures, price-competitive solutions, and an altered (increasingly digital) business development model. We will leverage our comprehensive suite of learning services and platforms to help our customers navigate the new normal.

**Threats**

A possible threat to the business model could be customers trying to own their offshore operations for control. Having said that, this does not appear to be a probable scenario as most captive units owned by customers have either been closed or sold to third parties.

**Risk management**

Type of Risks	Description	Mitigation
 <p><b>Pricing risk</b></p>	Due to increased competition, the company is witnessing high price pressures. This might have an adverse impact on the company’s profitability.	MPS has established strong brand loyalty in the segment. Moreover, its emphasis on increasing productivity and automating its operations has allowed it to maintain its profitability alongside improving the overall efficiency of its operations.
 <p><b>Currency risk</b></p>	Given its vast presence, the company is exposed to risks associated with the fluctuation of currency value.	MPS has adequate foreign exchange forward covers to cope with currency fluctuations. The forward cover is booked for foreign currency fluctuation risk in US dollars and GBP.  The company has also hired a consultant to advise on currency and booking of contracts.
 <p><b>Technology Risk</b></p>	The company is exposed to risks associated with malware and system hacks. This might lead to data loss, which could result in financial losses, company disruptions, and the loss or leaking of personal information.	MPS is always working to strengthen the security of its digital assets by implementing steps to effectively combat and manage cyber-attacks. The company has implemented cutting-edge technologies to boost operational efficiency and cross-departmental communication. To avoid cyber-attacks, a variety of cybersecurity measures, such as firewalls and port restrictions, have already been implemented.
 <p><b>Talent acquisition risk</b></p>	It is vital to improving skills and knowledge on a regular basis to thrive in a competitive environment. The company’s prospects may be harmed if it is unable to retain competent experts or does not have enough training opportunities for its workforce.	The organization conducts necessary training and development programs on a regular basis to involve its staff in various activities and motivate them through mentorship programs. It hires a multigenerational team to create industry-leading content, learning, and platform solutions. Employees at all levels of the company are empowered to suggest and implement beneficial improvements in the way they produce content.



### Internal control

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

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

For the financial year 2021-2022, the company employed M/s. BDO India LLP as the internal auditors of the Company to report on the financial controls of the company and M/s. Walker Chandio & Co. as the statutory auditors of the company to report on the financial statements (standalone & consolidated financials) of the company.

The internal audit team conducts quarterly audits across the company, which include a review of operating effectiveness of internal controls. The audit committee reviews reports submitted by the management and audit reports submitted by internal auditors and statutory auditors. Suggestions for improvement are considered and the audit committee follows up on corrective action.

### Human Resources

The company considers its people and their well-being to be the most crucial factor in its success and growth. The capable and motivated HR team works round the clock to ensure that a culture of inclusion and engagement exists in the organization. Throughout the year, staff were reminded of the need for proper hygiene and encouraged to maintain social distance.

The HR department took on several projects to improve the workplace culture and employee well-being. The following are a examples of the initiatives:

- Interactive sessions with experts for the mental and physical well-being of all employees.
- During these troubled times, insurance coverages were expanded and restructured to provide maximum benefits to employees and their dependents.

- Strict protocols for social distance and hygiene were implemented to ensure the safety and well-being of everyone working.
- The company bore the cost of vaccination drives conducted at all company locations for every employee.
- The company's infrastructure was upgraded to provide a state-of-the-art work environment, which makes collaboration between teams more accessible and efficient.
- Sessions are conducted by the leadership team for key employees at various locations with an objective to inculcate team spirit, negotiation skills, and cross-team engagement.
- Various engagement events such as team lunch, outdoor fun, and gaming activities are conducted regularly to provide a refreshing change to the employees.

In addition to the activities mentioned above, the organization has a performance-based reward and recognition program in place that allows the leadership team to recognize and motivate talent at the individual, team, and company levels. The CEO leads zoom meetings to identify and announce the accomplishments of individual members and groups who collaborated to achieve the company's goal.

### Corporate Social Responsibility (CSR)

MPS collaborates with NGOs and charitable trusts to assist marginalized populations to positively reinforce its objective. Its social mission is driven by its fundamental triple E principles, which ensure the safety and growth of all those involved. During these difficult times, MPS family works even harder to uplift the community and areas it operates in.

Education is the most valuable gift that MPS offers to the society to ensure its long-term viability. The company's CSR initiatives strive to empower the communities it operates in by facilitating their educational needs.

Resultantly, the employees put in significant efforts and engage in bringing a healthy change. The company essentially supports programs that provide education for girls as well as vocational and computer skills training. It also works with humanitarian groups to construct homes for children suffering from mental and physical ailments and works toward educating students with learning challenges. Through the efforts the company has made, it has been successful in making a significant difference in society as a whole.

### Recent CSR initiatives

- **Educating Girls:** MPS works with IIMPACT, a nonprofit organisation, to adopt schools that provide high-quality education to girls from underserved regions. The company has approximately 3000 female students enrolled in the program.
- **Instilling Higher Values:** The company supports the Vedanta Cultural Foundation, a public charitable trust, with funds to support its educational, research, and welfare activities.
- **Raising Awareness:** MPS believes in normalizing mental health issues and further promotes awareness

about it through its collaboration with the Sambandh Health Foundation.

- **Supporting Special Children:** The company makes a humble contribution to the Prem Charitable Trust, a registered charity that builds houses for intellectually and physically challenged children.
- **Offering Remedial Education:** The company strongly believes in right to education, irrespective of any condition. Hence, it collaborates with REACH, Remedial Education, and Centre for Holistic Development to provide education to students of all ages with learning disabilities.

### Cautionary Statement

Certain statements in the Annual Report, including this analysis concerning the company's objectives, expectations, estimates, projections, and future growth prospects may be regarded as forward-looking statements, which involve some risks and uncertainties that could cause actual results to differ materially. The risks and uncertainties relating to these statements include, but are not limited to, fluctuations in earnings and intense competition in publishing and eLearning services business including those factors which may affect our cost advantage, wage increase in India, reduced demand for services in our key focus areas, and general economic conditions affecting our businesses over which the company does not have any control.





# STATUTORY REPORTS



# Directors' Report

Dear Members,

On behalf of the Board of Directors ('the Board') of the Company, it gives me immense pleasure to present the 52<sup>nd</sup> Directors' Report, along with Balance Sheet, Profit and Loss Account and Cash Flow Statements, for the financial year ended March 31, 2022.

## FINANCIAL HIGHLIGHTS

Key highlights of the financial performance of your Company for the financial year 2021-22 is summarized below:

(₹ in lakhs)

Particulars	Standalone		Consolidated	
	For the year ended 31.03.2022	For the year ended 31.03.2021	For the year ended 31.03.2022	For the year ended 31.03.2021
Gross Income	29,520.36	28,791.24	46,297.05	43,242.01
Profit Before Interest, Depreciation and Tax (Excluding Exceptional Income)	11,290.85	10,172.20	14,009.64	11,664.75
Finance Charges	116.21	136.05	153.22	203.77
Provision for Depreciation	1,335.52	1,245.99	2,060.63	2,121.59
Profit Before Tax (Excluding Exceptional Item)	9,839.12	8,790.16	11,795.79	9,339.39
Provision for Tax	2,693.12	2,736.79	3,083.74	3,483.43
Net Profit After Tax	7,146.00	6,053.37	8,712.05	5,855.96
Other Comprehensive Income	140.01	(155.46)	421.76	(220.59)
Total comprehensive income for the year, net of tax	7,286.63	5,897.91	9,133.81	5,635.37
Retained Earnings brought forward from previous year	20,931.76	14,876.42	22,434.79	16,526.88
Retained Earnings available for appropriation	28,078.37	20,931.75	31,172.19	22,434.79
Surplus Carried to Balance Sheet	28,078.37	20,931.75	31,172.19	22,434.79

## OPERATIONAL HIGHLIGHTS

### Standalone

Revenue from operations for the year ended March 31, 2022 stood at INR 284.02 crores as against INR 279.02 crores for the previous year. Profit after tax and before other comprehensive income for the year ended March 31, 2022 was INR 71.46 crores and EPS INR 39.87 per share as against INR 60.53 crores and INR 33.00 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, 2022 stood at INR 448.88 crores as against INR 422.55 crores for the previous year. Profit after tax and before other comprehensive income for the year ended March 31, 2022 was INR 87.12 crores and EPS INR 48.61 per share as against INR 58.56 crores and INR 31.92 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 Directors are pleased to recommend final dividend of INR 30 per equity share of face value of INR 10 each. The Final dividend if approved by the shareholders would be paid to those shareholders whose name appears on the register of members as on the record date mentioned in the notice convening the 52<sup>nd</sup> Annual General Meeting of the Company.

## SHARE CAPITAL AND BUY BACK

During the financial year 2021-22, your Company has bought back 9,44,444 (Nine Lacs Forty Four Thousand Four Hundred Forty Four only) fully paid equity shares of face value of INR 10 each, representing up to 5.23% of the total paid-up Equity Share capital of the Company at a price of INR 900 (Indian Rupees Nine Hundred only) per Equity Share (the “Buyback Price”) payable in cash for an aggregate consideration of INR 84,99,99,600 (Indian Rupees Eighty Four Crores Ninety Nine Lacs Ninety Nine Thousand Six Hundred only) (“Buyback Size”), which represents 21.50% and 20.35% of the fully paid-up Equity Share capital and free reserves of the Company as at September 30, 2021 (being the latest standalone and consolidated un-audited & limited reviewed condensed interim financial statements as on September 30, 2021, available after the audited financial statements for the period ended March 31, 2021) on a proportionate basis through the “tender offer” route as prescribed under the SEBI Buyback Regulations, from all of the shareholders of the Company who hold Equity Shares as of the Record Date i.e. Friday, December 17, 2021.

The Buyback was completed on February 11, 2022. Pursuant to the completion of buyback, paid up share capital of the Company stands reduced from INR 18,05,02,600 (Eighteen Crore Five Lakhs Two Thousand Six Hundred only) to INR 17,10,58,160 (Seventeen Crore Ten Lakhs Fifty Eight Thousand One Hundred Sixty only).

## STATUTORY AUDITORS AND AUDIT REPORT

At the 51<sup>st</sup> Annual General Meeting (“AGM”), M/s. Walker Chandiook & Co LLP, Chartered Accountants (Firm

Registration Number-001076N/N500013) was appointed as the Statutory Auditors of the Company for a term of 5 years to hold office till the conclusion of the 56<sup>th</sup> AGM of the Company to be held in the calendar year 2026.

The Audit Report on the Financial Statements of the Company for the financial year ended March 31, 2022 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, 2022 was INR 92.37 Crores compared to INR 84.16 crores during the previous year. The Profit before tax for the year was INR 5.64 crores and Profit after tax and before other comprehensive income was INR 3.91 crores as compared to the previous year’s Profit before tax of INR 7.25 crores and Profit after tax and before other comprehensive income of INR 5.35 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, 2022 was INR 53.87 crores compared to INR 47.38 crores during the previous year. The profit before tax for the year was INR 10.29 crores and profit after tax and before other comprehensive income was INR 7.68 crores as compared to the previous year’s loss before tax of INR 0.79 crores and loss after tax and before other comprehensive income of INR 6.54 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, 2022 was INR 14.91 crores compared to INR 15.59 crores during the previous year. The profit before tax for the year was INR 2.50 crores and profit after tax and before other comprehensive income was INR 2.74 crores as

compared to the previous year's profit before tax of INR 0.23 crores and profit after tax and before other comprehensive income of INR 0.62 crores respectively.

**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, 2022 was INR 15.19 crores compared to INR 11.07 crores during the previous year. The profit before tax for the year was INR 2.93 crores and profit after tax and before other comprehensive income was INR 2.5 crores as compared to the previous year's loss before tax of INR 3.17 crores and loss after tax and before other comprehensive income of INR 3.03 crores respectively.

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.

**Highwire North America LLC**, wholly owned subsidiary company was voluntary dissolved w.e.f December 21, 2021, as the subsidiary of the Company did not have any operations during the financial year 2021-22.

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 2021-22, 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 have 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, Ms. Yamini Tandon, retires by rotation at the ensuing AGM and being eligible, offers herself for re-appointment. Accordingly, a resolution is included in the Notice of the forthcoming 52<sup>nd</sup> Annual General Meeting of the Company for seeking approval of members for her re-appointment as a Director of the Company.

### Changes in the Board

Mr. Nishith Arora (DIN: 00227593), Chairman & Non – Executive Director of the Company, retired with effect from

June 30, 2021 and did not offer himself for re-appointment. Mr. Rahul Arora, Managing Director of the Company was appointed as the Executive Chairman of the Company with effect from June 30, 2021.

Ms. Jayantika Dave, Ms. Achal Khanna and Mr. Ajay Mankotia were re-appointed as Independent Directors of the Company, by approval of the shareholders through postal ballot on December 02, 2021. Ms. Jayantika Dave and Ms. Achal Khanna will hold office for a period of three (3) years with effect from October 30, 2021 till October 29, 2024 and Mr. Ajay Mankotia will hold office for a period of three(3) years w.e.f January 29, 2022 till January 28, 2025.

### **Key Managerial Personnel**

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

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

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

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

### **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 2021-22.

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 2021-22 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.

### **TRANSFER TO GENERAL RESERVE**

The Directors do not propose to transfer any amount to reserves.

### **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](http://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, 2022, 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.

### RISK MANAGEMENT COMMITTEE

Pursuant to the provisions of Regulation 21(5) of SEBI (LODR) Regulations, the company has constituted a Risk Management Committee. The Risk Management Committee monitors and reviews the risk management plan and such other functions as assigned from time to time. The Company has a robust Risk Management Policy which identifies and evaluates business risks and opportunities, strategies for timely evaluation, reporting and monitoring of the key business risks and its mitigation. The Company recognizes that these risks need to be managed and mitigated to protect the interest of the stakeholders and to achieve business objectives. The Company's risk management approach comprises of the components i.e. Risk Governance, Risk Identification, Risk Description & Mitigation and its Monitoring. The company has appointed Mr. Vijendra Narendra Kumar as Chief Risk Officer. Chief Risk Officer plays a pivotal role in the oversight and execution of a Company's risk management functions. The Risk Management Committee met twice during the year ended March 31, 2022.

### INTERNAL CONTROLS

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

The Audit Committee is undertaking a periodic assessment to ensure compliance with best practices. The Company has laid down Internal Financial Controls as detailed in the Companies Act, 2013.

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

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

### RELATED PARTY TRANSACTIONS

All related party transactions that were entered into during the financial year 2021-22, 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 had a 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 financial statements of the Company.

Your Company has updated the Policy on Related Party Transaction disseminated on the Company's website viz. [www.mpslimited.com](http://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://www.mpslimited.com/investors-overview/>

## 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) and 134(3) of the Act, an extract of Annual Return in Form MGT-9 shall place a copy of the annual return on the website of the Company. A copy of the Annual Return is available on the website of the Company and can be accessed at the web link: <https://www.mpslimited.com/annual-general-meeting/>.

## 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](http://www.mpslimited.com).

During the year under review, your Company spent INR 157 Lakhs on CSR activities i.e. 2% of the average of the net profits of the Company during the past three financial years. In accordance with the provisions of Section 134(3)(o) of the Act and Rule 9 of the Companies (Corporate Social Responsibility) 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 2021-22, is annexed as **Annexure - C** 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 Secretarial 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 D**.

### C. Foreign Exchange Earnings and Outgo

During the year under review, foreign exchange earned through exports was INR 280.70 crores as against INR 276.68 Crores for the previous year ended March 31, 2021. Foreign exchange outgo was INR 47.70 Crores as against INR 65.23 Crores for the previous year. Thus, the net foreign exchange earned by the Company during the year ended March 31, 2022 was INR 233 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**

**Place: Gurugram**

**Date: May 17, 2022**

**Rahul Arora**

**Chairman and Managing Director**

**“ANNEXURE-A”****SECRETARIAL AUDIT REPORT****FOR THE FINANCIAL YEAR ENDED MARCH 31, 2022**

*[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 as “the Company”) [Corporate Identification Number: L22122TN1970PLC005795] for the financial year ended March 31, 2022. Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conduct/statutory compliances and expressing our opinion thereon.

Based on our verification of the Company’s books, papers, minute books, forms and returns filed and other records maintained and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of Secretarial Audit, we hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on March 31, 2022 complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on March 31, 2022 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;
- (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 year under review);
  - d) The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 & the Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021 (not applicable during the year under review);
  - e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008 & the Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021 (not applicable during the year under review);
  - f) The Securities and Exchange Board of India (Issue and listing of Non - Convertible and redeemable Preference shares) Regulations, 2013 & the Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021 (not applicable during the year under review);

- g) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client; (Not applicable as the company is not registered as Registrar to an Issue and Share transfer Agent during the year under review);
  - h) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009 (not applicable during the year under review); and
  - i) 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 according to explanations given to us, we believe that the systems and mechanisms established by the Company are adequate to ensure compliance of laws as mentioned above.

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

- (i) Secretarial Standards with respect to Meetings of Board of Directors (SS-1) and General Meetings (SS-2) (revised effective from October 01, 2017) and Guidance Note on Meetings of the Board of Directors and General Meetings (revised) 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 as amended. (hereinafter referred to as "Listing Regulations")

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

#### **We further report that**

The Board of Directors of the Company is duly constituted with proper balance of Executive Director, Non-Executive Director, 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 and the Listing regulations.

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 at the Board / Committee Meetings were taken with the consent of the Board of Directors / Committee Members and no Director / Member had dissented on any of the decisions taken at such Board / Committee Meetings. Further, in the minutes of the General Meeting, the number of votes cast against the resolutions has 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 the Listing Regulations and circular No.CIR/CFD/CMD1/27/2019 dated February 8, 2019 issued by the 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 the Listing Regulations.

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

- (i) Completed the Buy-back of 9,44,444 (Nine Lakhs Forty four Thousand Four Hundred and forty Four) equity shares of face value of INR 10/- each at a price of INR 900/- (Rupees Nine Hundred only) payable in cash for an aggregate consideration of INR 84,99,99,600/- (Indian Rupees Eighty Four Crores Ninety Nine Lacs

Ninety Nine Thousand Six Hundred only) under tender offer route.

- (ii) Filed for Voluntary dissolution of wholly owned overseas subsidiary of the Company in Delaware, USA, named as HighWire North America LLC.
- (iii) Appointed Mr. Rahul Arora, Managing Director as the Chairman of the Company in place of Mr. Nishith Arora, Chairman & Non-Executive Director, who retired at the 51<sup>st</sup> Annual General Meeting of the Company effective June 30, 2021.
- (iv) Appointment of M/s. Walker Chandiook & Co., LLP as Statutory Auditors of the Company to hold office from the conclusion of 51<sup>st</sup> Annual General Meeting till the conclusion of 56<sup>th</sup> Annual General Meeting of the Company consequent to the conclusion of the first term of appointment of M/s. BSR & Co. LLP.

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

**CS R.SRIDHARAN**

**CP No. 3239**

**FCS No. 4775**

**PR NO.657/2020**

**UIN: S2003TN063400**

**UDIN: F004775D000307541**

**PLACE : CHENNAI  
DATE : MAY 17, 2022**

*This report is to be read with our letter of even date which is annexed as “ANNEXURE –A” and forms an integral part of this report.*

**“Annexure – A”**

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 as per the Auditing Standards (CSAS-1 to CSAS-4) and Guidance Notes on ICSI Auditing Standards and Guidance Note on Secretarial Audit issued by The Institute of Company Secretaries of India. The verification was done to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices, we followed provide a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the company as well as correctness of the values and figures reported in various disclosures and returns as required to be filed by the company under the specified laws.
4. Where ever required, we have obtained the Management representation about the compliance of laws, rules and regulations and happening of events etc.
5. It is the responsibility of the management of the company to devise proper systems to ensure compliance with the provisions of Corporate and other applicable laws, rules, regulations, standards and to ensure that the systems are adequate and operate effectively. Our examination was limited to the verification of procedures on test basis.
6. The Secretarial Audit report is neither an assurance as to the future viability of the company nor of the efficacy or effectiveness with which the management has conducted the affairs of the company.

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

**CS R.SRIDHARAN**

**CP No. 3239**

**FCS No. 4775**

**PR NO.657/2020**

**UIN: S2003TN063400**

**UDIN: F004775D000307541**

**PLACE : CHENNAI**

**DATE : MAY 17, 2022**

## SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED MARCH 31, 2022

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

The Members,

**MPS INTERACTIVE SYSTEMS LIMITED**

CIN: U74999TN2018PLC122594

RR Tower IV, Super A, 16/17,

Thiru-Vi-Ka Industrial Estate, Guindy,

Chennai – 600032

We have conducted the Secretarial Audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **MPS INTERACTIVE SYSTEMS LIMITED** (hereinafter called “the Company”) [Corporate Identification Number: U74999TN2018PLC122594] for the financial year ended March 31, 2022. Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conduct/statutory compliances and expressing our opinion thereon.

Based on our verification of the Company’s books, papers, minute books, forms and returns filed and other records maintained and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of Secretarial Audit, we hereby report that in our opinion, the Company has, during the audit period for the financial year ended on March 31, 2022 complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

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

- (i) The Companies Act, 2013 (the Act) and the rules made thereunder;
- (ii) Since the Company is an unlisted Company, the question of complying with the provisions of the Securities Contracts (Regulation) Act, 1956 (‘SCRA’) and the rules made there under does not arise;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed there under (Not applicable as the Securities of the Company are held in physical form);

- (iv) The Company has not dealt with the matters relating to Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings under FEMA during the year under review and hence, the question of complying with the provisions of Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder does not arise;
- (v) Since the Company is an unlisted Company, the following Regulations (a to i) and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 (‘SEBI Act’) are not applicable to the company during the period under review.
  - a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
  - b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
  - c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018;
  - d) The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 & the Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021;
  - e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008 & the Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021;
  - f) The Securities and Exchange Board of India (Issue and listing of Non-Convertible and redeemable Preference shares) Regulations, 2013 & the Securities

and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021;

- g) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
  - h) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009;
  - i) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015) and
  - j) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018;
- (vi) The Management of the Company identified and confirmed the following Laws/ Rules are specifically applicable to them:
1. The Information Technology Act, 2000 and the Rules made thereunder
  2. The Special Economic Zones Act, 2005 and the Rules made thereunder
  3. The Software Technology Parks of India rules and regulations
  4. The Trade Marks Act, 1999
  5. The Patents Act, 1970
  6. The Copyrights Act, 1957

We believe that the audit evidence which we have obtained is sufficient and appropriate to provide a basis for our audit opinion. In our opinion and to the best of our information and according to explanations given to us, we believe that the systems and mechanisms established by the Company are adequate to ensure compliance of laws as mentioned above.

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

- (i) Secretarial Standards with respect to Meetings of Board of Directors (SS-1) and General Meetings (SS-2) issued by The Institute of Company Secretaries of India.
- (ii) The Listing Agreement entered with Stock Exchanges pursuant to the provisions of the SEBI (Listing

Obligations and Disclosure Requirements) Regulations, 2015 (Not applicable as the Securities of the Company are not listed on any Stock Exchange).

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

#### **We further report that**

The Board of Directors of the Company is duly constituted with proper balance of Executive Director, Non-Executive Director and Independent Director of MPS Limited, the holding Company, on the Board of the Company as per Regulation 24 of the Listing Regulations. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting. Notes on Agenda which are circulated less than the specified period the necessary compliances under the Companies Act, 2013 and secretarial standard on Meeting of the Board of Directors are complied with. The Directors participated through video conferencing or other audio visual means during the period under review, the necessary compliances of Rule 3 & 4 of the Companies (Meetings of Board and its powers) Rules, 2014 have been complied with. Further, the Circulars, Regulations and Guidelines issued by the Ministry of Corporate Affairs and other relevant regulatory authorities in view of the pandemic pertaining to Board/ Committee meetings, General Meetings and other provisions of the Act, Rules and Regulations have been complied with by the Company.

Based on the verification of the records and minutes, the decisions were carried out with the consent of the Board of Directors and no Director dissented on the decisions taken at such Board Meetings.

**We further report that** based on review of compliance mechanism established by the Company and on basis of the Compliance certificates issued by the Chief Financial Officer and Company Secretary and taken on record by the

Board of Directors at their meeting(s), we are of the opinion that the management has adequate systems and processes commensurate with its size and operations, to monitor and ensure compliance with all applicable laws.

**We further report that** as per the information and explanations provided by the Management, the company is a material unlisted wholly owned subsidiary of MPS Limited (Listed entity) as per Regulation 24A read with Regulation 16(1)(c) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

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

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

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

**CS R.SRIDHARAN**

**CP No. 3239**

**FCS No. 4775**

**PR NO.657/2020**

**UIN: S2003TN063400**

**UDIN: F004775D000307541**

**PLACE : CHENNAI**

**DATE : May 16 2022**

*This report is to be read with our letter of even date which is annexed as **ANNEXURE -1** and forms an integral part of this report.*

## "Annexure -1"

The Members

**MPS INTERACTIVE SYSTEMS LIMITED**

CIN: U74999TN2018PLC122594

RR Tower IV, Super A, 16/17

Thiru VI KA Industrial Estate, Guindy,

Chennai – 600032.

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

1. Maintenance of secretarial records is the responsibility of the management of the company. Our responsibility is to express an opinion on these secretarial records based on our audit.
2. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records as per the Auditing Standards (CSAS-1 to CSAS-4) and Guidance Notes on ICSI Auditing Standards and Guidance Note on Secretarial Audit issued by The Institute of Company Secretaries of India. The verification was done to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices, we followed provide a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the company as well as correctness of the values and figures reported in various disclosures and returns as required to be filed by the company under the specified laws.
4. Where ever required, we have obtained the Management representation about the compliance of laws, rules and regulations and happening of events etc.
5. It is the responsibility of the management of the company to devise proper systems to ensure compliance with the provisions of Corporate and other applicable laws, rules, regulations, standards and to ensure that the systems are adequate and operate effectively. Our examination was limited to the verification of procedures on test basis.
6. The Secretarial Audit report is neither an assurance as to the future viability of the company nor of the efficacy or effectiveness with which the management has conducted the affairs of the company.

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

**CS R.SRIDHARAN**

**CP No. 3239**

**FCS No. 4775**

**PR NO.657/2020**

**UIN: S2003TN063400**

**UDIN: F004775D000326030**

**PLACE : CHENNAI**

**DATE : MAY 16, 2022**

**“Annexure – B”****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 and percentage increase in remuneration of each Director, Chairman, Chief Executive Officer and Managing Director, Chief Financial Officer, and Company Secretary in the financial year:

S. No.	Name	% increase in Remuneration in the financial year	Ratio to median remuneration#
<b>Non-Executive and Non-Independent Director</b>			
1.	Mr. Nishith Arora*	Nil	Not Applicable
2.	Ms Yamini Tandon**	Nil	Not Applicable
<b>Independent Director”</b>			
3.	Ms. Jayantika Dave	Not Applicable	Not Applicable
4.	Ms. Achal Khanna	Not Applicable	Not Applicable
5.	Mr. Ajay Mankotia	Not Applicable	Not Applicable
6.	Dr. Piyush Kumar Rastogi	Not Applicable	Not Applicable
<b>Chairman and Managing Director</b>			
7.	Rahul Arora***	30%	Not Applicable
<b>Chief Financial Officer</b>			
8.	Ratish Mohan Sharma^	Nil	Not Applicable
<b>Company Secretary</b>			
9.	Sunit Malhotra^^	(34%)	21:1

**NOTE:**

- \*Mr. Nishith Arora, Chairman and Non-Executive Director retired from the Company effective June 30, 2021. He did not receive any sitting fees from the Company.
- \*\*Ms. Yamini Tandon did not receive any sitting fees from the Company.
- \*\*\*The remuneration of Mr. Rahul Arora was increased w.e.f August 01, 2021. Mr. Rahul Arora was based out of USA, thus median salary is not comparable.
- ^Mr. Ratish Mohan Sharma was appointed as Chief Financial Officer w.e.f November 01, 2021.
- ^^Mr. Sunit Malhotra relinquished his position as Chief Financial Officer w.e.f October 31, 2021. He continues as Company Secretary of the Company w.e.f. November 01, 2021.
- # Median Annual Remuneration computed for the financial year 2021-22 is INR 2,94,234.
- “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 sitting fees paid to the Directors are detailed in the Corporate Governance Report of the Company which is part of the Annual Report.

**(ii) Increase in Median Remuneration:**

The number of permanent employees as on March 31, 2022 were 2225 and the median remuneration was INR 2,94,234 annually as compared to last year of INR 2,80,416 annually. The median remuneration of employees (excluding above Directors and KMPs) in Financial Year 2022 has increased by 4.92%.

**(iii) Permanent Employees:**

The Company had 2225 permanent employees on its rolls as on March 31, 2022.

**(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:**

During the financial year 2021-22, average increase in the remuneration of employees was 5%, while the increase in the average managerial remuneration from the previous year was 15.6%.

**(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 2021-22 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 2021-22, 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 2021-22 or part thereof, no employee of the Company received remuneration in excess of the remuneration drawn by Managing Director 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 2021-22, 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**

**Place: Gurugram  
Date: May 17, 2022**

**Rahul Arora  
Chairman and Managing Director**

## “Annexure – C”

## 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	Chairman	1	1
2	Jayantika Dave	Member	1	1
3	Yamini Tandon	Member	1	1

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 7790.79 Lakhs**
7. a) Two percent of average net profit of the company as per section 135(5) – **INR 156 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 156 Lakhs**
8. (a) CSR amount spent or unspent for the financial year 2021-22: - **Total amount spent was INR 157 Lakhs in the financial year 2021-22.**

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.
<b>157 Lakhs</b>					<b>NIL</b>

(b) Details of CSR amount spent against ongoing projects for the financial year 2021-22: **Not Applicable**

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

NOT APPLICABLE

## (c) Details of CSR amount spent against other than ongoing projects for the financial year 2021-22

(1) Sl. No.	(2) Name of the Project.	(3) Item from the list of activities in schedule VII to the Act.	(4) Local area (Yes/ No).	(5) Location of the project.		(6) Amount spent for the project (in INR).	(7) Mode of implementation - Direct (Yes/ No)	(11) 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.	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
3.	Prema Vasan	promoting health care including preventive health care	Yes	Tamil Nadu	Kancheepuram	12 Lakhs	No	Prem Chairtable Trust	CSR00005828
4	IIMPACT	Promoting Education, including Special Education	Yes	Uttarakhand	Dehradun	87 Lakhs	No	IIMPACT	CSR00002935
				Uttarakhand	Haridwar				
				Uttarakhand	Tehri Garhwal				
				Uttarakhand	Uttarkashi				
				Himachal Pradesh	Sirmaur				
				Haryana	Mewat				
				Rajasthan	Rajsamand				

(1) Sl. No.	(2) Name of the Project.	(3) Item from the list of activities in schedule VII to the Act.	(4) Local area (Yes/No).	(5) Location of the project.		(6) Amount spent for the project (in INR).	(7) Mode of implementation - Direct (Yes/No)	(11) Mode of implementation - Through implementing agency.	
				State.	District.			Name	CSR Registration number.
5	Vedanta Institute Delhi	Promoting Education, including Special Education	Yes	Online (Pan India)		4 Lakhs	No	Vedanta Institute Delhi	CSR00012578
6	Learning Disability Clinic Project	Promoting Education, including Special Education	Yes	Maharashtra	Mumbai	4 Lakhs	No	KEM Hospital	CSR00024435
<b>Total</b>						157 Lakhs			

- (d) Amount spent in Administrative Overheads - **NIL**
- (e) Amount spent on Impact Assessment - **NIL**
- (f) Total amount spent for the Financial Year 2021-22 (8b+8c+8d+8e) – **INR 157 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)	
(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	NIL
(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.	
				NIL			
<b>Total</b>							

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

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

Chairman of CSR Committee

**“Annexure – D”****Disclosure of Particulars with Respect to Technology Absorption, Research & Development**

<p>1. Specific areas in which R &amp; D was carried out by the Company</p>	<ul style="list-style-type: none"> <li>• Platforms for content creation, submission, peer review and editorial with improved user experience.</li> <li>• API development and API based integration between products for content and metadata exchanges</li> <li>• Further automation of Graphics conversion and simplified workflows with reduced touch points by implementing SMART (Simplified Management of Artwork processing) workflow</li> <li>• Research on new features / roadmap to the existing platforms based on customer requirements, market needs and feedback received</li> <li>• Integrating the MPS platforms with industry leading platforms to provide more flexibility, stability and automation</li> <li>• Application of Artificial Intelligence and Machine learning techniques in the Editorial and content production services</li> <li>• Modules and functionalities in platforms for including diverse content and integration</li> <li>• Optimization of production processes and workflows</li> <li>• Migrating to cloud based systems including using remote workspaces for certain functions</li> <li>• Use of standard/open source formats for Editorial and composition platforms and tools.</li> </ul>
<p>2. Benefits derived from the above</p>	<ul style="list-style-type: none"> <li>• Larger prospects base owing to wider capabilities</li> <li>• Improved competitive positioning due to multiple variants</li> <li>• Further features added / preparation of roadmap to the existing platforms</li> <li>• Increased interest in the platforms for diverse content types including tax, accounting and educational content processing</li> <li>• Effective utilization of cloud-based infrastructure for effective resource management and enabling multi-location and work-from home users</li> <li>• Implementation of cost-effective solutions based on open source technologies (eg. HTML5/ CSS, OpenType fonts) for Editorial and composition platforms and tools.</li> <li>• Enhanced interoperability across platforms, less maintenance and easy adaptability in addition to reduced cost.</li> <li>• Moved towards subscription-based Software license procurement and management of third party licenses, which lead to effective utilization and flexibility to upgrade easily while embracing new tools in the market.</li> </ul>

3. Future plan of action	<ul style="list-style-type: none"> <li>● Enhancing platforms further as per defined project roadmaps</li> <li>● Further enhancing security of cloud architecture and platforms</li> <li>● Further leverage of HTML5 for providing enhanced experience and powering interactive products</li> <li>● Further development on Machine Learning, Artificial Intelligence and Natural Language Processing based tools and integrations</li> <li>● Centralization of key processes for cost efficiencies</li> <li>● Improved process automation resulting in increased productivity</li> </ul>
4. Expenditure on R & D result	<ul style="list-style-type: none"> <li>● Expenditure on R&amp;D towards enhancement &amp; integrations of various platforms including newly added HighWire platforms in addition to DigiCore, THINK and Mag+Now platform and is charged to profit &amp; loss account of the Company.</li> </ul>
<b>Technology Absorption, Adaptation and Innovation</b>	
Efforts in brief made towards technology absorption, adaptation, and innovation.	<ul style="list-style-type: none"> <li>● Implementing projects using latest technologies like Machine Learning, Artificial Intelligence and Natural Language Processing for achieving higher automation and reducing touch time.</li> <li>● Development and implementation of innovative cloud-based systems for end-to-end publishing services.</li> <li>● Implementation of deep security processes for key applications.</li> <li>● Implemented innovative ways for enabling secure work from home without compromising data security.</li> </ul>
Benefits derived from the above	<ul style="list-style-type: none"> <li>● Increased value addition to customers leading to higher satisfaction.</li> <li>● Tangible benefits to clients in terms of reducing time to publish and increasing productivity.</li> <li>● More secured and scalable products.</li> <li>● Improved customer interests and associated service/technology requests from various customers.</li> <li>● Could manage the productivity without breaching SLAs during the Covid-19 lock down by successfully executing work from home options.</li> </ul>
Imported Technology	No technologies were imported

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

**Place: Gurugram**  
**Date: May 17, 2022**

**Rahul Arora**  
**Chairman and Managing Director**

# Corporate Governance Report

## CORPORATE GOVERNANCE REPORT

To comply with Regulation 34 read with Schedule V of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ['Listing Regulations'], the report containing the details of Corporate Governance of MPS Limited ('the Company'/'MPS') is as follows:

### Company's Philosophy on Corporate Governance

Corporate Governance is creation and enhancing long term sustainable value for the stakeholders through ethically driven business process. At MPS, it is imperative that your Company affairs are being managed in a fair and transparent manner.

Corporate Governance is all about maintaining a valuable relationship and trust with all stakeholders. We consider stakeholders as partners in our success and we remain committed towards maximizing stakeholders' value, be it shareholders, employees, suppliers, customers, investors, communities or policy makers. This approach to value creation emanates from our belief that sound governance system, based on relationship and trust, is integral to creating enduring value for all.

We believe, Corporate Governance is not just a destination, but a journey to constantly improve sustainable value creation. It is an upward-moving target that we collectively strive towards achieving. Our multiple initiatives towards maintaining the highest standards of governance are detailed hereinafter.

The Corporate Governance framework of the Company is based on the following broad practices:

- a. Engaging a diverse and highly professional, experienced and competent Board of Directors, with versatile expertise in industry, finance, management and law.
- b. Deploying well defined governance structures that establishes checks and balances and delegates decision making to appropriate levels in the organization.
- c. Adoption and implementation of fair, transparent and robust systems, processes, policies and procedures.
- d. Making high level of disclosures for dissemination of corporate, financial and operational information to all its stakeholders.
- e. Having strong systems and processes to ensure full and timely compliance with all legal and regulatory requirements and zero tolerance for non-compliance.

## BOARD OF DIRECTORS

The Company is headed by an experienced and empowered Board that is entrusted with the ultimate responsibility of the management, general affairs, direction and performance of the Company and has been vested with the requisite powers, authorities and duties. The Board has delegated the general management and day-to-day affairs of the Company to the Managing Director & Chief Executive Officer of the Company who exercises them under the supervision of the Board.

### Composition of the Board of Directors

- a. The Board of the Company has an optimum combination of Executive, Non-Executive and Independent Directors who have an in-depth knowledge of business, in addition to the expertise in their areas of specialization. Independent Directors play a critical role in imparting balance to the Board processes by bringing independent judgments on issues of strategy, performance, resources, conduct and standards of the Company.
- b. As on March 31, 2022, the Company has Six Directors headed by Executive Chairman and Managing Director. Out of the Six Directors, four are Non-Executive and Independent Directors and one is Non-Executive Director. The composition of the Board is in conformity with Regulation 17 of the Listing Regulations read with Section 149 of the Act. The brief profile of each director is available at <https://www.mpslimited.com/investors-overview/>.
- c. No Directors on the Board holds directorships in more than ten public companies. No Independent Directors serves as an Independent Director on more than seven listed entities. Necessary disclosures regarding Committee positions in other public companies as on March 31, 2022 have been made by the Directors. None of the Directors is related to each other except Mr. Rahul Arora (Husband) and Ms. Yamini Tandon (Wife).

- d. Mr. Nishith Arora (DIN: 00227593), Chairman & Non – Executive Director of the Company, retired with effect from June 30, 2021 and had not offered himself for re-appointment. Mr. Rahul Arora, Managing Director was appointed as the Executive Chairman of the Company with effect from June 30, 2021.
- e. Ms. Jayantika Dave, Ms. Achal Khanna and Mr. Ajay Mankotia were re-appointed as Independent Directors of the Company by approval of the shareholder through postal ballot on December 02, 2021. Ms. Jayantika Dave and Ms. Achal Khanna will hold office for a period of three (3) years with effect from October 30, 2021 till October 29, 2024 and Mr. Ajay Mankotia will hold office for a period of three(3) years w.e.f January 29, 2022 till January 28, 2025. The maximum tenure of the Independent Directors is in compliance with the Act. Further, the Independent Directors do not have any other material pecuniary relationship or transactions with the Company, its promoters, its management or its subsidiaries, which may affect the independence or judgment of the Directors.
- f. The names and categories of the Directors on the Board, name of other listed entities in which the Director is a director and the number of Directorships and Committee Chairmanships / Memberships held by them in other public limited companies as on March 31, 2022 is given below. Other directorships do not include directorships of private limited companies, foreign companies and companies registered under Section 8 of the Act. Further, none of them is a member of more than ten committees or chairman of more than five committees across all the public companies in which he/she is a Director. For the purpose of determination of limit of the Board Committees, chairpersonship and membership of the Audit Committee and Stakeholders' Relationship Committee has been considered as per Regulation 26(1)(b) of Listing Regulation

Director's Name	Category	Number of Directorship in other Indian Companies	No of Membership/ Chairpersonships in other Board's Committees	
			Member	Chairperson
Ms. Jayantika Dave DIN: 01585850	Independent	1	2	Nil
Ms. Achal Khanna DIN: 00275760	Independent	Nil	Nil	Nil
Mr. Ajay Mankotia DIN: 03123827	Independent	1	Nil	Nil
Dr. Piyush Kumar Rastogi DIN: 02407908	Independent	Nil	Nil	Nil
Mr. Rahul Arora DIN: 05353333	Chairman and Managing Director	2	Nil	Nil
Ms. Yamini Tandon DIN: 06937633	Non-Executive	1	Nil	Nil

- g. Five Board Meetings were held during the year under review and the gap between two meetings did not exceed one hundred and twenty days. The said meetings were held on: May 26, 2021, July 28, 2021, October 27, 2021, January 25, 2022 and March 28, 2022. The necessary quorum was present for all the meetings.

Directors	Number of Meetings convened and eligible to attend	Number of Meetings Attended	Attended last AGM held on June 30, 2021 through Video Conferencing
Mr. Nishith Arora*	1	1	Yes
Mr. Rahul Arora	5	5	Yes
Ms. Jayantika Dave	5	5	Yes
Ms. Achal Khanna	5	5	Yes
Mr. Ajay Mankotia	5	5	Yes
Dr. Piyush Kumar Rastogi	5	5	Yes
Ms. Yamini Tandon	5	5	Yes

\*Mr. Nishith Arora, Chairman & Non – Executive Director of the Company retired w.e.f June 30, 2021.

- h. None of the Directors of the Company holds the Directorship of any other listed Company as on March 31, 2022, except Ms. Jayantika Dave, Independent Director of the Company, who holds the Directorship in Ingersoll Rand (India) Limited, Listed Entity as an Independent Director of this Company.
- i. The Board periodically reviews the compliance reports of all laws applicable to the Company.
- j. None of the Directors of the Company holds equity shares of the Company as on March 31, 2022. The Company has not issued any convertible instruments.
- k. During the financial year 2021-22, one meeting of the Independent Directors was held on January 25, 2022. The Independent Directors, inter-alia, reviewed the performance of Non-Independent Directors, Board as a whole, and the Chairman of the Company, taking into account the views of Executive Directors and Non-Executive Directors. Also, reviewed the quality, quantity and timelines of flow of information between the Management and the Board that is necessary for the Board to effectively and reasonably perform their duties. The views of the Independent Directors of the Company were also communicated to the Chairman of the Board.
- l. The Independent Directors were issued the letter of appointment containing the terms of appointment, roles, duties and code of conduct. Terms and conditions of the appointment of Independent Directors have been disseminated on the website of the Company at <http://www.mpslimited.com/corporate-governance/>.
- m. **Familiarization Programme for Independent Directors:** Independent Directors are periodically updated about the Company's policies, business, on – going events and roles and responsibilities of the Directors.

Executive Management, through presentations at Board and Committee Meetings, provides them regular updates on the Company and its subsidiaries including, financial and business performance, operational highlights, business risks and their mitigation plans, new offerings, major clients, material litigations, regulatory compliance status, forex exposures and relevant changes in statutory regulations.

Details of such familiarization programs are posted in the policies section on the website of the Company at <http://www.mpslimited.com/corporate-governance/>

In the opinion of the Board, the Independent Directors fulfill the conditions as specified in the Act and Listing Regulations and are Independent of the management.

- n. The Board has identified the following skills/ expertise/ competencies fundamental for the effective functioning of the Company which are currently available with the Board:

Global Business	Understanding, of global business dynamics, across various geographical markets, industry verticals and regulatory jurisdictions.
Strategy and Planning	Appreciation of long-term trends, strategic choices and experience in guiding and leading management teams to make decisions in uncertain environment
Governance	Experience in developing governance practices, serving the best interests of all the stakeholders, maintaining board and management accountability, building long-term effective stakeholder engagements and driving corporate ethics and values.

**List of core skills/ expertise / competencies identified by the Board of Directors as required in the context of the Company's business and sector for it to function effectively and those actually available with the Board:**

Name	Skil	Description
Ms Jayantika Dave	<b>HR and governance</b>	Experience in working on board of listed public companies. She has experience in growing, acquiring, and divesting businesses, and building organization capability. She has multi-sector experience, in the Industrial, Hi-Tech, and Financial Services sector, and working with diverse teams - Sales, R&D, Support and Strategic Initiatives & Human Resource Management .

Name	Skil	Description
Ms Achal Khanna	<b>HR</b>	She is the CEO of Society for Human Resource Management, world largest association devoted to Strategic Initiatives & Human Resource Management. She helps the management in building the brand, expanding the business and developing professional relationships with government agencies, and other HR, prospective clients and business associations.
Mr Ajay Mankotia	<b>Taxation</b>	He has wide experience in the matters relating to accounts, taxation, legal and financial management.
Dr Piyush Rastogi	<b>Financial and Law</b>	Being leader of an an accounting and secretarial firm and understanding of finance functions of an enterprise and financial reporting processes helps him to contribute effectively in discussions involving complex financial matters
Mr Rahul Arora	<b>Leadership and global business</b>	He has understanding of global business dynamics, across various geographical markets and industry verticals.  Appreciation of long-term trends, strategic choices and experience in guiding and leading management team to make decisions.

Name	Skil	Description
Ms Yamini Tandon	<b>Marketing</b>	She has wide experience in developing strategies to grow sales and market share and enhance enterprise reputation.

- o. During the year, the Board in its meeting held on May 26, 2021 and shareholders at their Annual General Meeting held on June 30, 2021 had appointed M/s. Walker Chandiok & Co LLP, Chartered Accountants (Firm Registration Number-001076N/N500013), as Statutory Auditors with effect from June 30, 2021 to hold office for a period of five(5) years till the conclusion of 56<sup>th</sup> Annual General Meeting of the Company. They were appointed in place of M/s. BSR & Co., LLP who has completed its five year tenure with the Company.

## BOARD COMMITTEES

With a view to have a more focused attention on business and for better governance and accountability, the Board has the following mandatory committees:

- Audit Committee
- Nomination and Remuneration Committee
- Stakeholders Relationship Committee
- Corporate Social Responsibility Committee
- Risk Management Committee

### 1. AUDIT COMMITTEE

#### Composition, Meetings and Attendance

Composition of the Audit Committee confirms to the requirements of the Section 177 of the Act and the Listing Regulations. It comprises of three directors, out of whom two are Independent Directors. All the members of the Audit Committee are financially literate whereas Mr. Ajay Mankotia, the Chairman of the Committee has expertise in accounting, taxation and financial management.

During the financial year 2021-22, the Audit Committee met four times on May 26, 2021, July 28, 2021, October 26, 2021 and January 24, 2022.

The necessary quorum was present at all the meetings.

The composition and the attendance of members at the Audit Committee meetings held during the financial year 2021-22, is given below:

Members	Position and Category	No. of Meetings held	No. of Meetings Attended
Mr. Ajay Mankotia	Chairman-Independent Director	4	4
Dr. Piyush Kumar Rastogi	Member-Independent Director	4	4
Mr. Rahul Arora	Member-Managing Director	4	4

Chief Financial Officer and Compliance Officer are the permanent invitees to the Audit Committee meetings. The Company Secretary acts as the Secretary to the Audit Committee. Representatives of Statutory Auditors and Internal Auditors attended all the Audit Committee meetings held during the financial year 2021-22. As and when required, other senior management personnel of the Company are invited to the Audit Committee meetings.

#### Role / Terms of Reference

Terms of reference of the Audit Committee (as per the Act and Listing Regulations) includes the following:

- Examination and overseeing the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statements are correct, sufficient, and credible
- Reviewing, with the management, the annual and quarterly financial statements and auditor's report thereon before submission to the Board for approval
- Recommending to the Board, the appointment, remuneration and terms of appointment of the statutory, secretarial and internal auditors of the Company
- Reviewing and monitoring the auditor's independence and performance and effectiveness of the audit process
- Approving payment to statutory auditors for any other services rendered by the statutory auditors
- Reviewing the application of funds raised through public issue, rights issue, preferential issue, etc. and related matters

- Approving, recommending or any subsequent modification of transactions of the Company with related parties as applicable
- Scrutinizing inter-corporate loans and investments
- Approving the valuation of undertakings or assets of the Company, whenever it is necessary
- Reviewing the Internal Audit Reports
- Reviewing and evaluating internal financial controls, adequacy of the internal control and risk management systems
- Discussion with internal auditors of any significant findings and follow up thereon
- Discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern
- Reviewing the functioning of the Whistle Blower Mechanism
- Approving the appointment of Chief Financial Officer after assessing the qualifications, experience, suitability and background, etc. of the candidate.
- Reviewing the utilization of loans and/ or advances from/investment by the holding company in the subsidiary.

The Audit Committee considers the matters which are specifically referred to it by the Board of Directors besides considering the mandatory requirements of the Regulation 18 read with Part C of Schedule II of Listing Regulations and provisions of Section 177 of the Act.

The Audit Committee provides assurance related to the adequacy of internal financial control systems and financial disclosures to the Board.

## 2. NOMINATION AND REMUNERATION COMMITTEE

### Composition, Meetings and Attendance

Composition of the Nomination and Remuneration Committee meets the requirements of Section 178 of the Act and the Listing Regulations. It comprises of three directors of whom two are Independent Directors. During the financial year 2021-22, the Nomination and Remuneration Committee met once on October 25, 2021. Ms. Jayantika Dave, Independent Director is the Chairperson of the Nomination and Remuneration Committee.

The composition and the attendance of members at the Nomination & Remuneration Committee meetings held during the financial year 2021-22, is given below :-

Members	Position and Category	No. of Meetings held	No. of Meetings Attended
Ms. Jayantika Dave	Chairperson – Independent Director	1	1
Ms. Achal Khanna	Member - Independent Director	1	1
Ms. Yamini Tandon	Member- Non Executive Director	1	1

#### Role / Terms of Reference

Terms of Reference of the Nomination and Remuneration Committee as per the requirements of the Act and the Listing regulations includes the following:

- Formulation of criteria for determining qualification, positive attributes, and independence of Directors and recommendation of the remuneration policy for the Directors, Key Managerial Personnel and other senior management personnel to the Board.
- For every appointment of an independent director, the Nomination and Remuneration Committee shall evaluate the balance of skills, knowledge and experience on the Board and on the basis of such evaluation, prepare a description of the role and capabilities required of an independent director. The person recommended to the Board for appointment as an independent director shall have the capabilities identified in such description. For the purpose of identifying suitable candidates, the Committee may use the services of an external agencies, if required, consider candidates from a wide range of backgrounds, having due regard to diversity and consider the time commitments of the candidates.
- Formulation of criteria for evaluation of Directors, the Board, and the Committees thereof
- Devising policy on Board diversity
- Recommendation of remuneration of the Managing Director(s) based on their performance and defined assessment criteria and commission to Non-Executive Directors.

- Identifying persons who are qualified to become Directors and/or who may be appointed as Key Managerial Personnel in accordance with the criteria laid down and recommending to the Board their appointment, removal, and other terms as may be referred by the Board from time to time.
- To extend or continue the term of an Independent Director on the basis of the report of performance evaluation of the Independent Director.
- Recommend to the board, all remuneration, in whatever form, payable to senior management.

#### Performance evaluation criteria for Independent Directors

The Nomination and Remuneration policy of the Company lays down the criteria of appointment and remuneration of Directors/Key Managerial Personnel and Senior Management Personnel including criteria for determining qualification, positive attributes, independence of Directors, criteria for performance evaluation of Executive and Non-executive Directors (including Independent Directors) and other matters as prescribed under the provisions of the Act and the Listing Regulations.

### 3. STAKEHOLDERS RELATIONSHIP COMMITTEE

#### Composition, Meetings and Attendance

In compliance with the provisions of the Companies Act, 2013 and the Regulation 20 of Listing Regulations, the Company has a duly constituted "Stakeholders' Relationship Committee". The Stakeholders' Relationship Committee looks into various aspects of interest of shareholders and other

It comprises of three directors of whom one is Independent Director. During the financial year 2021-22, the Stakeholders Relationship Committee met once on January 20, 2022. The Committee is headed as Chairperson by Ms. Yamini Tandon, Non-Executive Director of the Company.

The composition and the attendance of members at the Stakeholder Relationship Committee meetings held during the financial year 2021-22, is given below:

Members	Position and Category	No. of Meetings held	No. of Meetings Attended
Ms. Yamini Tandon	Chairperson- Non - Executive Director	1	1

Members	Position and Category	No. of Meetings held	No. of Meetings Attended
Ms. Jayantika Dave	Member - Independent Director	1	1
Mr. Rahul Arora	Member - Managing Director	1	1

#### Role / Terms of Reference

- Resolving the grievances of the security holders of the listed entity including complaints related to transfer/transmission of shares, non-receipt of annual report, non-receipt of declared dividends, issue of new/duplicate certificates, general meetings etc.
- Review of measures taken for effective exercise of voting rights by shareholders.
- Review of adherence to the service standards adopted by the listed entity in respect of various services being rendered by the Registrar & Share Transfer Agent.
- Review of the various measures and initiatives taken by the listed entity for reducing the quantum of unclaimed dividends and ensuring timely receipt of dividend warrants/annual reports/statutory notices by the shareholders of the company.

#### Compliance Officer

Mr. Utkarsh Gupta is the Compliance Officer with effect from January 29, 2021 for ensuring compliance with the regulatory requirements of Securities Laws and Listing Regulations.

Compliance Officer may be reached at the following address:

4<sup>th</sup> Floor, Tower A, Windsor IT Park, A-1, Sector 125, Noida  
Uttar Pradesh  
Phone: 0120-4599754;  
E-mail: [investors@mpslimited.com](mailto:investors@mpslimited.com)

#### Stakeholders Grievance Redressal

The Company with the help of the Cameo Corporate Services Limited ('Registrar to an Issue and Share Transfer Agent') attend to all the grievances/queries received from the shareholders, either directly or through SEBI Complaints Redress System (SCORES), Stock Exchanges, Registrar of Companies or at dedicated email id (i.e. investors@mpslimited.com) which was created to receive the

shareholders grievances. The Company takes appropriate actions with the assistance from Registrar to an Issue and Share Transfer Agent, to resolve all the grievances of the shareholders expeditiously and satisfactorily.

Details of the complaints received from the shareholders and redressed upto their satisfaction during the financial year 2021-22 is as follows:

No. of complaints pending at the beginning of the financial year i.e. April 01, 2021	0
No. of complaints received during the financial year 2021-22	1
No. of complaints resolved during the financial year 2021-22	1
Complaints pending at the end of the financial year i.e. March 31, 2022	0

As per the provisions of Regulation 39 (4) of Listing Regulations, the Company does not have any unclaimed shares.

#### 4. CORPORATE SOCIAL RESPONSIBILITY COMMITTEE

##### Composition, Meeting and Attendance

The Corporate Social Responsibility Committee currently comprises of three Directors. Composition of Corporate Social Responsibility ("CSR") Committee confirms to the requirements of Section 135 of the Act.

During the financial year 2021-22, the Corporate Social Responsibility Committee met once on May 26, 2021. The Committee is headed as Chairman by Mr. Rahul Arora, Chairman and Managing Director of the Company.

The composition and the attendance of members at the Corporate Social Responsibility Committee meetings held during the financial year 2021-22, is given below:

Members	Position and Category	No. of Meetings held	No. of Meetings Attended
Mr. Rahul Arora	Chairman- Managing Director	1	1
Ms. Jayantika Dave	Member - Non Executive Director	1	1
Ms. Yamini Tandon	Member - Non-Executive Director	-	-

The CSR Report as required under the Act for the year ended March 31, 2022 is attached as Annexure-C to the Directors Report.

### Role / Terms of Reference

The CSR Committee recommends and monitors the implementation of CSR projects of the Company.

Terms of Reference of the CSR Committee as per the provisions of the Act, includes the following:

- Formulate and recommend to the Board, a Corporate Social Responsibility policy which shall define the focus areas and indicate the activities to be undertaken by the Company under its Corporate Social Responsibility program as detailed in Schedule VII to the Act
- Recommend to the Board necessary amendments, if any, in the CSR policy from time to time
- Recommend the amount of expenditure to be incurred on the CSR activities
- Formulate the implementation schedule of specific project / activity
- Establish mechanism for measuring the effectiveness of the Corporate Social Responsibility Policy.

## 5. RISK MANAGEMENT COMMITTEE

### Composition, Meeting and Attendance

The Company has developed and implemented a risk management framework for identification of elements of risk, which in the opinion of the Board may threaten the existence of the Company. The requirement of constituting Risk Management Committee was mandated by SEBI on top 1000 companies based on the market capitalization as on March 31, 2021. As on March 31, 2021, the Company was listed under the said category and hence it was required to constitute a Risk Management Committee as per the provisions of the amended SEBI (LODR), 2015.

As per the requirement of revised Regulation 21 of Listing Regulation and amendments thereto, the Board considered and approved the constitution of Risk Management Committee of the Company under the provisions of the Listing Regulation on May 26, 2021.

During the financial year 2021-22, the Risk Management Committee met twice on July 27, 2021 and January 20, 2022. The Committee is headed by Mr. Rahul Arora, Chairman and Managing Director of the Company as the Chairman of this Committee.

The composition and the attendance of members at the Risk Management Committee meetings held during the financial year 2021-22, is given below:

Members	Position and Category	No. of Meetings held	No. of Meetings Attended
Mr. Rahul Arora	Chairman- Managing Director	2	2
Mr. Ajay Mankotia	Member - Non Executive Director	2	2
Ms. Yamini Tandon	Member - Non-Executive Director	2	2

### Role / Terms of Reference

- To formulate a detailed risk management policy which shall include a). Framework for identification of internal and external risks specifically faced by the listed entity, in particular including financial, operational, sectoral, sustainability (particularly, ESG related risks), information, cyber security risks or any other risk as may be determined by the Committee, b). Measures for risk mitigation including systems and processes for internal control of identified risks, c). Business continuity plan.
- To ensure that appropriate methodology, processes and systems are in place to monitor and evaluate risks associated with the business of the Company
- To monitor and oversee implementation of the risk management policy, including evaluating the adequacy of risk management systems;
- To periodically review the risk management policy, at least once in two years, including by considering the changing industry dynamics and evolving complexity;
- To keep the board of directors informed about the nature and content of its discussions, recommendations and actions to be taken;
- The appointment, removal and terms of remuneration of the Chief Risk Officer (if any) shall be subject to review by the Risk Management Committee.

### Directors' Remuneration during the Financial Year 2021-22

Independent Directors are not paid any remuneration other than by way of sitting fees for attending meeting of Board and the Committees. Remuneration to Executive Directors is paid based on the recommendation of the Nomination and Remuneration Committee and as approved by the Board and shareholders of the Company. The Company does not have any stock option scheme at present.

Director	Jayantika Dave	Achal Khanna	Piyush Rastogi	Ajay Mankotia	Rahul Arora	Yamini Tandon
Business Relationship with the Company	Nil	Nil	Nil	Nil	Chairman and Director of Holding Company i.e. ADI BPO Services Limited <sup>1</sup>	Nil
Remuneration during the year ended March 31, 2022 (in Rupees lakhs)						
Sitting Fees	6.4	5.2	7.8	9.0	Nil	Nil
Salary and Perks	Nil	Nil	Nil	Nil	INR 312.31	Nil
Total	6.4	5.2	7.8	9.0	INR 312.31	Nil
Severance / Notice Period	-	-	-	-	180 days as per the agreement or otherwise decided by the Board.	-

<sup>1</sup> During the year ended March 31, 2022, the Company paid INR 237.53 lakhs plus applicable GST to ADI BPO Services Limited, the promoter company wherein Mr. Rahul Arora is a Director. The above amount represents the rent paid for the Dehradun facility taken on lease and the charges for infrastructure services provided by ADI BPO Services Limited.

<sup>2</sup> Mr. Rahul Arora was paid remuneration of INR 312.31 Lakhs.

Apart from the above there was no other pecuniary relationship or transaction between the Non-Executive Directors and the Company or Executive Director and the Company. The criteria for making the payment of remuneration to Non-Executive Directors as per Schedule V (C)(5)(b) is available at the website of the Company at <https://www.mpslimited.com/corporate-governance/>

## SUBSIDIARY COMPANIES

The Company has the below subsidiary companies:

- MPS North America LLC
- MPS Interactive Systems Limited
- MPS Europa AG
- Topsim GmbH

During the year ended March 31, 2022, HighWire North America LLC, Wholly owned subsidiary Company was voluntarily dissolved effective December 21, 2021.

The Company has a step down subsidiary HighWire Press Limited, which is a subsidiary of MPS North America LLC. Semantico Limited is the subsidiary of HighWire Press Limited.

As per Regulation 24 of the Listing regulations, minutes and all the significant transactions and arrangements entered into by the unlisted Indian subsidiary company are reported to the Board. Audit Committee also reviews the financial statements of, and investments made by, the subsidiary companies.

Policy for determining Material Subsidiary has also been uploaded on website of the Company at <https://www.mpslimited.com/corporate-governance/>

## CODE OF CONDUCT

The Board has adopted a Code of Conduct (the “Code”) for its business and operations. The Code is applicable to the Directors and senior management personnel of the Company. It also enumerates the duties and responsibilities of Independent Directors. The Code requires the Directors and employees of the Company to act honestly, ethically and with integrity. The Code has also been uploaded on the website of the Company at <https://www.mpslimited.com/corporate-governance/>

The compliance of the Code is to be affirmed annually by the Directors and senior management personnel. All the Board Members and senior management personnel to whom the Code is applicable have affirmed the compliance with the Code as on March 31, 2022.

The Chairman and Managing Director has provided the following declaration to this effect:

“It is hereby certified that all the members of the Board and senior management personnel have confirmed the compliance with the Code during the financial year 2021-22 and there has been no instances of violation of the Code.”

**Rahul Arora**

Chairman and Managing Director  
May 17, 2022

## GENERAL BODY MEETINGS

Details of last three Annual General Meetings of the Company is detailed below:

Year	Day, Date and Time of Meeting	Venue	Special Resolutions Passed
2018-19	Wednesday, July 24, 2019 Time: 02:30 P.M	Raintree Hotels, 636 Anna Salai, Teynampet, Chennai – 600035, Tamilnadu	<ul style="list-style-type: none"> <li>For re-appointment of Mr. Vijay Sood as an Independent Director of the Company.</li> </ul>
2019-20	Wednesday, August 12, 2020 Time: 02:30 PM	Through Video Conferencing and Other Audio Visual Means	<ul style="list-style-type: none"> <li>No special resolution was passed in the financial year 2019-20.</li> </ul>
2020-21	Wednesday June 30, 2021 Time: 05:30 PM	Through Video Conferencing and Other Audio Visual Means	<ul style="list-style-type: none"> <li>For re-appointment of Dr. Piyush Kumar Rastogi as an Independent Director of the Company.</li> </ul>

All resolutions placed before the Shareholder's at the last Annual General Meeting of the Company were passed with the requisite majority.

As per Section 108 of the Act read with rules made thereunder, Regulation 44 of the Listing Regulations, e-voting facility was provided to the Shareholders of the Company for electronically voting on the resolutions passed at the Annual General Meeting held on June 30, 2021 and voting during the Annual General Meeting.

Note: The postal ballot was carried out as per the provisions of Sections 108 and 110 and other applicable provisions of the Act, read with the Rules framed thereunder and read with the Circular No. 14/2020 dated April 08, 2020, Circular No. 17/2020 dated April 13, 2020 and Circular No. 33/2020 dated September 28, 2020, Circular No. 39/2020 dated December 31, 2020 and Circular No. 10/2021 dated June 23, 2021 issued by the Ministry of Corporate Affairs and the results were duly intimated to the Stock Exchanges in prescribed time lines and uploaded on the website of the Company.

## POSTAL BALLOT

Particulars of the postal ballot passed during the year:

S. No	Year	Date of passing of Special Resolutions	Special Resolutions
1	2021-22	December 02, 2021	<ul style="list-style-type: none"> <li>To consider and approve the Buyback of shares through tender offer route</li> <li>To consider and approve the re-appointment of Ms. Jayantika Dave</li> <li>To consider and approve the re-appointment of Ms. Achal Khanna</li> <li>To consider and approve the re-appointment of Mr. Ajay Mankotia</li> </ul>

## MEANS OF COMMUNICATION

The Company recognizes the importance of two-way communication with shareholders and giving a balanced reporting of results and progress. Complete and timely disclosure of information regarding the Company's financial position and performance is an important part of the Company's corporate governance ethos.

**Annual Report:** The Annual Report containing, inter alia, Audited Financial Statement, Board's Report, Auditors' Report, Business Responsibility Report and other important information is circulated to the shareholders and others, entitled thereto. The Management Discussion & Analysis Report forms part of this Annual Report. The Company's Annual Report is also available in downloadable form on the Company's website. For the Annual General Meeting held during this year under review, Annual Reports, notices, and other communications to the shareholders were communicated electronically on their email IDs registered in the depository system.

**Website:** The Company is maintaining a website viz., [www.mpslimited.com](http://www.mpslimited.com) which contains a dedicated section "Investors" which displays details/information of interest of various stakeholders.

**Financial Results:** The quarterly, half yearly and annual results are published in the leading English and Hindi Newspapers, Financial Express (all editions) and Makkal Kural (Tamil Chennai Edition) and also displayed on the web site of the Company – www.mpslimited.com where official news releases, financial results, consolidated financial highlights, quarterly shareholding pattern and presentations made to institutional investors or to the analysts are also displayed.

**Business Review:** The Management Perspective, Business Review and Financial Highlights are part of the Annual Report.

All material information about the Company is promptly uploaded on the website of the Stock Exchanges and also sent through e-mail to the stock exchanges where the shares of the Company are listed.

## GENERAL SHAREHOLDERS INFORMATION

### a. Annual General Meeting

<b>Day, Date and Time</b>	June 27, 2022 at 11:30 a.m. (IST)
<b>Venue/Mode</b>	Through Video Conferencing / Other Audio Visual Means facility
<b>Date of Book closure</b>	June 21, 2022 to June 27, 2022 (both days inclusive)
<b>Cut off Date for Dividend</b>	June 20, 2022

### b. Financial Calendar (Tentative)

**Financial Year :** April 01 to March 31

Tentative Calendar for declaration of results for the financial year 2022-23 is given below:

Results for the Quarter / Year ending	Date of Declaration
June 30, 2022	On or before August 14, 2022
September 30, 2022	On or before November 14, 2022

Results for the Quarter / Year ending	Date of Declaration
December 31, 2022	On or before February 14, 2023
March 31, 2023 (Annual Audited)	On or before May 30, 2023

### c. Dividend

For the financial year 2020-21, the Company has not declared any dividend. For the financial year 2021-22, the Company has declared dividend of INR 30 per equity shares of face value INR 10 each.

### d. Listing of Equity Shares

The Company's Equity Shares are listed on NSE and BSE since January 21, 2002 and December 10, 2001, respectively. The Equity Shares are currently traded in compulsory dematerialized mode under the trading code(s) MPLTLD at NSE and 532440 at BSE. The ISIN of the Equity Shares is INE943D01017. The Company has paid the annual listing fees to both the Stock Exchanges, for the financial year 2020-2021 and 2021-2022.

### e. Details of Company's scrip code and ISIN no. are as follows:

Stock Exchange and addresses	Code – Equity
<b>BSE</b> Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai – 400 001	532440
<b>NSE</b> Exchange Plaza, 5 <sup>th</sup> Floor, Plot No. C/1, G Block, Bandra Kurla Complex, Bandra (East), Mumbai – 400 051	MPLTLD
<b>ISIN</b>	Equity Share- INE943D01017

## f. Stock Market Data

The monthly high and low share prices and market capitalization of equity shares of the Company traded on BSE and NSE from April 01, 2021 to March 31, 2022 and the comparison in performance of share price of the Company vis-à-vis broad based Indices are given below:

### BSE Limited (BSE)-MPS Share Price

Month	High (INR)	Low (INR)	Close (INR)	Volume (In lakhs)
April 2021	640.40	473.00	603.15	0.68
May 2021	677.00	515.05	559.85	0.51
June 2021	620.00	531.55	591.90	0.84
July 2021	751.00	579.05	733.20	0.16
August 2021	805.00	640.15	711.10	0.11
September 2021	734.00	657.50	665.35	0.71
October 2021	745.00	658.30	703.00	0.79
November 2021	746.30	674.45	678.55	0.46
December 2021	731.95	592.05	627.55	0.96
January 2022	739.90	628.95	681.95	0.59
February 2022	691.90	566.60	637.70	0.68
March 2022	666.00	587.10	590.15	0.31

[Source: <https://www.bseindia.com>]

### National Stock Exchange of India Limited(NSE)-MPS Share Price

Month	High (INR)	Low (INR)	Close (INR)	Volume (In lakhs)
April 2021	641.00	471.00	591.55	9.38
May 2021	680.00	538.10	560.15	8.22
June 2021	622.60	531.05	592.20	7.19
July 2021	752.00	579.60	734.15	11.86
August 2021	807.75	641.30	711.10	9.56
September 2021	730.00	662.00	666.35	4.13
October 2021	746.60	636.05	703.35	7.34
November 2021	779.00	675.35	681.75	3.52
December 2021	728.95	591.95	628.35	5.10
January 2022	734.70	627.80	683.80	5.17
February 2022	691.05	576.20	638.15	3.60
March 2022	661.95	585.40	589.95	1.79

[Source: [www.nseindia.com](http://www.nseindia.com)]

### Market price data and performance in comparison to indices:

#### BSE Sensex:

Month	Open	High	Low	Close
April 2021	49868.53	50375.77	47204.50	48782.36
May 2021	48356.01	52013.22	48028.07	51937.44
June 2021	52067.51	53126.73	51450.58	52482.71

Month	Open	High	Low	Close
July 2021	52638.50	53290.81	51802.73	52586.84
August 2021	52901.28	57625.26	52804.08	57552.39
September 2021	57763.53	60412.32	57263.90	59126.36
October 2021	58889.77	62245.43	58551.14	59306.93
November 2021	59577.48	61036.56	56382.93	57064.87
December 2021	57365.85	59203.37	55132.68	58253.82
January 2022	58310.09	61475.15	56409.63	58014.17
February 2022	58672.86	59618.51	54383.20	56247.28
March 2022	55629.30	58890.92	52260.82	58568.51

[Source: [www.bseindia.com](http://www.bseindia.com)]

#### NSE Nifty:

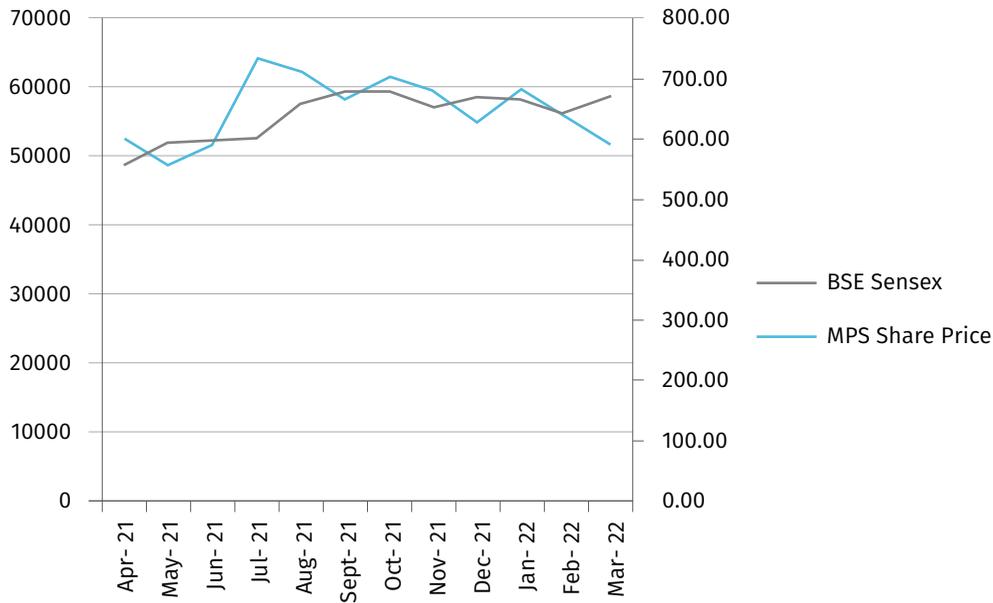
Month	Open	High	Low	Close
April 2021	14798.40	15044.35	14151.40	14631.10
May 2021	14481.05	15606.35	14416.25	15582.80
June 2021	15629.65	15915.65	15450.90	15721.50
July 2021	15755.05	15962.25	15513.45	15763.05
August 2021	15874.90	17153.50	15834.65	17132.20
September 2021	17185.60	17947.65	17055.05	17618.15
October 2021	17531.90	18604.45	17452.90	17671.65
November 2021	17783.15	18210.15	16782.40	16983.20
December 2021	17104.40	17639.50	16410.20	17354.05
January 2022	17387.15	18350.95	16836.80	17339.85
February 2022	17529.45	17794.60	16203.25	16793.90
March 2022	16593.10	17559.80	15671.45	17464.75

[Source: [www.nseindia.com](http://www.nseindia.com)]

#### PERFORMANCE IN COMPARISON TO INDICES:

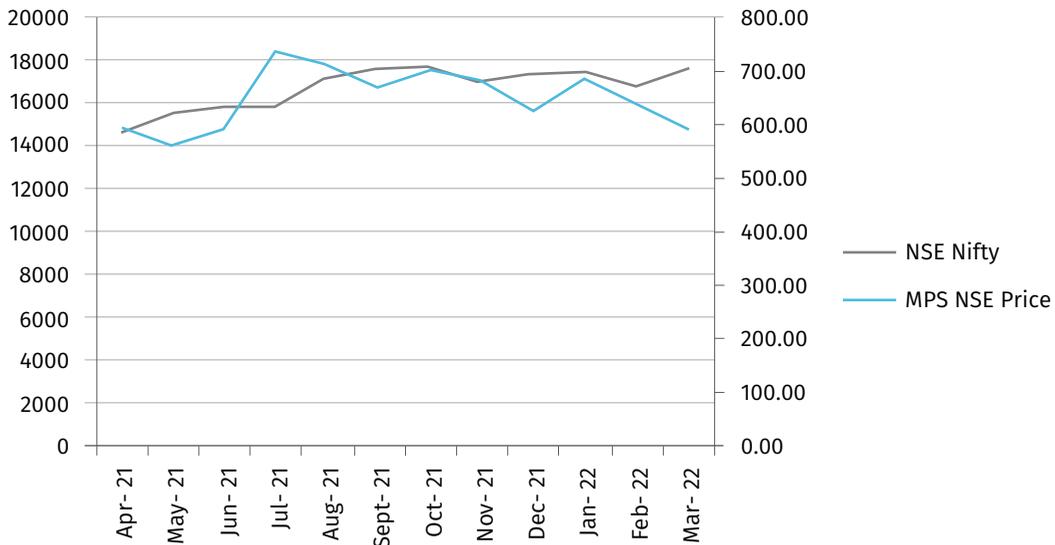
##### BSE Sensex and MPS Share Price

Month	BSE Sensex	MPS Share Price
	Close	Close (In INR)
April 2021	48782.36	603.15
May 2021	51937.44	559.85
June 2021	52482.71	591.90
July 2021	52586.84	733.20
August 2021	57552.39	711.10
September 2021	59126.36	665.35
October 2021	59306.93	703.00
November 2021	57064.87	678.55
December 2021	58253.82	627.55
January 2022	58014.17	681.95
February 2022	56247.28	637.70
March-2022	58568.51	590.15



**NSE Nifty and MPS Share Price**

Month	NSE Nifty	MPS NSE Price
	Close	Close (In INR)
April 2021	14631.10	591.55
May 2021	15582.80	560.15
June 2021	15721.50	592.20
July 2021	15763.05	734.15
August 2021	17132.20	711.10
September 2021	17618.15	666.35
October 2021	17671.65	703.35
November 2021	16983.20	681.75
December 2021	17354.05	628.35
January 2022	17339.85	683.80
February 2022	16793.90	638.15
March-2022	17464.75	589.95



### Unclaimed/Unpaid Dividends and Transfer to IEPF

Pursuant to the applicable provisions of the Companies Act 2013 read with of Investors Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016, all unpaid or unclaimed dividend are required to be transferred by the Company to the Investors Education and Protection Fund (IEPF) established by the Central Government of India, after the completion of seven years. Further, according to Section 124(6) of the Companies Act, 2013 and the rules made there in, all shares in respect of which dividend has not been paid or claimed for seven consecutive years or more shall be transferred by the Company in the name of IEPF.

During the financial year 2021-22, the Company has transferred the below amount to IEPF:

Year	Dividend	Amount	Date of Transfer of shares to IEPF	Number of Shares
2013-14	Interim Dividend – 3	1,14,615	May 21, 2021	1250
2014-15	Interim Dividend – 1	3,03,228	December 17, 2021	182

#### g. Distribution of Shareholding as on March 31, 2022:

Category of Shareholdings From – To	No. of Shareholders	% of Total Shareholders	Total Shares	% of Shares
10-5000	14225	93.9378	837898	4.8983
5001-10000	442	2.9188	340600	1.9911
10001-20000	212	1.40	314720	1.8398
20001-30000	78	0.5151	192751	1.1268
30001-40000	41	0.2708	146634	0.8572
40001-50000	34	0.2245	155826	0.911
500001-100000	60	0.3962	438619	2.5642
100001-and Above	51	0.3368	14678768	85.8116
Total	15143	100.00	17105816	100.00

#### h. Dematerialization of Shares and Liquidity

The shares of the Company are compulsorily traded in demat form and are available for trading under both the Depository Systems in India – National Securities Depository Limited (the “NSDL”) and Central Depository Services (India) Limited (the “CDSL”). As on March 31, 2022, a total of 1,71,05,816 shares of the Company, constituting 99.93 % of the total Share Capital, were in demat form. Details of the Demat and Physical shareholding of the Company are as under:

	No. of Shareholders	Number of shares	Percentage (%)
At National Securities Depository Limited	7300	1,59,45,577	93.2173
At Central Depository Services (India) Limited	8253	11,49,148	6.7179
In Physical Form	57	11,091	0.0648
Total Paid-up Share Capital	15610	1,71,05,816	100.00

**i. Outstanding GDRs/ADRs/Warrants or any Convertible instruments, conversion date and likely impact on equity;**

As on date there are no outstanding warrants / bonds/ other instruments which are convertible into equity shares, which are likely to have an impact on the equity of the Company.

**j. Share Transfer System**

The Company has appointed a common Registrar for physical share transfer and dematerialization of shares. The shares lodged for physical transfer/ transmission/ transposition are registered within stipulated period as stated under Listing Regulations and all amendments thereto.

**h. Secretarial Certificates**

A Company Secretary in-Practice carries out a reconciliation of Share Capital Audit to reconcile the total admitted capital with National Securities Depository Limited and Central Depository Services (India) Limited (“Depositories”) and the total issued and listed capital. The audit confirms that the total issued/paid-up capital is in agreement with the aggregate of the total number of shares in physical form and total number of shares in dematerialized form held with Depositories.

The Company obtains from a Company Secretary in Practice half-yearly certificates of compliance with the share transfer formalities as required under Regulation 40(9) of the Listing Regulations and files a copy of the certificate with the Stock Exchanges.

## DISCLOSURES AND AFFIRMATION

**(i) Compliances**

The Company has complied with all the applicable provisions of Listing Regulations, other guidelines / regulations issued by the Securities and Exchange Board of India (SEBI) and applicable provisions of other statutes.

The Company has complied with all the mandatory requirements as per the provisions of Regulation 34, 53 and Schedule V of the Listing Regulations.

There have been no instances of non-compliance by the Company on any matter related to capital markets during the last three years and hence no penalties have been imposed on the Company by Stock Exchanges or SEBI or any such other statutory authority.

**(ii) Related Party Transactions**

All transactions of the Company with related parties, as defined in the Act and the Listing Regulations, during the year ended March 31, 2022, were made in the ordinary course of business and were on an arm’s length basis. There was no material related party transaction of the Company, which may have a potential conflict with the interest of the Company at large. The same are reported under notes to the financial statements.

As required under Regulation 23 of the Listing Regulations, the Company has adopted a policy on Related Party Transactions which has been uploaded on the website of the Company and can be accessed at the weblink at <http://www.mpslimited.com/corporate-governance/>.

**(iii) Vigil Mechanism/Whistle Blower Policy**

In view of the requirement as stipulated by Section 177 of the Companies Act, 2013 and the Listing Regulations, the Company has complied with all the provisions of the Section and has a Whistle Blower Policy duly approved by the Audit Committee to report concerns about unethical behaviour, actual & suspected frauds, or violation of Company’s Code of Conduct and Ethics. The Company hereby affirms that no person has been denied access to the Audit Committee.

Policy is available on the website of the Company at <http://www.mpslimited.com/corporate-governance/>.

**(iv) Disclosure on Sexual Harassment of Women at workplace**

The Company has a policy on Prevention of Sexual Harassment at workplace in line with the requirements of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 and Rules framed thereunder. The policy is set up for providing a redressal mechanism pertaining to sexual harassment of women employees at workplace.

The policy is available on the intranet site of the Company. During the financial year 2021-22, no complaint with allegations of sexual harassment was received by the Company.

#### **(v) Total fees paid to Statutory Auditors**

Pursuant to Part C of Schedule V of the Listing Regulations, information on total fees for all services paid by the Company and its subsidiaries, on a consolidated basis, to M/s Walker Chandiook & Co., LLP, Statutory Auditor during Financial Year 2021-22 is INR 55.25 Lakhs consisting of INR 43.25 Lakhs from MPS Limited and INR 12 Lakhs from MPS Interactive Systems Limited.

#### **(vi) Accounting Principles**

The consolidated financial statement ('financial statement') has been prepared to comply in all material respects with the Indian Accounting Standard ('Ind AS') notified under section 133 of the Companies Act, 2013, read together with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 and Companies (Indian Accounting Standards) Amendment Rules, 2016 issued by the Ministry of Corporate Affairs ('MCA').

Financial Results for the year 2021-22, both standalone and consolidated is separately disclosed in the Annual Report. There are no Loans and advances granted to the Companies in which directors are interested during the financial year ended March 31, 2022.

#### **(vii) Foreign Exchange Risk and Hedging**

During the year, the Company had managed the foreign exchange risk by entering into forward contracts for hedging foreign exchange exposures against its exports to the extent considered necessary as per the policy approved by the Board. The details of foreign currency exposure are disclosed in Notes to the Audited Financial Statements of the Company, forming part of the Annual Report for the financial year ended March 31, 2022.

#### **(viii) Adoption of Non-Mandatory Requirements of Listing Regulations**

The Board of Directors periodically reviews the compliance of all applicable laws and steps taken by the Company to rectify instances of non-compliance, if any. The Company is in compliance with all mandatory requirements of Listing Regulations.

#### **(ix) Penalties**

The Company has complied with the requirements of the Stock Exchange(s)/SEBI and Statutory Authority(ies) on all matters related to the capital market during the last three years. There are no penalties imposed on the Company by Stock Exchange(s) or SEBI or any Statutory Authority(ies) relating to the above.

#### **CERTIFICATION BY PRACTICING COMPANY SECRETARY**

R.Sridharan & Associates, Company Secretaries, have certified that none of the Directors of the Company as on March 31, 2022, have been debarred or disqualified from being appointed or continuing as Director(s) of Company by SEBI, Ministry of Corporate Affairs and/or any other statutory authority. This Certificate is enclosed with this report.

#### **MANAGING DIRECTOR & CFO CERTIFICATION**

Managing Director and CFO of the Company have certified to the Board on the accuracy of financial reporting and adequacy of internal controls for the financial year ended March 31, 2022. This certificate is enclosed with this report.

**Business Locations**

<b>Content Solutions for Educational, Academic, and STM Markets</b>	RR Towers IV, Super A, 16/17 Thiru-Vi-Ka Industrial Estate, Guindy, Chennai-600032, Tamilnadu
<b>Content Solutions and Platform Solutions for Academic and STM Markets</b>	HMG Ambassador, 137, Residency Road, Bengaluru-560025, Karnataka
<b>Platform Solutions</b>	709, DLF Corporate Greens, Sector -74A, Narsinghpur, Gurgaon-122004, Haryana
<b>Content Solutions for Educational Publishing, Platform Solutions and eLearning</b>	Windsor IT Park, A-1, Tower A, 4 <sup>th</sup> Floor, Sector-125, Noida – 201303
<b>Platform Solutions and Content Solutions for Educational, Academic, and STM Markets</b>	33, Sahastra Dhara Road, IT Park, Dehradun Uttarakhand-248001
<b>Content Solutions and Platform Solutions</b>	MPS North America LLC, 5728 Major Blvd., Orlando, Florida 32819.

**Registrar and Share Transfer Agent****Cameo Corporate Services Limited**

Subramanian Building,  
1 Club House Road, Chennai – 600002  
Phone no. 044 – 28460390  
Contact person: Mr. D. Narasimhan, Manager

**Registered Office Address:****MPS Limited**

RR Towers IV, Super A, 16/17 Thiru Vi Ka Industrial Estate,  
Guindy, Chennai 600 032, Tamilnadu  
Tel. : (+91 – 44 49162222)  
Fax No.: (+91 – 44 49162225)  
Website address: [www.mpslimited.com](http://www.mpslimited.com)

**Address for Correspondence –****Corporate Office:**

**MPS Limited**  
Windsor IT Park, A-1, Tower A, 4<sup>th</sup> Floor, Sector-125, Noida -  
201303  
Tel. : (+91 – 120- 4599754)

**For and on behalf of the Board of Directors****Place: Gurugram****Date: May 17, 2022****Rahul Arora****Chairman and Managing Director**

## CORPORATE GOVERNANCE CERTIFICATE

The Members

**MPS LIMITED**

RR Towers IV,  
Super A,  
16/17, Thiru-vi-ka Industrial Estate,  
Guindy,  
Chennai – 600 032.

We have examined documents, books, papers, minutes, forms and returns filed and other relevant records maintained by **MPS Limited (hereinafter referred as “the Company”) (CIN:L22122TN1970PLC005795)** having its Registered Office at RR Towers IV, Super A, 16/17, Thiru-vi-ka Industrial Estate, Guindy, Chennai – 600 032 for the purpose of certifying compliance of the conditions of Corporate Governance under Regulations 17 to 27 and clauses (b) to (i) of regulation 46(2) and para C, D and E of Schedule V and Regulation 34 (3) to the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended (hereinafter called “SEBI (LODR) Regulations 2015”) for the financial year ended March 31, 2022. We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purpose of certification.

The compliance of the conditions of Corporate Governance is the responsibility of the management. Our examination was limited to the procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and on the basis of our examination of the records produced, explanations and information furnished, we certify that the Company has complied regarding the conditions of Corporate Governance as stipulated under the SEBI (LODR) Regulations 2015 for the financial year ended March 31, 2022.

This Certificate 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.

**For R. SRIDHARAN & ASSOCIATES**

**COMPANY SECRETARIES**

**CS R SRIDHARAN**

FCS No. 4775

CP No. 3239

PR NO.657/2020

UIN: S2003TN063400

UDIN: F004775D000307770

PLACE : Chennai

DATE : MAY 17, 2022

## CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS

*Pursuant to Regulation 34 (3) read with Schedule V Para-C Sub clause (10) (i) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended*

The Members,

**MPS LIMITED**

CIN:L22122TN1970PLC005795

RR Tower IV, Super A,

16/17 Thiru-Vi-Ka Industrial Estate,

Guindy, Chennai- 600032

We have examined the relevant registers, records, forms, returns and disclosures received from the Directors of **MPS LIMITED (CIN:L22122TN1970PLC005795)** having its Registered Office at RR Tower IV, Super A, 16/17 Thiru-Vi-Ka Industrial Estate, Guindy, Chennai- 600032 (hereinafter referred to as "The Company") produced before us by the Company for the purpose of issuing this certificate, in accordance with Regulation 34 (3) read with Schedule V Part-C Sub clause 10 (i) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations 2015.

In our opinion and to the best of our knowledge and according to the verifications (including Director Identification Number (DIN) Status at the portal [www.mca.gov.in](http://www.mca.gov.in)) and based on such examination as well as information and explanations furnished to us, which to the best of our knowledge and belief were necessary for the purpose of issue of this certificate and based on such verification as considered necessary, we hereby certify that None of the Directors as stated below on the Board of the Company as on March 31, 2022 have been debarred or disqualified from being appointed or continuing as Directors of Companies by the Securities and Exchange Board of India /Ministry of Corporate Affairs or any such other statutory authority.

S.NO	NAME OF THE DIRECTOR	DESIGNATION	DIN	DATE OF APPOINTMENT
1.	Mr. RAHUL ARORA	Managing Director and Chairman	05353333	12-08-2013
2.	Ms. YAMINI TANDON	Non-Executive - Non-Independent Director	06937633	11-08-2014
3.	Ms. JAYANTIKA DAVE	Non-Executive -Independent Director	01585850	30-10-2019
4.	Ms. ACHAL KHANNA	Non-Executive -Independent Director	00275760	30-10-2019
5.	Dr. PIYUSH KUMAR RASTOGI	Non-Executive -Independent Director	02407908	29-01-2020
6.	Mr. AJAY MANKOTIA	Non-Executive -Independent Director	03123827	29-01-2020

Ensuring the eligibility and appointment/continuity of, every Director on the Board is the responsibility of the management of the Company. Our responsibility is to express an opinion on these based on our verification. This certificate is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

**For R.SRIDHARAN & ASSOCIATES**

**COMPANY SECRETARIES**

**CS R.SRIDHARAN**

CP No. 3239

FCS No. 4775

PR NO.657/2020

UIN: S2003TN063400

UDIN: F004775D000307541

PLACE : CHENNAI

DATE : MAY 17, 2022

## MANAGING DIRECTOR/ CFO Certification as per Regulation 17(8) of the Listing Regulations

We, Rahul Arora, Chairman and Managing Director and Ratish Mohan Sharma, Chief Financial Officer, certify to the Board of Directors of MPS Limited (the "Company") that:

- a. We have reviewed the financial statements and the cash flow statement for the year ended on March 31, 2022 and that to the best of our knowledge and belief:
  - i. These statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading.
  - ii. These statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
- b. There are, to the best of our knowledge and belief, no transactions entered into by the Company during the year that are fraudulent, illegal or violate of the Company's code of conduct.
- c. We accept responsibility for establishing and maintaining internal controls for financial reporting and we have evaluated the effectiveness of the internal control systems of the Company pertaining to financial reporting and we have disclosed to the Auditors and the Audit Committee, deficiencies in the design and operation of such internal controls, if any, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies.
- d. We have indicated to the Auditors and the Audit Committee
  - i. that there are no significant changes in internal control during the year;
  - ii. that there are no significant changes in accounting policies, save and except changes arising in conformity with the requirements of Ind AS, during the year, which have been disclosed in the notes to the financial statements; and
  - iii. That there are no instances of significant fraud of which we became aware or the involvement therein, if any, of the management or an employee having a significant role in the Company's internal control system over financial reporting.

**Rahul Arora**  
**Chairman and Managing Director**

**Ratish Mohan Sharma**  
**Chief Financial Officer**

Place: Gurugram

Date: May 17, 2022

# BUSINESS RESPONSIBILITY REPORT – FINANCIAL YEAR 2022

## SECTION A: GENERAL INFORMATION ABOUT THE COMPANY

Corporate Identity Number (CIN) of the Company	L22122TN1970PLC005795
Name of the Company	MPS Limited
Registered Address	RR Tower IV, Super A,16/17 Thiru-Vi-Ka Industrial Estate, Guindy Chennai - TN 600032
Website	<a href="http://www.mpslimited.com">www.mpslimited.com</a>
Email id	<a href="mailto:investors@mpslimited.com">investors@mpslimited.com</a>
Financial Year reported	April 01, 2021 to March 31, 2022
Sector(s) that the Company is engaged in (industrial activity code-wise)	631(Data processing, hosting and related activities; web portals), 620 (Computer programming, consultancy and related activities)
List three key products/services that the Company manufactures/provides (as in balance sheet)	Content Solutions Platform Solutions eLearning Solutions
Total number of locations where business activity is undertaken by the Company	We are present in 15 locations globally.
(a) Number of International Locations (Provide details of major 5)	Please refer complete list of locations available on the website of the Company's website at <a href="https://www.mpslimited.com/locations/">https://www.mpslimited.com/locations/</a>
(b) Number of National Locations	
Markets served by the Company – Local/State/National/International	North America, Europe, Middle East, India, and APAC

## SECTION B: FINANCIAL DETAILS OF THE COMPANY

Paid up Capital (INR)	17,10,58,160
Total Turnover (INR)	INR 284.02 crores on Standalone Basis INR 448.88 crores on Consolidated Basis
Total profit after taxes (INR)	INR 71.46 crores on Standalone Basis INR 87.12 crores on Consolidated Basis
Total Spending on Corporate Social Responsibility (CSR) as percentage of profit after tax (%)	INR 1.57 crores
List of activities in which expenditure in 4 above has been incurred	Healthcare and Education

**SECTION C: OTHER DETAILS**

1. Does the Company have any Subsidiary Company/ Companies?

Yes.

2. Do the Subsidiary Company/Companies participate in the BR Initiatives of the parent company? If yes, then indicate the number of such subsidiary company(s).

Yes. The various subsidiaries and/or local business units contribute to the Company's consolidated performance across all parameters – Economic, Social and Environmental. There are 4 subsidiaries.

3. Do any other entity/entities (e.g. suppliers, distributors etc.) that the Company does business with, participate

in the BR initiatives of the Company? If yes, then indicate the percentage of such entity/entities? [Less than 30%, 30-60%, More than 60%]

No.

**SECTION D: BR INFORMATION**

1. Details of Director/Directors responsible for BR

(a) Details of the Director responsible for implementation of the BR policy/policies

1. DIN Number - 05353333
2. Name: Rahul Arora
3. Designation: Chairman and Managing Director

S.NO	Particulars	Details
1.	DIN Number (if applicable)	Not Applicable
2.	Name	Narendra Kumar
3.	Designation	Chief Technology Officer
4.	Telephone number	0120 4599750
5.	e-mail id	<a href="mailto:narendra.kumar@mpslimited.com">narendra.kumar@mpslimited.com</a>

2. Principle-wise (as per NVGs) BR Policy/policies

- i. **Principle 1 (P1):** Businesses should conduct and govern themselves with Ethics, Transparency and Accountability
- ii. **Principle 2(P2):** Businesses should provide goods and services that are safe and contribute to sustainability throughout their life cycle
- iii. **Principle 3 (P3):** Businesses should promote the wellbeing of all employees
- iv. **Principle 4 (P4):** Businesses should respect the interests of, and be responsive towards all stakeholders, especially those who are disadvantaged, vulnerable and marginalized.
- v. **Principle 5 (P5):** Businesses should respect and promote human rights
- vi. **Principle 6 (P6):** Business should respect, protect, and make efforts to restore the environment.
- vii. **Principle 7 (P7):** Businesses, when engaged in influencing public and regulatory policy, should do so in a responsible manner
- viii. **Principle 8(P8):** Businesses should support inclusive growth and equitable development
- ix. **Principle 9 (P9):** Businesses should engage with and provide value to their customers and consumers in a responsible manner

**(a) Details of compliance (Reply in Y/N)**

No.	Questions	P 1	P 2	P 3	P 4	P 5	P 6	P 7	P 8	P 9
1	Do you have policies for each of the principles	Y	Y	Y	Y	Y	Y	Y	Y	Y
2	Has the policy been formulated in consultation with the relevant stakeholders?	Y	Y	Y	Y	Y	Y	Y	Y	Y
3	Does the policy conform to any national / international standards? If yes, specify? (50 words)	Y	Y	Y	Y	Y	Y	Y	Y	Y
4	Has the policy being approved by the Board? Is yes, has it been signed by MD/ owner/ CEO/ appropriate Board Director?	Y	Y	Y	Y	Y	Y	Y	Y	Y
5	Does the company have a specified committee of the Board/ Director/ Official to oversee the implementation of the policy?	Y	Y	Y	Y	Y	Y	Y	Y	Y
No.	Questions	P 1	P 2	P 3	P 4	P 5	P 6	P 7	P 8	P 9
6	Indicate the link for the policy to be viewed online?	#	b & f	a & c & e	b & d	a & c	b	b	b & c & g	f
7	Has the policy been formally communicated to all relevant internal and external stakeholders?	Y	Y	Y	Y	Y	Y	Y	Y	Y
8	Does the company have in-house structure to implement the policy/ policies.	Y	Y	Y	Y	Y	Y	Y	Y	Y
9	Does the Company have a grievance redressal mechanism related to the policy/ policies to address stakeholders' grievances related to the policy/ policies?	Y	Y	Y	Y	Y	Y	Y	Y	Y
10	Has the company carried out independent audit/ evaluation of the working of this policy by an internal or external agency?	N	N	N	N	N	N	N	N	N

# Policies of the Company are compliant of the applicable laws in India and uploaded on website of the Company at [www.mpslimited.com](http://www.mpslimited.com)

- MPS Code of Conduct for Board of Directors and Senior Management at <https://d12ux7ql5zx5ks.cloudfront.net/wp-content/uploads/2018/06/05092545/MPS-Code-of-Conduct.pdf>
- MPS Vision 2023 & Values at <https://www.mpslimited.com/values/>
- MPS Policy for Prevention, Prohibition and Redressal of Sexual Harassment at Workplace - <https://www.mpslimited.com/Policy-for-prevention-of-Sexual-Harassment.pdf>
- MPS Corporate Social Responsibility Policy at <https://d12ux7ql5zx5ks.cloudfront.net/wp-content/uploads/Signed-CSR-Policy.pdf>
- MPS Whistle Blower Policy at <https://d12ux7ql5zx5ks.cloudfront.net/wp-content/uploads/Signed-Whistle-Blower-Policy.pdf>
- MPS Values of Excellence, Efficiency, and Empathy Deliver Customer Success- <https://www.mpslimited.com/testimonials/>
- MPS Environmental Policy <https://www.mpslimited.com/MPS-Environmental-Policy.pdf>

**3. Governance related to BR**

- (a) Indicate the frequency with which the Board of Directors, Committee of the Board or CEO to assess the BR performance of the Company. Within 3 months, 3-6 months, Annually, More than 1 year

The CEO and the Board of Directors meet every quarter.

- (b) Does the Company publish a BR or a Sustainability Report? What is the hyperlink for viewing this report? How frequently it is published?

Till date, we disclosed all the business responsibilities through our Corporate Governance Report as part of our Annual Report. Hence forth, the Business Responsibility Report will also be published annually as a part of the Annual Report.

production services. By helping our clients serve these marginalized readers, we are bringing a positive change to their lives.

- (c) Our eLearning services transform classroom education to virtual sessions, reducing the need for facilities, travel, and the environmental hazards that come with these.

2. For each such product, provide the following details in respect of resource use (energy, water, raw material etc.) per unit of product(optional):

- (a) Reduction during sourcing/production/distribution achieved since the previous year throughout the value chain?

- (b) Reduction during usage by consumers (energy, water) has been achieved since the previous year?

The products and services offered are Digital in nature and are built using a combination of our proprietary and third-party software. All production devices are state of the art, and the production facilities are highly energy efficient, with negligible emissions to the environment. We continuously monitor our consumption to control our input resource efficiency. We have leveraged our scale of operations to reduce the wastage in our value chain.

3. Does the company have procedures in place for sustainable sourcing (including transportation)?

- (a) If yes, what percentage of your inputs was sourced sustainably? Also, provide details thereof, in about 50 words or so.

Yes. Procured products are sourced sustainably. We have an established process for supplier evaluation and selection that enlists the factors of sustainability, amongst others. This process also looks into the practices that the supplier has in place to ensure environmental and social compliance.

4. Has the company taken any steps to procure goods and services from local & small producers, including communities surrounding their place of work?

- (a) If yes, what steps have been taken to improve their capacity and capability of local and small vendors?

Procurement of goods and services from local and small producers is encouraged wherever feasible. Appropriate technical support is provided to them to this effect.

**SECTION E: PRINCIPLE-WISE PERFORMANCE****Principle 1**

1. Does the policy relating to ethics, bribery and corruption cover only the company? Yes/ No. Does it extend to the Group/Joint Ventures/ Suppliers/ Contractors/NGOs /Others?

The policy applies only to the company.

2. How many stakeholder complaints have been received in the past financial year and what percentage was satisfactorily resolved by the management? If so, provide details thereof, in about 50 words or so.

1 complaint was received. It was resolved.

For details on Investors Complaint, refer to "Stakeholders Grievance Redressal" section of Corporate Governance Report in the Annual Report.

**Principle 2**

1. List up to 3 of your products or services whose design has incorporated social or environmental concerns, risks and/or opportunities.

As an ITeS company, we have transformed processes to reduce the adverse effect on the environment. We are a major player in publishing, and we have changed publishing workflow to be more environment friendly. Our impact is as follows

- (a) Online Production that has significantly reduced the usage of print publications and associated environmental impact

- (b) We help our customers adapt their content to visually impaired readers with our alt text

5. Does the company have a mechanism to recycle products and waste? If yes what is the percentage of recycling of products and waste (separately as <5%, 5-10%, >10%). Also, provide details thereof, in about 50 words or so.

Being IT/ITES industry, no waste is generated. Sewer waste is treated by the Swage Treatment Plant. There are no SOx /NOx emission to the air during the course of production.

### Principle 3

1. Please indicate the Total number of employees.

The Company employs 2225 people wherein MPS India has 2218 people, MPS US Branch has 2 people and MPS HighWire branch has 5 People and MPS India has 94 trainees & contractors.

2. Please indicate the Total number of employees hired on temporary/contractual/casual basis.

We have 90 employees on contract basis as on March 31, 2022.

3. Please indicate the Number of permanent women employees.

We have 736 women employees wherein MPS India has 696 women employees, MPS US Branch has 1 women employee and MPS HighWire branch has 2 women employees and MPS India has 37 Trainees and Contractors.

4. Please indicate the Number of permanent employees with disabilities

We do not have any disabled employee.

5. Do you have an employee association that is recognized by management?

No

6. What percentage of your permanent employees is members of this recognized employee association?

Not Applicable.

7. Please indicate the Number of complaints relating to child labour, forced labour, involuntary labour, sexual harassment in the last financial year and pending, as on the end of the financial year.

No.	Category	No of complaints filed during the financial year	No of complaints pending as on end of the financial year
1	Child labour/forced labour/involuntary labour	0	0
2	Sexual harassment	0	0
3	Discriminatory employment	0	0

8. What percentage of your under mentioned employees were given safety & skill up- gradation training in the last year?

(a) Permanent Employees – 38.9%

(b) Permanent Women Employees – 26.8%

(c) Casual/Temporary/Contractual Employees – NA

(d) Employees with Disabilities – NA

### Principle 4

1. Has the company mapped its internal and external stakeholders?

Yes

2. Out of the above, has the company identified the disadvantaged, vulnerable & marginalized stakeholders.

Yes.

3. Are there any special initiatives taken by the company to engage with the disadvantaged, vulnerable and marginalized stakeholders. If so, provide details thereof, in about 50 words or so.

We try to uplift external vulnerable stakeholders through our CSR activities. Please refer to the report on CSR activities, appearing in the Company's FY 2022 Annual Report, for more details. Internally, we have anti-harassment policies, code of conduct to protect their interests. Our HR team is involved in making the workplace equitable to these marginalized stakeholders.

**Principle 5**

1. Does the policy of the company on human rights cover only the company or extend to the Group/Joint Ventures/Suppliers/Contractors/NGOs/Others?

The policy applies to the company. The subsidiaries adhere to the regulations of the countries they are located in.

2. How many stakeholder complaints have been received in the past financial year and what percent was satisfactorily resolved by the management?

No such complaints have been received in the current financial year.

**Principle 6**

1. Does the policy related to Principle 6 cover only the company or extends to the Group/Joint Ventures/Suppliers/Contractors/NGOs/others.

Company and its subsidiaries adhere to the guidance issued in their respective countries.

2. Does the company have strategies/ initiatives to address global environmental issues such as climate change, global warming, etc? Y/N. If yes, please give hyperlink for webpage etc.

Being an IT/ITeS industry, there are no direct emissions to the air or waste water release to the environment. We have indirect emissions from purchased electricity and fuel used for backup power, and we have conducted a GHG emissions assessment for the same. The production activities are carried out in energy efficient buildings. We also have our Environmental Policy to manage our impact on the environment.

3. Does the company identify and assess potential environmental risks? Y/N

Yes.

4. Does the company have any project related to Clean Development Mechanism? If so, provide details thereof, in about 50 words or so. Also, if Yes, whether any environmental compliance report is filed?

No. This is not applicable to us.

5. Has the company undertaken any other initiatives on – clean technology, energy efficiency, renewable energy, etc. Y/N. If yes, please give hyperlink for web page etc.

Yes. The production operations are carried out in energy efficient buildings.

6. Are the Emissions/Waste generated by the company within the permissible limits given by CPCB/SPCB for the financial year being reported?

Yes.

7. Number of show cause/ legal notices received from CPCB/SPCB which are pending (i.e. not resolved to satisfaction) as on end of Financial Year.

There is no show cause/legal notices received from CPCB/SPCB. There are none as on the end of the financial year 2021-2022

**Principle 7**

1. Is your company a member of any trade and chamber or association? If Yes, Name only those major ones that your business deals with:

None

2. Have you advocated/lobbied through above associations for the advancement or improvement of public good? Yes/No; if yes specify the broad areas (drop box: Governance and Administration, Economic Reforms, Inclusive Development Policies, Energy security, Water, Food Security, Sustainable Business Principles, Others)

None

**Principle 8**

1. Does the company have specified programmes/ initiatives/projects in pursuit of the policy related to Principle 8? If yes details thereof.

Yes. Please refer to the Annexure-D of the Directors Report containing the details of CSR activities undertaken during the financial year ended March 31, 2022, appearing in the Company's FY 2022 Annual Report, for more details.

2. Are the programmes/projects undertaken through in-house team/own foundation/external NGO/ government structures/any other organization?

External NGO(s)

3. Have you done any impact assessment of your initiative?

Yes

4. What is your company's direct contribution to community development projects- Amount in INR and the details of the projects undertaken

INR 1.57 crores was spent on CSR. Please refer to the table in Annexure D for more details.

5. Have you taken steps to ensure that this community development initiative is successfully adopted by the community? Please explain in 50 words, or so.

The entities involved are required to report on their usage of the funds. Please refer to the report on CSR activities, appearing in the Company's FY 2022 Annual Report, for more details.

#### Principle 9

1. What percentage of customer complaints/consumer cases are pending as on the end of financial year.

No such cases are pending against the company.

2. Does the company display product information on the product label, over and above what is mandated as per local laws? Yes/No/N.A. /Remarks(additional information)

Not Applicable

3. Is there any case filed by any stakeholder against the company regarding unfair trade practices, irresponsible advertising and/or anti-competitive behaviour during the last five years and pending as on end of financial year. If so, provide details thereof, in about 50 words or so.

No such cases are pending against the company.

4. Did your company carry out any consumer survey/ consumer satisfaction trends?

Yes.

## PRINCIPLES TO ASSESS COMPLIANCE WITH ENVIRONMENTAL, SOCIAL AND GOVERNANCE NORMS

[See Regulation 34(2)(f)]

#### Principle 1: Businesses should conduct and govern themselves with Ethics, Transparency and Accountability

1. Businesses should develop governance structures, procedures and practices that ensure ethical conduct at all levels; and promote the adoption of this principle across its value chain. Businesses should communicate transparently and assure access to information about their decisions that impact relevant stakeholders.
2. Businesses should not engage in practices that are abusive, corrupt, or anti- competition.
3. Businesses should truthfully discharge their responsibility on financial and other mandatory disclosures.
4. Businesses should report on the status of their adoption of these Guidelines as suggested in the reporting framework in this document.
5. Businesses should avoid complicity with the actions of any third party that violates any of the principles contained in these Guidelines

#### Principle 2: Businesses should provide goods and services that are safe and contribute to sustainability throughout their life cycle

1. Businesses should assure safety and optimal resource use over the life-cycle of the product – from design to disposal – and ensure that everyone connected with it- designers, producers, value chain members, customers and recyclers are aware of their responsibilities.

2. Businesses should raise the consumer's awareness of their rights through education, product labelling, appropriate and helpful marketing communication, full details of contents and composition and promotion of safe usage and disposal of their products and services.
3. In designing the product, businesses should ensure that the manufacturing processes and technologies required to produce it are resource efficient and sustainable.
4. Businesses should regularly review and improve upon the process of new technology development, deployment and commercialization, incorporating social, ethical, and environmental considerations.
5. Businesses should recognize and respect the rights of people who may be owners of traditional knowledge, and other forms of intellectual property.
6. Businesses should recognize that over-consumption results in unsustainable exploitation of our planet's resources, and should therefore promote sustainable consumption, including recycling of resources.

#### Principle 3: Businesses should promote the wellbeing of all employees

1. Businesses should respect the right to freedom of association, participation, collective bargaining, and provide access to appropriate grievance Redressal mechanisms.

2. Businesses should provide and maintain equal opportunities at the time of recruitment as well as during the course of employment irrespective of caste, creed, gender, race, religion, disability or sexual orientation.
3. Businesses should not use child labour, forced labour or any form of involuntary labour, paid or unpaid.
4. Businesses should take cognizance of the work-life balance of its employees, especially that of women.
5. Businesses should provide facilities for the wellbeing of its employees including those with special needs. They should ensure timely payment of fair living wages to meet basic needs and economic security of the employees.
6. Businesses should provide a workplace environment that is safe, hygienic humane, and which upholds the dignity of the employees. Business should communicate this provision to their employees and train them on a regular basis.
7. Businesses should ensure continuous skill and competence upgrading of all employees by providing access to necessary learning opportunities, on an equal and non-discriminatory basis. They should promote employee morale and career development through enlightened human resource interventions.
8. Businesses should create systems and practices to ensure a harassment free workplace where employees feel safe and secure in discharging their responsibilities.

**Principle 4: Businesses should respect the interests of, and be responsive towards all stakeholders, especially those who are disadvantaged, vulnerable and marginalized.**

1. Businesses should systematically identify their stakeholders, understand their concerns, define purpose and scope of engagement, and commit to engaging with them.
2. Businesses should acknowledge, assume responsibility and be transparent about the impact of their policies, decisions, product & services and associated operations on the stakeholders.
3. Businesses should give special attention to stakeholders in areas that are underdeveloped.
4. Businesses should resolve differences with stakeholders in a just, fair and equitable manner

**Principle 5: Businesses should respect and promote human rights**

1. Businesses should understand the human rights content of the Constitution of India, national laws and policies and the content of International Bill of Human Rights. Businesses should appreciate that human rights are inherent, universal, indivisible and interdependent in nature.
2. Businesses should integrate respect for human rights in management systems, in particular through assessing and managing human rights impacts of operations, and ensuring all individuals impacted by the business have access to grievance mechanisms.
3. Businesses should recognize and respect the human rights of all relevant stakeholders and groups within and beyond the workplace, including that of communities, consumers and vulnerable and marginalized groups.
4. Businesses should, within their sphere of influence, promote the awareness and realization of human rights across their value chain.
5. Businesses should not be complicit with human rights abuses by a third party.

**Principle 6: Business should respect, protect, and make efforts to restore the environment**

1. Businesses should utilize natural and manmade resources in an optimal and responsible manner and ensure the sustainability of resources by reducing, reusing, recycling and managing waste.
2. Businesses should take measures to check and prevent pollution. They should assess the environmental damage and bear the cost of pollution abatement with due regard to public interest.
3. Businesses should ensure that benefits arising out of access and commercialization of biological and other natural resources and associated traditional knowledge are shared equitably.
4. Businesses should continuously seek to improve their environmental performance by adopting cleaner production methods, promoting use of energy efficient and environment friendly technologies and use of renewable energy.
5. Businesses should develop Environment Management Systems (EMS) and contingency plans and processes that help them in preventing, mitigating and controlling

environmental damages and disasters, which may be caused due to their operations or that of a member of its value chain.

6. Businesses should report their environmental performance, including the assessment of potential environmental risks associated with their operations, to the stakeholders in a fair and transparent manner.
7. Businesses should proactively persuade and support its value chain to adopt this principle.

**Principle 7: Businesses, when engaged in influencing public and regulatory policy, should do so in a responsible manner**

1. Businesses, while pursuing policy advocacy, must ensure that their advocacy positions are consistent with the Principles and Core Elements contained in these Guidelines.
2. To the extent possible, businesses should utilize the trade and industry chambers and associations and other such collective platforms to undertake such policy advocacy.

**Principle 8: Businesses should support inclusive growth and equitable development**

1. Businesses should understand their impact on social and economic development, and respond through appropriate action to minimise the negative impacts.
2. Businesses should innovate and invest in products, technologies and processes that promote the wellbeing of society.
3. Businesses should make efforts to complement and support the development priorities at local and national levels, and assure appropriate resettlement

and rehabilitation of communities who have been displaced owing to their business operations.

4. Businesses operating in regions that are underdeveloped should be especially sensitive to local concerns.

**Principle 9: Businesses should engage with and provide value to their customers and consumers in a responsible manner**

1. Businesses, while serving the needs of their customers, should take into account the overall well-being of the customers and that of society.
2. Businesses should ensure that they do not restrict the freedom of choice and free competition in any manner while designing, promoting and selling their products.
3. Businesses should disclose all information truthfully and factually, through labelling and other means, including the risks to the individual, to society and to the planet from the use of the products, so that the customers can exercise their freedom to consume in a responsible manner. Where required, businesses should also educate their customers on the safe and responsible usage of their products and services.
4. Businesses should promote and advertise their products in ways that do not mislead or confuse the consumers or violate any of the principles in these Guidelines.
5. Businesses should exercise due care and caution while providing goods and services that result in over exploitation of natural resources or lead to excessive conspicuous consumption.
6. Businesses should provide adequate grievance handling mechanisms to address customer concerns and feedback.



# FINANCIAL SECTION



## Independent Auditor's Report

To the Members of **MPS Limited**

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

#### Opinion

- We have audited the accompanying standalone financial statements of MPS Limited ('the Company'), which comprise the Balance Sheet as at 31 March 2022, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Cash Flow and the Statement of Changes in Equity for the year then ended, and a summary of the significant accounting policies and other explanatory information.
- In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 ('the Act') in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards ('Ind AS') specified under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015 and other accounting principles generally accepted in India, of the state of affairs of the Company as at 31 March 2022, and its profit (including other comprehensive income), its cash flows and the changes in equity for the year ended on that date.
- We have determined the matters described below to be the key audit matters to be communicated in our report.

#### Basis for Opinion

- We conducted our audit in accordance with the Standards on Auditing specified under section 143(10) of the Act. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Standalone Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India ('ICAI') together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### Key Audit Matters

- Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the standalone financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key audit matter	How our audit addressed the key audit matter
<p><b>Revenue from Contract with customers</b></p> <p>The Company's revenue is derived primarily from content solutions, eLearning solutions, platform solutions and related services recognised in accordance with the accounting policy described in Note 2.9 to the accompanying standalone financial statements. Refer Note 21 for related financial disclosures.</p> <p>Revenue recognition sale of services in accordance with the principles of Ind AS 115, Revenue from Contracts with Customers ('Ind AS 115') for the Company involves management judgement in identification of distinct performance obligations in case of combined contracts, determination of transaction price in view of variable consideration terms included in contracts, and allocation of the transaction price to the performance obligations identified by determining standalone prices of the respective performance obligations.</p>	<p>Our audit procedures in respect of revenue recognition included, but were not limited to the following:</p> <ul style="list-style-type: none"> <li>Understood the process of revenue recognition and evaluated the appropriateness of the revenue recognition accounting policies adopted by the Company in terms of principles enunciated under Ind AS 115;</li> <li>Evaluated the integrity of the information and technology general control environment and tested the operating effectiveness of key IT application controls.</li> <li>Evaluating the design, implementation and operating effectiveness of Company's key financial controls in respect of revenue recognition and tested the operating effectiveness of such controls for a sample of transactions.</li> </ul>

Key audit matter	How our audit addressed the key audit matter
<p>Further, the management has determined that the Company transfers the control of aforesaid services provided to customers over time as the entity's performance does not create an asset with an alternate use to the Company and the entity has an enforceable right to payment for performance obligations completed to date. Significant judgement is required in determining the extent of performance obligations satisfied which involves selection of appropriate method for measuring progress and use of estimates linked to output delivered.</p> <p>The Company and its external stakeholders focus on revenue as a key performance measure, which could be an incentive or external pressure to meet expectations resulting in revenue being overstated or recognized before performance obligations are completed.</p> <p>Thus, considering the aforementioned factors, it involves considerable audit efforts to test the accuracy, occurrence and completeness of revenue recognition and has therefore been determined as a key audit matter for the current year audit.</p>	<ul style="list-style-type: none"> <li>• Performed substantive testing of revenue transactions recorded during the year using statistical sampling by verifying the underlying supporting documents including customer contracts to confirm distinct performance obligations identified by the Company, test measurement and allocation of transaction price to identified performance obligations and determining the accuracy of recording of revenue based on progress towards satisfaction of performance obligations.</li> <li>• Tested the contracts assets and contract liabilities recorded by the Company at year end, on a sample basis, by evaluating appropriateness of method adopted by the Company, including use of estimates, for measuring progress towards satisfaction of performance obligations.</li> <li>• Performed substantive analytical procedures which included variance analysis of current year revenue with previous year revenue considering both qualitative and quantitative factors to identify any unusual trends or any unusual items.</li> <li>• Ensured that the disclosure requirements of Ind AS 115 have been complied with.</li> </ul>

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

6. The Company's Board of Directors are responsible for the other information. The other information comprises the information included in the Annual Report, but does not include the standalone financial statements and our auditor's report thereon. The Annual Report is expected to be made available to us after the date of this auditor's report.

Our opinion on the standalone financial statements does not cover the other information and we will not express any form of assurance conclusion thereon.

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

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

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

7. The accompanying standalone financial statements have been approved by the Company's Board of Directors. The Company's Board of Directors are responsible for the matters stated in section 134(5) of the Act with respect to the preparation and presentation of these standalone financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, changes in equity and cash flows of the Company in accordance with the Ind AS specified under section 133 of the Act and other accounting principles generally accepted in India. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation

and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

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

10. Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Standards on Auditing will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.
11. As part of an audit in accordance with Standards on Auditing, specified under section 143(10) of the Act we exercise professional judgment and maintain professional skepticism throughout the audit. We also:
  - Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;
  - Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system with reference to financial statements in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management;
- Conclude on the appropriateness of Board of Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, 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;
12. 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.
13. 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.
14. From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report

because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

#### Other Matter

15. The standalone financial statements of the Company for the year ended 31 March 2021 were audited by the predecessor auditor, B S R & Co. LLP, who have expressed an unmodified opinion on those standalone financial statements vide their audit report dated 26 May 2021.

#### Report on Other Legal and Regulatory Requirements

16. As required by section 197(16) of the Act based on our audit, we report that the Company has paid remuneration to its directors during the year in accordance with the provisions of and limits laid down under section 197 read with Schedule V to the Act.
17. As required by the Companies (Auditor's Report) Order, 2020 ('the Order') issued by the Central Government of India in terms of section 143(11) of the Act we give in the Annexure I, a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
18. Further to our comments in Annexure I, as required by section 143(3) of the Act based on our audit, we report, to the extent applicable, that:
- a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit of the accompanying standalone financial statements;
  - b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
  - c) The standalone financial statements dealt with by this report are in agreement with the books of account;
  - d) In our opinion, the aforesaid standalone financial statements comply with Ind AS specified under section 133 of the Act;
  - e) On the basis of the written representations received from the directors and taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2022 from being appointed as a director in terms of section 164(2) of the Act;
- f) With respect to the adequacy of the internal financial controls with reference to financial statements of the Company as on 31 March 2022 and the operating effectiveness of such controls, refer to our separate Report in Annexure II, wherein we have expressed an unmodified opinion; and
  - g) With respect to the other matters to be included in the Auditor's Report in accordance with rule 11 of the Companies (Audit and Auditors) Rules, 2014 (as amended), in our opinion and to the best of our information and according to the explanations given to us
    - i. The Company, as detailed in note 38 to the standalone financial statements, has disclosed the impact of pending litigations on its financial position as at 31 March 2022.
    - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses as at 31 March 2022;
    - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company during the year ended 31 March 2022;
    - iv. a. The management has represented that, to the best of its knowledge and belief, as disclosed in note 51 to the financial statements, no funds have been advanced or loaned or invested (either from borrowed funds or securities premium or any other sources or kind of funds) by the Company to or in any persons or entities, including foreign entities ('the intermediaries'), with the understanding, whether recorded in writing or otherwise, that the intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ('the Ultimate Beneficiaries') or provide any guarantee, security or the like on behalf the Ultimate Beneficiaries;
    - b. The management has represented that, to the best of its knowledge and belief, as disclosed in note 51 to the financial statements, no funds have been received by the Company from any persons or entities, including foreign

- entities ('the Funding Parties'), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ('Ultimate Beneficiaries') or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries; and
- c. Based on such audit procedures performed as considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the management representations under sub-clauses (a) and (b) above contain any material misstatement.
- v. As stated in note 42 to the accompanying standalone financial statements, the Board of Directors of the Company have proposed final dividend for the year ended 31 March 2022 which is subject to the approval of the members at the ensuing Annual General Meeting. The dividend declared is in accordance with section 123 of the Act to the extent it applies to declaration of dividend.

For **Walker Chandiok & Co LLP**

Chartered Accountants

Firm's Registration No.: 001076N/N500013

**Rohit Arora**

Partner

Place: Gurugram

Date: 17 May 2022

Membership No.: 504774

UDIN: 22504774AJCLJN9787

## Annexure I referred to in Paragraph 17 of the Independent Auditor's Report of even date to the members of MPS Limited on the standalone financial statements for the year ended 31 March 2022

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

- (i) (a) (A) The Company has maintained proper records showing full particulars, including quantitative details and situation of property, plant and equipment, right-of-use assets and investment property.
- (B) The Company has maintained proper records showing full particulars of intangible assets.
- (b) The Company has a regular program of physical verification of its property, plant and equipment, right-of-use assets and investment property under which the assets are physically verified in a phased manner over a period of 3 years, which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. In accordance with this program, certain property, plant and equipment, right-of-use assets and investment property were verified during the year and no material discrepancies were noticed on such verification.
- (c) The title deeds of all the immovable properties including investment properties held by the Company (other than properties where the Company is the lessee and the lease agreements are duly executed in favour of the lessee) disclosed in the financial statements are held in the name of the Company, except for the following properties:

Description of property	Gross carrying value (in lakhs)	Held in name of	Whether promoter, director or their relative or employee	Period held	Reason for not being held in name of company
Office space at Building located at 137, Residency Road Bangalore admeasuring 62,349 square feet	1,301.23	HMG Ambassador Property Management Private Limited	No	09 February 2000	The title deeds for building and undivided portion of land are held in the name of HMG Ambassador Property Management Private Limited, represented by 14,750,000 equity shares of INR 10 each representing the value of land and buildings with irrevocable right of permanent occupation.
Office space at Building located at 135, Brigade Road Bangalore admeasuring 10,000 square feet	46.91	Brigade Marketing Company Private Limited, erstwhile Company that was merged with Macmillan India Limited (now MPS Limited)	No	31 December 1993	The title deeds for building and undivided portion of land admeasuring 10,000 square feet are in the name of Brigade Marketing Company Private Limited, erstwhile Company that was merged with Macmillan India Limited (now MPS Limited) under Section 391 to 394 of the Companies Act, 1956 in terms of the Honorable Karnataka High Court order dated 21 June 2005.

- (d) The Company has not revalued its Property, Plant and Equipment and Right-of-Use assets or intangible assets during the year.
- (e) No proceedings have been initiated or are pending against the Company for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and rules made thereunder. Accordingly, reporting under clause 3(i)(e) of the Order is not applicable to the Company.

- (ii) (a) The Company does not hold any inventory. Accordingly, reporting under clause 3(ii) of the Order is not applicable to the Company.
- (b) The Company has not been sanctioned working capital limits by banks or financial institutions on the basis of security of current assets during any point of time of the year. Accordingly, reporting under clause 3(ii)(b) of the Order is not applicable to the Company.
- (iii) (a) The Company has not provided any loans or provided any advances in the nature of loans, or guarantee, or security to any other entity during the year. Accordingly, reporting under clauses 3(iii)(a) of the Order is not applicable to the Company.
- (b) The Company has not provided any guarantee or given any security or granted any loans or advances in the nature of loans during the year. However, the Company has made investment in four entities amounting to Rs. 11,761.98 lakhs and in our opinion, and according to the information and explanations given to us, such investments made are, prima facie, not prejudicial to the interest of the Company.
- (c) The Company does not have any outstanding loans and advances in the nature of loans at the beginning of the current year nor has granted any loans or advances in the nature of loans during the year. Accordingly, reporting under clauses 3(iii)(c), 3(iii)(d), 3(iii)(e) and 3(iii)(f) of the Order is not applicable to the Company.
- (iv) In our opinion, and according to the information and explanations given to us, the Company has complied with the provisions of section 186 of the Act in respect of investments, as applicable. Further, the Company has not entered into any transaction covered under section 185 and section 186 of the Act in respect of loans, guarantees and security.
- (v) In our opinion, and according to the information and explanations given to us, the Company has not accepted any deposits or there is no amount which has been considered as deemed deposit within the meaning of sections 73 to 76 of the Act and the Companies (Acceptance of Deposits) Rules, 2014 (as amended). Accordingly, reporting under clause 3(v) of the Order is not applicable to the Company.
- (vi) The Central Government has not specified maintenance of cost records under sub-section (1) of section 148 of the Act, in respect of Company's products/business activity. Accordingly, reporting under clause 3(vi) of the Order is not applicable.
- (vii) (a) in our opinion, and according to the information and explanations given to us, undisputed statutory dues including goods and services tax, provident fund, employees' state insurance, income-tax, sales-tax, service tax, duty of customs, duty of excise, value added tax, cess and other material statutory dues, as applicable, have generally been regularly deposited with the appropriate authorities by the Company, though there have been slight delays in a few cases. Further, no undisputed amounts payable in respect thereof were outstanding at the year-end for a period of more than six months from the date they became payable.
- (b) According to the information and explanations given to us, there are no statutory dues referred in sub-clause (a) which have not been deposited with the appropriate authorities on account of any dispute except for the following:

Name of the statute	Nature of dues	Gross Amount (₹) (in Lakhs)	Amount paid under Protest (₹) (in lakhs)	Period to which the amount relates	Forum where dispute is pending
Income Tax Act, 1961	Demand u/s 143(3)	12.95	Nil	AY 2009-10	Assessing officer
Income Tax Act, 1961	Demand u/s 143(3)	88.85	88.85	AY 2012-13	Income Tax Appellate Tribunal
Income Tax Act, 1961	Demand u/s 147	398.29	13.49	AY 2013-14	CIT (A)
Income Tax Act, 1961	Demand u/s 147	27.61	27.61	AY 2016-17	Assessing officer
Income Tax Act, 1961	Demand u/s 143(3)	60.98	Nil	AY 2017-18	CIT(A)
Income Tax Act, 1961	Demand u/s 143(3)	258.18	52.03	AY 2018-19	CIT(A)
Income Tax Act, 1961	Demand u/s 143(1)	306.24	Nil	AY 2020-21	CIT(A)

Name of the statute	Nature of dues	Gross Amount (₹) (in Lakhs)	Amount paid under Protest (₹) (in lakhs)	Period to which the amount relates	Forum where dispute is pending
Goods and Service Tax	Demand u/s 73(5)	41.57	Nil	FY 2017-18	Deputy Commissioner or Commercial Taxes, Department of Commercial taxes, Karnataka
Finance Act, 1994	Demand u/s 76, 77 and 78 of Finance Act, 1994	718.25	53.86	FY 2008-09 to FY 2012-13	Director General of Central Excise Intelligence (India)

- (viii) According to the information and explanations given to us, no transactions were surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (43 of 1961) which have not been recorded in the books of accounts.
- (ix) According to the information and explanations given to us, the Company does not have any loans or other borrowings from any lender. Accordingly, reporting under clause 3(ix) of the Order is not applicable to the Company.
- (x) (a) The Company has not raised any money by way of initial public offer or further public offer (including debt instruments), during the year. Accordingly, reporting under clause 3(x)(a) of the Order is not applicable to the Company.
- (b) According to the information and explanations given to us, the Company has not made any preferential allotment or private placement of shares or fully, partially or optionally convertible debentures during the year. Accordingly, reporting under clause 3(x)(b) of the Order is not applicable to the Company.
- (xi) (a) To the best of our knowledge and according to the information and explanations given to us, no fraud by the Company or on the Company has been noticed or reported during the period covered by our audit.
- (b) No report under section 143(12) of the Act has been filed with the Central Government for the period covered by our audit.
- (c) According to the information and explanations given to us including the representation made to us by the management of the Company, there are no whistle-blower complaints received by the Company during the year.
- (xii) The Company is not a Nidhi Company and the Nidhi Rules, 2014 are not applicable to it. Accordingly, reporting under clause 3(xii) of the Order is not applicable to the Company.
- (xiii) In our opinion and according to the information and explanations given to us, all transactions entered into by the Company with the related parties are in compliance with sections 177 and 188 of the Act, where applicable. Further, the details of such related party transactions have been disclosed in the standalone financial statements, as required under Indian Accounting Standard (Ind AS) 24, Related Party Disclosures specified in Companies (Indian Accounting Standards) Rules 2015 as prescribed under section 133 of the Act.
- (xiv) (a) In our opinion and according to the information and explanations given to us, the Company has an internal audit system as required under section 138 of the Act which is commensurate with the size and nature of its business.
- (b) We have considered the reports issued by the Internal Auditors of the Company till date for the period under audit.
- (xv) According to the information and explanation given to us, the Company has not entered into any non-cash transactions with its directors or persons connected with them and accordingly, provisions of section 192 of the Act are not applicable to the Company.
- (xvi) The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, reporting under clause 3(xvi) of the Order is not applicable to the Company.

- (xvii) The Company has not incurred any cash loss in the current as well as the immediately preceding financial year.
- (xviii) There has been no resignation of the statutory auditors during the year. Accordingly, reporting under clause 3(xviii) of the Order is not applicable to the Company.
- (xix) According to the information and explanations given to us and on the basis of the financial ratios, ageing and expected dates of realisation of financial assets and payment of financial liabilities, other information accompanying the standalone financial statements, our knowledge of the plans of the Board of Directors and management and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report that Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the company as and when they fall due.
- (xx) According to the information and explanations given to us, the Company does not have any unspent amount in respect of any ongoing or other than ongoing project as at the expiry of the financial year. Accordingly, reporting under clause 3(xx) of the Order is not applicable to the Company.
- (xxi) The reporting under clause (xxi) is not applicable in respect of audit of standalone financial statements of the Company. Accordingly, no comment has been included in respect of said clause under this report.

For **Walker Chandiok & Co LLP**

Chartered Accountants

Firm's Registration No.: 001076N/N500013

**Rohit Arora**

Partner

Membership No.: 504774

UDIN: 22504774AJCLJN9787

Place: Gurugram

Date: 17 May 2022

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

1. In conjunction with our audit of the standalone financial statements of MPS Limited ('the Company') as at and for the year ended 31 March 2022, we have audited the internal financial controls with reference to financial statements of the Company as at that date.

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

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

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

3. Our responsibility is to express an opinion on the Company's internal financial controls with reference to financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the ICAI prescribed under Section 143(10) of the Act, to the extent applicable to an audit of internal financial controls with reference to financial statements, and the Guidance Note issued by the ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to financial statements were established and maintained and if such controls operated effectively in all material respects.
4. Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls with reference to financial statements and their operating effectiveness. Our audit of internal financial controls with reference to financial statements includes obtaining an understanding of such internal financial controls, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.
5. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls with reference to financial statements.

### **Meaning of Internal Financial Controls with Reference to Financial Statements**

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

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

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

### Opinion

8. In our opinion, the Company has, in all material respects, adequate internal financial controls with reference to financial statements and such controls were operating effectively as at 31 March 2022, based on the internal financial controls with reference to financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note issued by the ICAI.

For **Walker Chandiok & Co LLP**

Chartered Accountants

Firm's Registration No.: 001076N/N500013

**Rohit Arora**

Partner

Membership No.: 504774

UDIN: 22504774AJCLJN9787

Place: Gurugram

Date: 17 May 2022

## Standalone Balance Sheet as at 31 March 2022

INR in Lacs

	Note	As at 31 March 2022	As at 31 March 2021
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property, plant and equipment	3.1	1,780.80	1,823.61
Investment property	3.2	101.24	104.41
Right-of-use assets	4	864.96	742.35
Goodwill	5	3,480.82	3,405.73
Other intangible assets	5	1,687.54	2,239.35
<b>Financial assets</b>			
Investments	6 (i)	11,761.98	12,338.84
Other financial assets	8 (i)	4,636.78	6,608.13
Income tax assets (net)	9	492.53	146.80
Other non-current assets	10 (i)	202.69	257.37
<b>Total non-current assets</b>		<b>25,009.34</b>	<b>27,666.59</b>
<b>Current assets</b>			
<b>Financial assets</b>			
Investments	6 (ii)	423.73	625.34
Trade receivables	11	4,871.29	5,729.92
Cash and cash equivalents	12 (i)	1,515.84	2,118.44
Other bank balances	12 (ii)	3,010.74	2,812.02
Loans	7	0.28	0.30
Other financial assets	8 (ii)	601.69	592.72
Other current assets	10 (ii)	4,531.31	4,260.00
<b>Total current assets</b>		<b>14,954.88</b>	<b>16,138.74</b>
<b>TOTAL ASSETS</b>		<b>39,964.22</b>	<b>43,805.33</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
Equity share capital	13	1,710.58	1,805.02
Other equity		30,889.00	34,066.41
<b>Total equity</b>		<b>32,599.58</b>	<b>35,871.43</b>
<b>Liabilities</b>			
<b>Non-current liabilities</b>			
<b>Financial liabilities</b>			
Lease liabilities	14 (i)	704.24	1,062.64
Other financial liabilities	17 (i)	-	-
Deferred tax liabilities (net)	15	29.09	90.27
<b>Total non-current liabilities</b>		<b>733.33</b>	<b>1,152.91</b>
<b>Current liabilities</b>			
<b>Financial liabilities</b>			
Lease liabilities	14 (ii)	358.34	162.59
<b>Trade payables</b>			
Due to Micro and Small enterprises	16	16.09	55.81
Due to Others	16	2,431.07	3,152.52
Other financial liabilities	17	434.25	678.01
Other current liabilities	18	3,155.43	2,232.92
Provisions	19	92.98	248.61
Income tax liabilities (net)	20	143.15	250.53
<b>Total current liabilities</b>		<b>6,631.31</b>	<b>6,780.99</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>39,964.22</b>	<b>43,805.33</b>
Significant accounting policies	2		
Notes to financial statements	3-51		

As per our report of even date attached

For **Walker Chandiok & Co. LLP**

Chartered Accountants

ICAI Firm Registration Number: 001076N/N500013

**Rohit Arora**

Partner

Membership Number: 504774

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

**Rahul Arora**

Chairman and Managing Director

DIN: 05353333

**Ajay Mankotia**

Director

DIN: 03123827

**Ratish Mohan Sharma**

Chief Financial Officer

**Sunit Malhotra**

Company Secretary

Place : Gurugram

Date : 17 May 2022

Place : Gurugram

Date : 17 May 2022

## Standalone Statement of Profit & Loss for the year ended 31 March 2022

INR in Lacs

	Note	Year ended 31 March 2022	Year ended 31 March 2021
Revenue from operations	21-22	28,401.73	27,902.16
Other income	23	1,118.63	889.08
<b>Total income</b>		<b>29,520.36</b>	<b>28,791.24</b>
<b>Expenses</b>			
Employee benefits expense	24	11,973.81	11,449.94
Finance costs	25	116.21	136.05
Depreciation and amortization expense	26	1,335.52	1,245.99
Other expenses	27	6,255.70	7,169.10
<b>Total expenses</b>		<b>19,681.24</b>	<b>20,001.08</b>
<b>Profit before tax</b>		<b>9,839.12</b>	<b>8,790.16</b>
<b>Tax expense:</b>	28		
Current tax		2,685.94	2,168.56
Adjustment of tax relating to earlier years		68.29	497.91
Deferred tax	15	(61.11)	70.32
<b>Total tax expenses</b>		<b>2,693.12</b>	<b>2,736.79</b>
<b>Profit for the year</b>		<b>7,146.00</b>	<b>6,053.37</b>
<b>Other comprehensive income</b>			
<b>Items that will not be reclassified subsequently to profit or loss</b>			
Remeasurement of net defined benefit liability/assets		0.83	2.62
Income tax relating to items that will not be reclassified to profit or loss		(0.21)	(0.66)
<b>Items that will be reclassified subsequently to profit or loss</b>			
Exchange differences on translation of foreign operations		140.01	(157.42)
<b>Total other comprehensive income for the year , net of tax</b>		<b>140.63</b>	<b>(155.46)</b>
<b>Total comprehensive income for the year</b>		<b>7,286.63</b>	<b>5,897.91</b>
<b>Earnings per equity share (nominal value of share INR 10)</b>			
- Basic and diluted (earnings per equity share expressed in absolute amount in Indian Rupees)	29	39.87	33.00
Significant accounting policies	2		
Notes to financial statements	3-51		
The accompanying notes form an integral part of standalone financial statements			

As per our report of even date attached

For **Walker Chandio & Co. LLP**

Chartered Accountants

ICAI Firm Registration Number: 001076N/N500013

**Rohit Arora**

Partner

Membership Number: 504774

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

**Rahul Arora**

Chairman and Managing Director

DIN: 05353333

**Ajay Mankotia**

Director

DIN: 03123827

**Ratish Mohan Sharma**

Chief Financial Officer

**Sunit Malhotra**

Company Secretary

Place : Gurugram

Date : 17 May 2022

Place : Gurugram

Date : 17 May 2022

## Standalone Statement of Change in Equity for the year ended 31 March 2022

### A. Equity share capital

	INR in Lacs
<b>Balance as at 1 April 2020</b>	<b>1,861.69</b>
Shares extinguished on buy back	(56.67)
<b>Balance as at 31 March 2021</b>	<b>1,805.02</b>
Shares extinguished on buy back	(94.44)
<b>Balance as at 31 March 2022</b>	<b>1,710.58</b>

### B. Other equity

Particulars	Reserve and Surplus (refer note 1 below)				Other Comprehensive income (refer note 1 below)	Total
	Securities premium account	Capital redemption reserve	General reserve	Retained earnings		
					Foreign currency translation reserve	
<b>As at 1 April 2020</b>	<b>14,600.33</b>	-	<b>2,849.32</b>	<b>14,876.42</b>	-	<b>32,326.07</b>
Profit for the year	-	-	-	6,053.37	-	6,053.37
Other comprehensive income	-	-	-	1.96	(157.42)	(155.46)
<b>Total comprehensive income for the year</b>	-	-	-	<b>6,055.33</b>	<b>(157.42)</b>	<b>5,897.91</b>
Buy-back of equity shares (refer note 13 viii)	(3,343.33)	56.67	(56.67)	-	-	(3,343.33)
Expenses for buy-back of equity shares (refer note 13 viii)	(35.38)	-	-	-	-	(35.38)
Tax expenses on buy back (refer note 13 viii)	(778.86)	-	-	-	-	(778.86)
<b>As at 31 March 2021</b>	<b>10,442.76</b>	<b>56.67</b>	<b>2,792.65</b>	<b>20,931.75</b>	<b>(157.42)</b>	<b>34,066.41</b>
<b>As at 1 April 2021</b>	<b>10,442.76</b>	<b>56.67</b>	<b>2,792.65</b>	<b>20,931.75</b>	<b>(157.42)</b>	<b>34,066.41</b>
Profit for the year	-	-	-	7,146.00	-	7,146.00
Other comprehensive income	-	-	-	0.62	140.01	140.63
<b>Total comprehensive income for the year</b>	-	-	-	<b>7,146.62</b>	<b>140.01</b>	<b>7,286.63</b>
Buy-back of equity shares (refer note 13 viii)	(8,405.56)	94.44	(94.44)	-	-	(8,405.56)
Expenses for buy-back of equity shares (refer note 13 viii)	(57.04)	-	(21.28)	-	-	(78.32)
Tax expenses on buy back (refer note 13 viii)	(1,980.16)	-	-	-	-	(1,980.16)
<b>As at 31 March 2022</b>	-	<b>151.11</b>	<b>2,676.93</b>	<b>28,078.37</b>	<b>(17.41)</b>	<b>30,889.00</b>

## Standalone Statement of Change in Equity for the year ended 31 March 2022

### Notes:

#### 1 Nature and purpose of other equity:

**Securities premium reserve:** The unutilized accumulated excess of issue price over face value on issue of shares. This reserve is utilised in accordance with the provisions of the Companies Act, 2013.

**Capital redemption reserve:** As per Companies Act, 2013, capital redemption reserve is created when company purchases its own shares out of general reserve. A sum equal to the nominal value of the shares so purchased is transferred to capital redemption reserve. The reserve is utilised in accordance with the provisions of section 69 of the Companies Act, 2013.

**General reserve:** This represents appropriation of profit by the Company and is available for distribution of dividend.

**Retained earning:** This represents the cumulative profits/(losses) of the Company.

As per our report of even date attached

For **Walker Chandio & Co. LLP**

Chartered Accountants

ICAI Firm Registration Number: 001076N/N500013

**Rohit Arora**

Partner

Membership Number: 504774

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

**Rahul Arora**

Chairman and Managing Director

DIN: 05353333

**Ajay Mankotia**

Director

DIN: 03123827

**Ratish Mohan Sharma**

Chief Financial Officer

**Sunit Malhotra**

Company Secretary

Place : Gurugram

Date : 17 May 2022

Place : Gurugram

Date : 17 May 2022

## Standalone Cash Flow Statement for the year ended 31 March 2022

Particulars	INR in Lacs	
	Year ended 31 March 2022	Year ended 31 March 2021
<b>A. Cash flows from operating activities</b>		
<b>Net profit before tax</b>	<b>9,839.12</b>	<b>8,790.16</b>
<b>Adjustments:</b>		
Depreciation and amortisation expense	1,335.52	1,245.99
Interest income	(506.62)	(590.56)
Net gain on sale of current investment	(9.00)	(37.85)
Finance costs paid	116.21	136.05
Gain on sale of property, plant and equipment (net)	(8.49)	(3.79)
Rent concession as a variable lease payment	-	(34.79)
Loss on liquidation of wholly owned subsidiary	0.85	-
Gain on investment carried at fair value through profit or loss (net)	(20.56)	(78.08)
Liabilities/provisions no longer required written back	(13.72)	(8.48)
Allowances for expected credit loss	(113.86)	107.08
Bad debts written off	65.93	6.77
Allowances for doubtful advances	2.76	4.49
Allowances for contract assets	212.95	-
Income from government grants	(248.15)	-
Advances written off (net)	77.54	32.12
Unrealised foreign exchange loss (net)	(17.69)	133.89
Unrealised foreign exchange (gain)/loss on mark-to-market on forward contracts	13.83	(150.82)
Miscellaneous income	-	(40.19)
<b>Operating cash flows before working capital changes</b>	<b>10,726.62</b>	<b>9,511.99</b>
Decrease/(increase) in trade receivables	902.32	(1,096.54)
(increase) in loans	(2.74)	(3.50)
Decrease in other financial assets	167.05	16.34
(Increase)/decrease in other current assets	(313.65)	392.95
Decrease/(increase) in other non-current assets	54.68	(91.76)
(Decrease)/increase in trade payables	(760.68)	738.85
(Decrease) in other financial liabilities	(221.75)	(158.98)
Increase in other liabilities	947.68	557.19
(Decrease) in provisions	(154.79)	(210.87)
<b>Cash generated from operations</b>	<b>11,344.74</b>	<b>9,655.67</b>
Income tax paid (net of refunds)	(3,207.35)	(1,966.14)
<b>Net cash generated from operating activities (A)</b>	<b>8,137.39</b>	<b>7,689.53</b>
<b>B. Cash flows from investing activities</b>		
Purchase of property, plant and equipment (including capital work-in-progress)	(346.63)	(501.69)
Purchase of other intangible assets	(19.48)	(83.64)
Sale of property, plant and equipment	9.16	5.66
Acquisition of business (net of cash and cash equivalents acquired) (refer note 41)	-	(4,209.99)
Investment in subsidiaries	-	(189.05)
Loan repaid by subsidiary	-	2,052.60
Proceeds on liquidation of subsidiary	188.20	-
Purchase of current investments	(5,268.00)	(16,741.40)
Sale of current investments	5,499.16	21,805.78

## Standalone Cash Flow Statement for the year ended 31 March 2022

Particulars	INR in Lacs	
	Year ended 31 March 2022	Year ended 31 March 2021
Purchase of term deposits	(6,927.25)	(9,488.75)
Redemption of term deposits	8,755.00	1,088.75
Redemption of investment in preference shares (refer note 37)	-	2,195.72
Rent received	400.05	416.03
Interest received*	245.43	208.60
<b>Net cash generated from/(used in) investing activities (B)</b>	<b>2,535.64</b>	<b>(3,441.38)</b>
<b>C. Cash flows from financing activities</b>		
Repayment of lease liabilities including interest expenses	(700.45)	(683.69)
Buy-back of equity shares (refer note 13 viii)	(8,500.00)	(3,400.00)
Expenses for buy-back of equity shares (refer note 13 viii)	(78.32)	(35.38)
Tax on buy-back of equity shares (refer note 13 viii)	(1,980.16)	(778.86)
Finance costs paid	(22.50)	(13.94)
<b>Net cash used in financing activities (C)</b>	<b>(11,281.43)</b>	<b>(4,911.87)</b>
<b>Net decrease in cash and cash equivalents (A+B+C)</b>	<b>(608.40)</b>	<b>(663.72)</b>
Impact on cash flows on account of foreign currency translation reserve	(15.87)	5.91
Effects of exchange differences on cash and cash equivalents held in foreign currency	21.67	(218.66)
Cash and cash equivalents at the beginning of the year	2,118.44	2,994.91
<b>Cash and cash equivalents at the end of the year (see below)</b>	<b>1,515.84</b>	<b>2,118.44</b>
<b>Components of cash and cash equivalents:</b>		
<b>Cash on hand</b>	-	0.64
<b>Balances with banks</b>		
- Current accounts	1,252.41	2,008.34
- EEFC accounts	263.43	109.46
	<b>1,515.84</b>	<b>2,118.44</b>

### Notes:

- Statement of Cash Flows has been prepared under the indirect method as set out in the Ind AS 7 "Statement of Cash Flows".
  - During the year, the Company paid in cash INR 157 Lacs (31 March 2021: INR 163 Lacs) towards corporate social responsibility (CSR) expenditure (refer note 40).
- \* Includes dividend income (refer note 37) received on preference shares of INR Nil (31 March 2021 : INR 29.41 Lacs) for the year ended 31 March 2022 (refer note 37).

As per our report of even date attached

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

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

**Rohit Arora**  
Partner  
Membership Number: 504774

**Rahul Arora**  
Chairman and Managing Director  
DIN: 05353333

**Ajay Mankotia**  
Director  
DIN: 03123827

**Ratish Mohan Sharma**  
Chief Financial Officer

**Sunit Malhotra**  
Company Secretary

Place : Gurugram  
Date : 17 May 2022

Place : Gurugram  
Date : 17 May 2022

## Notes forming part of the Standalone Financial Statements

All amount in INR Lacs, unless otherwise stated

### 1. Corporate Information

MPS Limited (“the Company”) is a public limited Company domiciled in India and incorporated under the provisions of Companies Act, 1956 having its registered office located at RR Towers IV, Super A, 16/17, Thiru-vi-ka Industrial State, Guindy, Chennai-600032. Its equity shares are listed on the Bombay Stock Exchange Limited and the National Stock Exchange of India Limited. MPS provides platforms and services for content creation, full-service production, and distribution to the world’s leading publishers, learning companies, corporate institutions, libraries, and content aggregators.

The Company offers a diverse geographic spread with production facilities in Chennai, Noida, Dehradun Gurugram and Bengaluru. The Company also operates with editorial and marketing offices in United States. 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 all the years presented, unless otherwise stated.

#### 2.1 Basis of preparation of financial statements

##### a) Statement of compliance

These 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. On March 24, 2021, the Ministry of Corporate Affairs (MCA) through a notification, amended Schedule III of the Companies Act, 2013 and the amendments are applicable for financial period commencing from April 1, 2021. The Company has evaluated the effect of the amendments on its financial statements and complied with the same.

The financial statements of the Company for the year ended 31 March 2022 were approved for issue in accordance with the resolution of the Board of Directors on 17 May 2022.

#### 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

- Derivative financial instruments;
- Financial instruments classified as fair value through other comprehensive income or fair value through profit or loss; and
- The net defined benefit asset/(liability) is recognized as the present value of defined benefit obligation less fair value of plan assets

#### b) Critical estimates and judgement

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.

- Assessment of useful life of items of property, plant and equipment and intangible asset – refer note 2.3
- Estimated impairment of financial instrument and non-financial assets – refer note 2.5 and 2.6
- Recognition and estimation of tax expense including deferred tax– refer note 15
- Estimation of assets and obligations relating to employee benefits – refer note 31
- Fair value measurement – refer note 33

## Notes forming part of the Standalone Financial Statements

All amount in INR Lacs, unless otherwise stated

- Measurement and likelihood of occurrence of provisions and contingencies – refer note 38
- Measurement of consideration and assets acquired as part of business combination – refer note 41
- 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 2.9

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

### 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.

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

#### a) Items of property, plant and equipment

Items of property, plant and equipment are stated at acquisition cost net of accumulated depreciation and accumulated impairment losses, if any. The cost of items 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

## Notes forming part of the Standalone Financial Statements

All amount in INR Lacs, unless otherwise stated

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) Investment Properties

Property that is held for long term rental yields or for capital appreciation or for both, and that is not occupied by the Company, is classified as investment property. Investment property is measured initially at its cost, including related transaction cost and where applicable borrowing costs. Subsequent expenditure is capitalised to assets carrying amount only when it is probable that future economic benefits associated with the expenditure 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. When part of an investment property is replaced, the carrying amount of the replaced part is derecognised.

Investment property consists of freehold land and building, building is depreciated using the straight line method over their estimated useful life of 60 years.

### c) 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.

### d) Depreciation and amortisation methods, estimated useful lives and residual value

Depreciation on items of 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.

Freehold land is not depreciated. Leasehold improvements are amortised on a straight line basis over the period of lease or their useful lives, whichever is shorter.

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
- Trademark- 10 years

The residual values, useful lives and method of depreciation/amortisation of items of property, plant and equipment, investment property and intangible assets are reviewed at each financial year end and adjusted prospectively, if appropriate.

### e) Derecognition

An item of 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

## Notes forming part of the Standalone Financial Statements

All amount in INR Lacs, unless otherwise stated

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. 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.

### 2.6 Financial instrument

Financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

#### Financial assets

##### Initial recognition and measurement

Financial assets are recognised initially at fair value plus, in the case of financial assets not recorded at fair value through profit or loss, transaction costs that are directly attributable to the acquisition of the financial asset. Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the 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)

## Notes forming part of the Standalone Financial Statements

All amount in INR Lacs, unless otherwise stated

### 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.

### 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.

Dividend income from the financial assets at FVPL is recognized in the statement of profit and loss with in other income separately from the other gains / losses arising from changes in fair value.

### Equity investments

All equity investments in scope of Ind AS 109 are measured at fair value. Equity instruments which are held for trading and contingent consideration recognised by an acquirer in a business combination to which Ind AS 103 applies are classified as at FVPL. For all other equity instruments, the Company may make an irrevocable election to present in other comprehensive income subsequent changes in the fair value. The Company makes such election on an instrument by-instrument basis. The classification is made on initial recognition and is irrevocable.

If the Company decides to classify an equity instrument as at FVOCI, then all fair value changes on the instrument, excluding dividends, are recognised in the OCI. There is no recycling of the amounts from OCI to the Statement of Profit and Loss, even on sale of investment. However, the Company may transfer the cumulative gain or loss within equity.

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

### Investments in Subsidiaries

Investments in subsidiaries are carried at cost less accumulated impairment losses, if any. Where an indication of impairment exists, the carrying

## Notes forming part of the Standalone Financial Statements

All amount in INR Lacs, unless otherwise stated

amount of the investment is assessed and written down immediately to its recoverable amount. On disposal of investments in subsidiaries, the difference between net disposal proceeds and the carrying amounts are recognised in the Statement of Profit and Loss.

### Impairment of financial instrument

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.

### 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

## Notes forming part of the Standalone Financial Statements

All amount in INR Lacs, unless otherwise stated

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.

### Derivative financial instruments

The Company uses derivative financial instruments primarily forward contract to mitigate its currency risk. Such derivative financial instruments are initially recognised at fair value on the date on which a derivative contract is entered into and are subsequently re-measured at fair value and changes therein are recognised in Statement of profit or loss. Derivatives are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative.

### 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 Cash and cash equivalents

Cash comprises cash on hand and demand deposits with banks. Cash equivalents are short-term balances (with an original maturity of three months or less from the date of acquisition) and highly liquid investments that are readily convertible into known amounts of cash and which are subject to insignificant risk of changes in value.

## 2.8 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.

## 2.9 Revenue recognition

The Company derives revenue primarily from content solutions, platform solutions and related services.

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 in determining the degree of completion of the performance obligation.

## Notes forming part of the Standalone Financial Statements

All amount in INR Lacs, unless otherwise stated

- 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 customers geography and nature of services.

Use of significant judgements in revenue recognition

- The Company's contracts with customers could include promises to transfer multiple products and services to a customer. The Company assesses the products / services promised in a contract and identifies distinct performance obligations in the contract. Identification of distinct performance obligation involves judgement to determine the deliverables and the ability of the customer to benefit independently from such deliverables.
- Judgement is also required to determine the transaction price for the contract. The transaction price 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

## Notes forming part of the Standalone Financial Statements

All amount in INR Lacs, unless otherwise stated

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 period 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.

### 2.10 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.

### 2.11 Government Grants

Government grants that are awarded as incentives with no ongoing performance obligations are recognised when there is reasonable assurance that:

- a) the Company will comply with the conditions attached to them; and
- b) the grant will be received.

These are recorded at fair value where applicable. Government grants are recognised in the statement of profit and loss, either on a systematic basis when the Company recognises, as expenses, the related costs that the grants are intended to compensate or, immediately if the costs have already been incurred.

Government grants related to income are presented as an offset against the related expenditure.

### 2.12 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 measured on an undiscounted basis 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 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

## Notes forming part of the Standalone Financial Statements

All amount in INR Lacs, unless otherwise stated

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 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.

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

## Notes forming part of the Standalone Financial Statements

All amount in INR Lacs, unless otherwise stated

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).

to control the timing of the reversal of the temporary differences and it is probable that they will not reverse in the foreseeable future; and

- taxable temporary differences arising on the initial recognition of goodwill.

### 2.13 Tax Expense

Income tax expense comprises current and deferred tax. It is recognised in Statement of Profit and Loss except to the extent that it relates to a business combination, or items recognised directly in equity or in OCI.

#### a) Current tax:

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

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

#### b) Deferred tax:

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

- temporary differences arising on the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss at the time of the transaction;
- temporary differences related to freehold land and investments in subsidiaries, to the extent that the Company is able

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.

### 2.14 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.

### 2.15 Foreign currency transactions and translations

#### a) Functional and presentation currency

The financial statements are presented in Indian Rupees (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

## Notes forming part of the Standalone Financial Statements

All amount in INR Lacs, unless otherwise stated

currency'). All the amount 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.

### 2.16 Leases

The Company's lease asset classes primarily consist of leases for offices. The Company, at the inception of a contract, assesses whether the contract is a lease or not lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a time in exchange for a consideration. This policy has been applied to contracts existing and entered into on or after 1 April 2019.

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

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the end of the lease term.

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

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

### 2.17 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 period is adjusted for events such as bonus issue, bonus element in a rights issue, share split, and reverse share split (consolidation of shares) that have changed the number of equity shares outstanding, without a corresponding change in resources.

For the purpose of calculating diluted earnings/ (loss) per share, the net profit or loss for the year attributable to equity shareholders and the weighted average number of shares outstanding during the year are adjusted for the effects of all dilutive potential equity shares, except where the result would be anti-dilutive.

## Notes forming part of the Standalone Financial Statements

All amount in INR Lacs, unless otherwise stated

### Cash Flow Statement

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

### 2.18 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 period 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.

### 2.19 Recent Pronouncement

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

- a) **Ind AS 103** – Reference to Conceptual Framework The amendments specify that to qualify for recognition as part of applying the acquisition method, the identifiable assets acquired and liabilities assumed must meet the definitions of assets and liabilities in the Conceptual Framework for Financial Reporting under Indian Accounting Standards (Conceptual Framework) issued by the Institute of Chartered Accountants of India at the acquisition date. These changes do not significantly change the requirements of Ind AS 103. The Company does not expect the amendment to have any significant impact in its financial statements.
- b) **Ind AS 16** – Proceeds before intended use The amendments mainly prohibit an entity from deducting from the cost of property, plant and equipment amounts received from selling items produced while the company is preparing the asset for its intended use. Instead, an entity will recognise such sales proceeds and related cost in profit or loss. The Company does not expect the amendments

## Notes forming part of the Standalone Financial Statements

All amount in INR Lacs, unless otherwise stated

to have any impact in its recognition of its property, plant and equipment in its financial statements.

- c) **Ind AS 37** – Onerous Contracts - Costs of fulfilling a contract The amendments specify that that the 'cost of fulfilling' a contract comprises the 'costs that relate directly to the contract'. Costs that relate directly to a contract can either be incremental costs of fulfilling that contract (examples would be direct labour, materials) or an allocation of other costs that relate directly to fulfilling

contracts. The amendment is essentially a clarification and the Company does not expect the amendment to have any significant impact in its financial statements.

- d) **Ind AS 109** – Annual improvements to Ind AS (2021) The amendment clarifies which fees an entity includes when it applies the '10 percent' test of Ind AS 109 in assessing whether to derecognise a financial liability. The Company does not expect the amendment to have any significant impact in its financial statements.

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

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

Particulars	INR in Lacs							
	Freehold land (refer note 1 below)	Buildings (refer note 1 below)	Plant & equipment	Furniture & fixtures	Vehicles	Leasehold improvements	Capital Work- in-Progress	Total
<b>Gross carrying value</b>								
<b>As at 1 April 2020</b>	400.00	901.23	1,556.05	44.06	0.18	-	-	2,901.52
Acquisitions through business combinations (refer note 41)	-	-	3.09	16.67	-	6.98	-	26.74
Additions	-	-	501.69	-	-	-	-	501.69
Disposals/adjustments	-	-	(3.36)	(0.64)	-	-	-	(4.00)
Foreign currency translation reserve	-	-	(0.10)	(0.55)	-	(0.23)	-	(0.88)
<b>As at 31 March 2021</b>	<b>400.00</b>	<b>901.23</b>	<b>2,057.37</b>	<b>59.54</b>	<b>0.18</b>	<b>6.75</b>	-	<b>3,425.07</b>
Additions	-	-	345.10	-	-	1.53	-	346.63
Disposals/adjustments	-	-	(16.50)	(0.33)	-	-	-	(16.83)
Foreign currency translation reserve	-	-	0.17	0.59	-	0.25	-	1.01
<b>As at 31 March 2022</b>	<b>400.00</b>	<b>901.23</b>	<b>2,386.14</b>	<b>59.80</b>	<b>0.18</b>	<b>8.53</b>	-	<b>3,755.88</b>
<b>Accumulated depreciation</b>								
<b>As at 1 April 2020</b>	-	81.39	1,151.62	41.80	0.16	-	-	1,274.97
Depreciation charge for the year	-	20.31	295.35	9.63	-	3.60	-	328.89
Disposals/adjustments	-	-	(1.49)	(0.64)	-	-	-	(2.13)
Foreign currency translation reserve	-	-	(0.09)	(0.15)	-	(0.03)	-	(0.27)
<b>As at 31 March 2021</b>	-	<b>101.70</b>	<b>1,445.39</b>	<b>50.64</b>	<b>0.16</b>	<b>3.57</b>	-	<b>1,601.46</b>
Depreciation charge for the year	-	20.35	356.93	8.46	-	3.21	-	388.95
Disposals/adjustments	-	-	(15.82)	(0.33)	-	-	-	(16.15)
Foreign currency translation reserve	-	-	0.11	0.50	-	0.21	-	0.82
<b>As at 31 March 2022</b>	-	<b>122.05</b>	<b>1,786.61</b>	<b>59.27</b>	<b>0.16</b>	<b>6.99</b>	-	<b>1,975.08</b>

Net carrying value	INR in Lacs							
	Freehold land (refer note 1 below)	Buildings (refer note 1 below)	Plant & equipment	Furniture & fixtures	Vehicles	Leasehold improvements	Capital Work- in-Progress	Total
As at 31 March 2021	400.00	799.53	611.98	8.90	0.02	3.18	-	1,823.61
As at 31 March 2022	400.00	779.18	599.53	0.53	0.02	1.54	-	1,780.80

Net carrying value	31 March 2022	31 March 2021
Property, plant and equipment	1,780.80	1,823.61

- Freehold land and Buildings include property located at Bengaluru (HMG Ambassador) at a cost of INR 400 Lacs and INR 901.23 Lacs respectively. The title to this property is in the name of HMG Ambassador Property Management Private Limited, represented by 1,47,50,000 equity shares of INR 10/- each representing the value of land and buildings with irrevocable right of permanent occupation.
- As on 1 April 2016, land and building for basement, ground floor and first floor in the name of Brigade Marketing Company Private Limited situated in Bengaluru has been kept for capital appreciation and accordingly gross block and accumulated depreciation has been transferred from the "Property, Plant and Equipment" to "Investment Property". In the earlier years, the same was recognised as part of "Property Plant and Equipment's".

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

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

### Details of Immovable Property, whose title deeds are not in the name of Company

Relevant line item in the Balance sheet	Description of property	Net carrying value as at 31 March 2022	Net carrying value as at 31 March 2021	Name of Title deed holder	Whether title deed holder is a promoter, director or relative of promoter/director or employee of promoter/director	Property held since which date	Reason for Title deed not being held in the name of the company
PPE	Land	400.00	400.00	Agreements to sell dated 23 May 1998 and 18 March 2003 between HASCO Associates and Macmillan India Limited (erstwhile name of MPS Limited); partnership deed of HASCO Associates where MPS Limited is partner and articles of association of HMG Ambassador Property Management Private Limited, where MPS Limited is a shareholder.	No	9-Feb-2000	MPS Limited, in its erstwhile name i.e., Macmillan India Limited, entered into a partnership deed dated 29 April 2004 for the partnership firm HASCO Associates, with other occupants of office units in the building. The parties converted the partnership into HMG Co. and incorporated it as a company under Part IX of the Companies Act, 1956 on 31 May 2004, pursuant to the deed of co-partnership dated 30 April 2004 and mutually settled their shareholdings amongst themselves as members of HMG Co. Accordingly, HMG Ambassador building came to be vested in HMG Co. The title to the property is in the name of HMG Co. The Company's undivided share, title and interest in the building as well as its office units in the building are represented by 14,750,000 equity shares of Rs. 10 each of HMG Co. with irrevocable right of permanent occupation.
	Building	77918	799.53		No	9-Feb-2000	
Investment Property	Land	4.36	4.36	Sale deeds are between Brigade Investments, Macmillan India Limited and Brigade Marketing Company Private Limited.	No	31-Dec-1993	The title deeds for some floors of the property are in the name of Brigade Marketing Company Private Limited, an erstwhile company that was merged with Macmillan India Limited (now, MPS Limited) under Sections 391 to 394 of the Companies Act, 1956, pursuant to the approval of Karnataka High Court. The title deeds for eighth floor of the building are in the name of Macmillan India Limited, the erstwhile name of MPS Limited.
	Building	96.88	100.05	Brigade Marketing Company Private Limited is the erstwhile company that has been merged into the MPS Limited/Macmillan India Limited (erstwhile name of the MPS Limited) (purchasers) and Brigade Investments (seller).	No	31-Dec-1993	

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

### 3.2 Investment property

Particulars	INR in Lacs		
	Freehold land	Buildings	Total
<b>Gross carrying value</b>			
<b>As at 1 April 2020</b>	4.36	114.93	119.29
Additions	-	-	-
Disposals/adjustments	-	-	-
<b>As at 31 March 2021</b>	<b>4.36</b>	<b>114.93</b>	<b>119.29</b>
Additions	-	-	-
Disposals/adjustments	-	-	-
<b>As at 31 March 2022</b>	<b>4.36</b>	<b>114.93</b>	<b>119.29</b>
<b>Accumulated depreciation</b>			
<b>As at 1 April 2020</b>	-	11.71	11.71
Depreciation charge for the year	-	3.17	3.17
Disposals/adjustments	-	-	-
<b>As at 31 March 2021</b>	<b>-</b>	<b>14.88</b>	<b>14.88</b>
Depreciation charge for the year	-	3.17	3.17
Disposals/adjustments	-	-	-
<b>As at 31 March 2022</b>	<b>-</b>	<b>18.05</b>	<b>18.05</b>

Net carrying value	Freehold land	Buildings	Total
As at 31 March 2021	4.36	100.05	104.41
As at 31 March 2022	4.36	96.88	101.24

Amount recognised in profit or loss for investment property	Year ended 31 March 2022	Year ended 31 March 2021
Rental income derived from investment properties	-	-
Direct operating expenses (including repairs and maintenance) generating rental income	-	-
Direct operating expenses (including repairs and maintenance) that did not generate rental income	(30.21)	(27.65)
<b>Loss arising from investment properties before depreciation</b>	<b>(30.21)</b>	<b>(27.65)</b>
Less: Depreciation for the year	(3.17)	(3.17)
<b>Loss arising from investment properties</b>	<b>(33.38)</b>	<b>(30.82)</b>

Fair value of investment property	Freehold land and buildings
As at 31 March 2021	3,211.88
As at 31 March 2022	3,479.54

- Investment property comprises land and building for basement, ground floor, first floor, eighth floor and parking areas situated in Bengaluru. The title deeds for land and building for basement, ground floor and first floor are in the name of Brigade Marketing Company Private Limited, erstwhile Company that was merged with Macmillan India Limited (now MPS Limited) in 2001 under section 391 to 394 of the Companies Act, 1956 in terms of the approval of the Honorable High Court at Karnataka. The title deeds for land and building for remaining areas are in the name of the Company.
- The Company has obtained an independent valuation for the fair value of its investment property based on the market value approach. The valuer has relied on the prevalent real estate rates and realisable price of similar property in the same vicinity.

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

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

### 4 Right-of-use assets\*

Particulars	INR in Lacs	
	Buildings	Total
<b>Gross carrying value</b>		
<b>As at 1 April 2020</b>	841.05	841.05
Additions	-	-
Acquisitions through business combinations (refer note 40)	233.70	233.70
Disposals/adjustments	(28.43)	(28.43)
Depreciation charge for the year	296.57	296.57
Foreign currency translation reserve	(7.40)	(7.40)
<b>As at 31 March 2021</b>	<b>742.35</b>	<b>742.35</b>
Additions	440.76	440.76
Disposals/adjustments	-	-
Depreciation charge for the year	320.40	320.40
Foreign currency translation reserve	2.25	2.25
<b>As at 31 March 2022</b>	<b>864.96</b>	<b>864.96</b>

Particulars	Buildings	Total
<b>Net carrying value</b>		
As at 31 March 2021	742.35	742.35
As at 31 March 2022	864.96	864.96

\* Refer note 32

### 5 Intangible assets

Particulars	INR in Lacs				Total
	Goodwill	Other intangible assets			
		Trademark	Customer relationship	Computer software (acquired)	
<b>Gross carrying value</b>					
<b>As at 1 April 2020</b>	50.27	69.12	196.71	1,138.10	1,454.20
Acquisitions through business combinations (refer note 41)	3,450.42	360.71	1,519.12	485.95	5,816.20
Additions	-	-	52.23	83.64	135.87
Disposals/adjustments	-	-	-	-	-
Foreign currency translation reserve	(94.96)	(11.98)	(36.49)	(16.14)	(159.57)
<b>As at 31 March 2021</b>	<b>3,405.73</b>	<b>417.85</b>	<b>1,731.57</b>	<b>1,691.55</b>	<b>7,246.70</b>
Additions	-	-	-	19.48	19.48
Disposals/adjustments	(27.15)	-	-	-	(27.15)
Foreign currency translation reserve	102.24	12.80	38.97	17.24	171.25
<b>As at 31 March 2022</b>	<b>3,480.82</b>	<b>430.65</b>	<b>1,770.54</b>	<b>1,728.27</b>	<b>7,410.28</b>
<b>Amortisation</b>					
<b>As at 1 April 2020</b>	-	19.81	125.03	842.35	987.19
Amortisation expense for the year	-	34.27	275.69	307.40	617.36
Disposals/adjustments	-	-	-	-	-
Foreign currency translation reserve	-	(0.11)	(1.95)	(0.87)	(2.93)
<b>As at 31 March 2021</b>	<b>-</b>	<b>53.97</b>	<b>398.77</b>	<b>1,148.88</b>	<b>1,601.62</b>
Amortisation expense for the year	-	43.45	354.09	225.46	623.00
Disposals/adjustments	-	-	-	-	-
Foreign currency translation reserve	-	1.68	10.23	5.39	17.30
<b>As at 31 March 2022</b>	<b>-</b>	<b>99.10</b>	<b>763.09</b>	<b>1,379.73</b>	<b>2,241.92</b>

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

### 5 Intangible assets (Contd..)

Net carrying value	Goodwill	Trademark	Customer relationship	Computer software (acquired)	Total
As at 31 March 2021	3,405.73	363.88	1,332.80	542.67	5,645.08
As at 31 March 2022	3,480.82	331.55	1,007.45	348.54	5,168.36

Net carrying value	31 March 2022	31 March 2021
Goodwill	3,480.82	3,405.73
Other Intangible assets	1,687.54	2,239.35

#### 5(a) Impairment testing of goodwill

For the purposes of impairment testing, goodwill is allocated to the Cash Generating Units (CGU) 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 platform solutions operating segment as follows:

Particulars	INR in Lacs	
	As at 31 March 2022	As at 31 March 2021
Platform solutions	3,480.82	3,405.73
	<b>3,480.82</b>	<b>3,405.73</b>

For the purpose of the impairment testing, goodwill is allocated to the Cash Generating Units (CGU) which represents the recoverable amount of the above CGU based on its value in use. The value in use of CGU is determined to be higher than the carrying amount post the sensitivity analysis towards change in the 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 are based on past experience, actual operating results and the 5 year business plan in all periods presented.
- The terminal growth rate 1% to 2% for the year ended 31 March 2022 (31 March 2021: 1% to 2%) representing management view on the future long-term growth rate.
- Discount rate of 14.5% to 19% for the year ended 31 March 2022 (31 March 2021: 15.5% to 19%) was applied in determining the recoverable amount of the CGUs. The discount rate was estimated based on past experience and historical industry average weighted-average cost of capital.
- The estimate of recoverable amount is particularly sensitive towards pretax discount rate and terminal growth rate, There will be no impairment even if the weighted average cost of capital is increased by 1% and the terminal growth rate is decreased by 1%. Management is not currently aware of any other reasonably possible changes to key assumptions that would cause a unit's carrying amount to exceed its recoverable amount.

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.

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

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

### 6 (i) Non-current investments

Particulars	INR in Lacs	
	As at 31 March 2022	As at 31 March 2021
<b>Investments carried at cost :</b>		
<b>Equity instruments of subsidiaries (unquoted)</b>		
66,500 Units (31 March 2021: 66,500 Units) of USD 100 each fully paid up of MPS North America LLC, USA	4,257.40	4,257.39
6,20,00,000 Shares (31 March 2021: 6,20,00,000 Shares) of INR 10 each fully paid up of MPS Interactive Systems Limited	6,095.01	6,095.01
22,860 Shares (31 March 2021: 22,860 Shares) of EURO 10 each fully paid up of TOPSIM GmbH	599.18	599.18
10,000 Shares (31 March 2021: 10,000) of CHF 10 each fully paid up of MPS Europa AG	810.39	810.39
NIL Units ( 31 March 2021: 2,50,000) of USD 1 each fully paid up of HighWire North America LLC*	-	189.05
Lease Investment	-	387.82
	<b>11,761.98</b>	<b>12,338.84</b>

\* HighWire North America LLC was dissolved w.e.f. 21 December 2021

### 6 (ii) Current investments

Particulars	INR in Lacs			
	As at 31 March 2022		As at 31 March 2021	
	Units in '000	INR in Lacs	Units in '000	INR in Lacs
<b>Investment in mutual funds carried at fair value through profit or loss (unquoted, fully paid up)</b>				
Kotak Liquid Fund- Direct Plan- Growth*	5.43	233.46	10.23	425.33
Aditya Birla Sun Life Liquid Fund -Direct Growth	55.45	190.27	-	-
Nippon India Liquid Fund -Direct Plan- Growth	-	-	3.97	200.01
<b>Total</b>	<b>60.88</b>	<b>423.73</b>	<b>14.20</b>	<b>625.34</b>
<b>Aggregate market value of unquoted investments</b>	<b>60.88</b>	<b>423.73</b>	<b>14.20</b>	<b>625.34</b>

\*Out of the same mutual fund units i.e., 5.20 (units in thousands) with an NAV of INR 0.04 Lacs per unit as at 31 March 2022 (31 March 2021: Units 5.20 (units in thousands) as at NAV of INR 0.04 Lacs per unit) have been pledged with Kotak Mahindra Bank Limited as a security towards hedging facilities availed by the Company.

### 7 Loans

Particulars	INR in Lacs	
	As at 31 March 2022	As at 31 March 2021
<b>Current (unsecured, considered good)</b>		
Loan to employees	0.28	0.30
	<b>0.28</b>	<b>0.30</b>

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

**8 Other financial assets**

Particulars	INR in Lacs	
	As at 31 March 2022	As at 31 March 2021
<b>(i) Non current (unsecured, considered good)</b>		
Security Deposit	177.34	99.07
Bank deposits held as margin money or security against guarantees	3.19	18.06
Bank deposits due to mature after 12 months of the reporting date	4,456.25	6,491.00
	<b>4,636.78</b>	<b>6,608.13</b>
<b>(ii) Current (unsecured, considered good)</b>		
Unrealised gain receivable on forward covers	62.11	75.94
Security Deposit	10.58	178.44
Unbilled revenue	147.65	210.23
Interest accrued on deposits	381.35	128.11
	<b>601.69</b>	<b>592.72</b>

**9 Income tax assets**

Particulars	INR in Lacs	
	As at 31 March 2022	As at 31 March 2021
Advance income tax (net of provisions of INR 15,339.37 Lacs (31 March 2021: INR 15,513.53 Lacs))	492.53	146.80
	<b>492.53</b>	<b>146.80</b>

**10 Other assets**

Particulars	INR in Lacs	
	As at 31 March 2022	As at 31 March 2021
<b>(i) Other non-current assets (Unsecured, Considered Good)</b>		
Security deposits	33.77	33.77
Prepaid expenses	26.14	152.45
Balances with government authorities	120.92	55.39
Prepayment rent (refer note below)	21.86	15.76
	<b>202.69</b>	<b>257.37</b>
<b>Note:</b> Includes INR 10.50 Lacs (31 March 2021: INR 15.74 Lacs) to holding company (ADI BPO Services Ltd.) as a deposit for premises and infrastructure facility taken on rent.		
<b>(ii) Other current assets (Unsecured, Considered Good)</b>		
Security deposits		
Doubtful	1.13	1.13
	1.13	1.13
Less: Allowances for doubtful deposits	1.13	1.13
	-	-

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

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

### 10 Other assets (Contd..)

Particulars	INR in Lacs	
	As at 31 March 2022	As at 31 March 2021
Advances to employees		
Considered good	0.82	0.28
Doubtful	8.30	5.54
	9.12	5.82
Less: Allowances for doubtful advances to employees	8.30	5.54
	<b>0.82</b>	<b>0.28</b>
Government grant receivables*	729.13	487.83
Less- Expected Credit Loss	203.04	-
	<b>526.09</b>	<b>487.83</b>
Prepaid expenses	527.46	537.21
Contract assets (refer note 46)	2,107.99	2,049.93
Balances with government authorities		
-GST receivable	1,304.38	1,030.29
Capital advances	1.96	84.71
Others advances	48.47	60.41
Prepayment rent (refer note 1 below)	14.14	9.34
	<b>4,531.31</b>	<b>4,260.00</b>

#### Note:

- 1) Includes INR 5.24 Lacs (31 March 2021: INR 5.24 Lacs) to holding company (ADI BPO Services Ltd.) as a deposit for premises and infrastructure facility taken on rent.

\*represents grant receivable under Service Export from India Scheme

### 11 Trade receivables

Particulars	INR in Lacs	
	As at 31 March 2022	As at 31 March 2021
<b>Current</b>		
Trade receivables	4,132.54	4,367.11
Receivables from subsidiaries (refer note 37)	738.75	1,362.81
	<b>4,871.29</b>	<b>5,729.92</b>
<b>Break-up for details:</b>		
<b>Trade receivables (Unsecured)</b>		
Considered good	4,951.11	5,815.37
Less: Expected credit loss allowance (refer note 34)	79.82	85.45
	<b>4,871.29</b>	<b>5,729.92</b>
Trade Receivables - credit impaired	-	112.29
Less: Expected credit loss allowance (refer note 34)	-	112.29
	-	-
<b>Total</b>	<b>4,871.29</b>	<b>5,729.92</b>

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

### 11 Trade receivables (Contd..)

#### Trade receivable ageing for year ended 31 March 2022

INR in Lacs

Particulars	Outstanding for following periods from due date of payment						
	Not Due	Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	Total
<b>(i) Undisputed Trade receivable-</b>							
Considered good	3,608.17	1,258.62	71.94	12.37	-	-	4,951.11

#### Trade receivable ageing for year ended 31 March 2021

INR in Lacs

Particulars	Outstanding for following periods from due date of payment						
	Not Due	Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	Total
<b>(i) Undisputed Trade receivable-</b>							
Considered good	4,058.27	1,624.04	106.91	15.47	8.71	1.97	5,815.37

### 12 (i) Cash and cash equivalents

INR in Lacs

Particulars	As at 31 March 2022	As at 31 March 2021
<b>(a) Cash and cash equivalents</b>		
Balances with banks		
-In current accounts	1,252.41	2,008.34
-In EEFC accounts	263.43	109.46
Cash on hand	-	0.64
<b>Total</b>	<b>1,515.84</b>	<b>2,118.44</b>

### 12 (ii) Other bank balances

INR in Lacs

Particulars	As at 31 March 2022	As at 31 March 2021
<b>Other balances with banks</b>		
Term deposits with original maturity for more than 3 months but less than 12 months	2,981.00	2,774.00
<b>Earmarked Balances with Banks</b>		
Unclaimed dividends	29.74	38.02
<b>Total</b>	<b>3,010.74</b>	<b>2,812.02</b>
<b>Details of bank balances/deposits</b>		
Bank deposits due to mature within 12 months of the reporting date included under 'Other Balances with banks'	2,981.00	2,774.00
Bank deposits due to mature after 12 months of the reporting date included under 'Other non-current financial assets' (refer note 8 (i))	4,459.44	6,509.06
	<b>7,440.44</b>	<b>9,283.06</b>

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

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

### 13 Share capital

(i) Particulars	INR in Lacs	
	As at 31 March 2022	As at 31 March 2021
<b>Authorised</b>		
20,000,000 equity shares of INR 10 each (31 March 2021: 20,000,000 equity shares of INR 10 each)	2,000.00	2,000.00
	<b>2,000.00</b>	<b>2,000.00</b>
<b>Issued, Subscribed &amp; Paid-up</b>		
1,71,05,816 equity shares of INR 10 each fully paid up with voting rights (31 March 2021: 18,050,260 equity shares of INR 10 each)	1,710.58	1,805.02
	<b>1,710.58</b>	<b>1,805.02</b>

### (ii) Reconciliation of the equity share outstanding at beginning and at end of the year

Particulars	As at 31 March 2022		As at 31 March 2021	
	Number	INR in Lacs	Number	INR in Lacs
Equity shares (with voting rights) outstanding at the beginning of the year	1,80,50,260	1,805.02	1,86,16,926	1,861.69
Issued during the year	-	-	-	-
Shares extinguished on buy-back	(9,44,444)	(94.44)	(5,66,666)	(56.67)
<b>Outstanding at the end of the year</b>	<b>1,71,05,816</b>	<b>1,710.58</b>	<b>1,80,50,260</b>	<b>1,805.02</b>

### (iii) Rights, preferences and restrictions attached to 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 share holders 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 the shareholders.

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

Particulars	As at 31 March 2022		As at 31 March 2021	
	Number	INR in Lacs	Number	INR in Lacs
<b>Equity shares of INR 10 each fully paid up and held by</b>				
ADI BPO Services Limited, the holding company	1,16,90,615	1,169.06	1,22,71,608	1,227.16

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

Promoter Name	No. of Shares as at	% of total shares	No. of Shares as at	% of total shares	% change during the year	
	31 March 2022		31 March 2021		31 March 2022	31 March 2021
<b>ADI BPO Services Limited</b>	1,16,90,615	68.34%	1,22,71,608	67.99%	0.53%	2.74%
<b>Total</b>	1,16,90,615		1,22,71,608			

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

### 13 Share capital (Contd..)

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

Class of shares / Name of shareholder	As at 31 March 2022		As at 31 March 2021	
	Number	% holding in that class of shares	Number	% holding in that class of shares
<b>Equity shares of INR 10 each fully paid up and held by</b>				
ADI BPO Services Limited, the holding company	1,16,90,615	68.34%	1,22,71,608	67.99%

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

There are no bonus shares issued during the period of five years immediately preceding the reporting date.

(viii) The Board of Directors, at its meeting held on 27 October 2021, 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 900 per equity share, for an aggregate amount not exceeding INR 8500 Lacs, payable in cash. The Company has bought back 9,44,444 fully paid up equity shares on 07 February 2022 and extinguished the equity shares bought back on 11 February 2022. The Company has utilised its Securities Premium of INR 10,442.74 Lacs and General Reserve of INR 21.28 lacs for the buyback of its equity shares. Total transaction cost including tax of INR 2,058.47 Lacs incurred towards buyback was offset from Securities Premium and General Reserve. In accordance with Section 69 of the Companies Act 2013, the Company has created Capital Redemption Reserve of INR 94.44 Lacs equal to the nominal value of the shares bought back as an appropriation from the General Reserve.

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 and extinguished the equity shares bought back on 12 October 2020. The Company has utilised its Securities Premium of INR 4,157.57 Lacs for the buyback of its equity shares. Total transaction cost including tax of INR 814.24 Lacs incurred towards buyback was offset from Securities Premium. In accordance with Section 69 of the Companies Act 2013, the Company has created Capital Redemption Reserve of INR 56.67 Lacs equal to the nominal value of the shares bought back as an appropriation from the General Reserve.

### 14 Lease liabilities\*

Particulars	INR in Lacs	
	As at 31 March 2022	As at 31 March 2021
<b>(i) Non current</b>		
Lease liabilities	704.24	1,062.64
	<b>704.24</b>	<b>1,062.64</b>
<b>(ii) Current</b>		
Lease liabilities	358.34	162.59
	<b>358.34</b>	<b>162.59</b>

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

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

### 14 Lease liabilities\* (Contd..)

#### (iii) Reconciliation of liabilities from financing activities

Particulars	INR in Lacs	
	As at 31 March 2022	As at 31 March 2021
<b>Opening</b>	1,225.23	1,120.40
Acquisitions through business combinations (refer note 41)	-	802.89
Addition during the year	440.76	-
Interest on lease liabilities	91.94	118.01
Rent concession as a variable lease payment	-	(34.79)
Repayment of lease liabilities excluding interest expenses	(700.45)	(683.69)
Disposals/adjustments	-	(70.83)
Exchange difference on lease liabilities	5.10	(26.76)
<b>Closing</b>	<b>1,062.58</b>	<b>1,225.23</b>

\* Refer note 32

### 15 Deferred tax liabilities (net)

Particulars	INR in Lacs	
	As at 31 March 2022	As at 31 March 2021
<b>Deferred tax liability arising on account of:</b>		
Property, plant and equipment and intangible assets	(128.83)	(61.81)
Unrealised MTM gain receivables on forward covers	(15.64)	(19.11)
Gains on investment carried at fair value through profit or loss	-	(75.29)
Others	3.47	(120.02)
<b>Deferred tax asset arising on account of:</b>		
Allowance for credit impaired receivable	22.59	38.51
Expenses allowable for tax purposes when paid	15.68	25.92
Gains on investment carried at fair value through profit or loss	23.98	-
Right of use asset and related liabilities	49.66	121.53
<b>Deferred tax liabilities (net)</b>	<b>(29.09)</b>	<b>(90.27)</b>

#### Movement in deferred tax assets (net)

Particulars	INR in Lacs					
	As at 1 April 2021	Recognised statement of profit and loss	Recognised in other comprehensive income	FCTR	Transfer from DTL to DTA	As at 31 March 2022
<b>Assets</b>						
Allowance for credit impaired receivable	38.51	(15.92)	-	-	-	22.59
Expenses allowable for tax purposes when paid	25.92	(10.03)	(0.21)	-	-	15.68
Gains on investment carried at fair value through profit or loss	-	-	-	-	23.98	23.98
Right of use asset and related liabilities	121.53	(71.87)	-	-	-	49.66
<b>Liabilities</b>						
Property, plant and equipment and intangible assets	(61.81)	(67.30)	-	0.28	-	(128.83)
Unrealised gain receivables on forward covers	(19.11)	3.47	-	-	-	(15.64)
Gains on investment carried at fair value through profit or loss	(75.29)	99.27	-	-	(23.98)	(0.00)
Others	(120.02)	123.49	-	-	-	3.47
<b>Deferred tax liabilities (net)</b>	<b>(90.27)</b>	<b>61.11</b>	<b>(0.21)</b>	<b>0.28</b>	<b>-</b>	<b>(29.09)</b>

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

**16 Trade payables**

Particulars	INR in Lacs	
	As at 31 March 2022	As at 31 March 2021
<b>Trade payables</b>		
Due to Micro and Small enterprises-MSME (refer note 30)	16.09	55.81
Due to Others	863.08	954.96
Trade payables to related parties (refer note 37)	1,567.99	2,197.56
	<b>2,447.16</b>	<b>3,208.33</b>

**Trade Payable ageing for year ended 31 March 2022**

Particulars	Outstanding for following periods from due date of payment							Total
	Unbilled	Not Due	Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	
(i) MSME	-	8.04	8.05	-	-	-	-	16.09
(ii) Others	218.69	202.06	395.82	1,612.20	2.13	0.11	0.06	2,431.07
<b>Total</b>	<b>218.69</b>	<b>210.10</b>	<b>403.87</b>	<b>1,612.20</b>	<b>2.13</b>	<b>0.11</b>	<b>0.06</b>	<b>2,447.16</b>

**Trade Payable ageing for year ended 31 March 2021**

Particulars	Outstanding for following periods from due date of payment							Total
	Unbilled	Not Due	Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	
(i) MSME	-	1.29	54.52	-	-	-	-	55.81
(ii) Others	548.21	2,351.83	193.80	43.41	14.02	1.19	0.06	3,152.52
<b>Total</b>	<b>548.21</b>	<b>2,353.12</b>	<b>248.32</b>	<b>43.41</b>	<b>14.02</b>	<b>1.19</b>	<b>0.06</b>	<b>3,208.33</b>

**17 Other financial liabilities**

Particulars	INR in Lacs	
	As at 31 March 2022	As at 31 March 2021
<b>Current</b>		
Security deposits carried at amortised cost	-	48.00
Employee payable	404.51	411.92
Unclaimed dividends	29.74	38.02
Payable to Invest Northern Ireland	-	180.07
	<b>434.25</b>	<b>678.01</b>

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

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

### 18 Other liabilities

Particulars	INR in Lacs	
	As at 31 March 2022	As at 31 March 2021
Prepayment rent	-	1.44
Income received in advance (contract liabilities) (refer note 46(iii))	1,803.99	1,396.15
Advances from customers (Refer note 46(iii))	1,043.73	-
Payables on purchase of intangible assets (refer note 37)	-	52.23
Statutory remittances*	295.52	642.93
Others	12.19	140.17
	<b>3,155.43</b>	<b>2,232.92</b>

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

### 19 Provisions (current)

Particulars	INR in Lacs	
	As at 31 March 2022	As at 31 March 2021
Provision for compensated absences (refer note 31)	-	171.69
Provision for gratuity (refer note 31)	92.98	76.92
	<b>92.98</b>	<b>248.61</b>

### 20 Income tax liabilities (current)

Particulars	INR in Lacs	
	As at 31 March 2022	As at 31 March 2021
Provision for tax (net of advance tax of INR 2,501.43 Lacs (31 March 2021: INR 2,770.89 Lacs))	143.15	250.53
	<b>143.15</b>	<b>250.53</b>

### 21 Revenue from operations

Particulars	INR in Lacs	
	Year ended 31 March 2022	Year ended 31 March 2021
<b>Sale of services (refer note 46)</b>		
Exports (earning in foreign currency)	28,069.79	27,668.24
Domestic	83.79	233.92
	<b>28,153.58</b>	<b>27,902.16</b>

### 22 Other-operating income

Particulars	INR in Lacs	
	Year ended 31 March 2022	Year ended 31 March 2021
Government grants	248.15	-
	<b>248.15</b>	<b>-</b>

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

**23 Other income**

Particulars	INR in Lacs	
	Year ended 31 March 2022	Year ended 31 March 2021
<b>Interest income on:</b>		
Financial assets-carried at amortised cost	-	370.96
Deposits with banks	506.62	219.60
Net gain on sale of current investment carried at fair value through profit or loss	9.00	37.85
Gain on investment carried at fair value through profit or loss	20.56	78.08
MTM and net gain on foreign currency transactions	353.89	34.69
Other non-operating income (refer note (i) below)	228.56	147.90
	<b>1,118.63</b>	<b>889.08</b>

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

Particulars	INR in Lacs	
	Year ended 31 March 2022	Year ended 31 March 2021
Rent concession as a variable lease payment	-	34.79
Liabilities/provisions no longer required written back	13.72	8.48
Reversal of allowances for expected credit loss	111.11	-
Bad debts and advances recovered	0.39	0.57
Gain on sale/disposal/discard of property, plant and equipment (net)	8.49	3.79
Miscellaneous income	94.85	100.27
	<b>228.56</b>	<b>147.90</b>

**24 Employee benefits expense**

Particulars	INR in Lacs	
	Year ended 31 March 2022	Year ended 31 March 2021
Salaries and wages (refer note 31)	11,100.92	10,595.38
Contribution to provident and other funds (refer note 31)	584.04	562.55
Staff welfare expenses	288.85	292.01
	<b>11,973.81</b>	<b>11,449.94</b>

**25 Finance costs**

Particulars	INR in Lacs	
	Year ended 31 March 2022	Year ended 31 March 2021
Interest on lease liabilities (refer note 32)	91.94	118.01
Interest expense on income tax, service tax and goods & service tax	24.27	18.04
	<b>116.21</b>	<b>136.05</b>

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

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

### 26 Depreciation and amortization expense

Particulars	INR in Lacs	
	Year ended 31 March 2022	Year ended 31 March 2021
Depreciation on property, plant and equipment (refer note 3.1)	388.95	328.89
Depreciation on investment property (refer note 3.2)	3.17	3.17
Depreciation on right-of-use assets (refer note 4)	320.40	296.57
Amortization on intangible assets (refer note 5)	623.00	617.36
	<b>1,335.52</b>	<b>1,245.99</b>

### 27 Other expenses

Particulars	INR in Lacs	
	Year ended 31 March 2022	Year ended 31 March 2021
Consumables	17.32	6.66
Outsourcing cost	1,595.29	2,765.13
Power and fuel	281.73	333.88
Rent	111.33	139.68
Hire charges	14.08	16.33
Repairs and maintenance - buildings	267.97	230.78
Repairs and maintenance - plant and machinery	476.22	505.85
Repairs and maintenance - others	3.76	2.54
Insurance	23.86	26.77
Rates and taxes	61.05	59.13
Communication	1,281.36	1,140.02
Travelling and conveyance	40.61	7.94
Expenditure on corporate social responsibility (refer note 40)	157.00	163.00
Legal and professional	348.24	335.92
Directors sitting fees	28.40	27.20
Payments to auditors (refer note (i) below)	43.47	63.69
Bad debts written off	81.97	11.21
Less: Allowances for expected credit loss utilised for the above	16.04	4.44
Advances written off	77.93	32.69
Allowances for expected credit loss and doubtful advances	-	111.56
Allowances for contract assets and other receivables	212.95	-
Loss on liquidation of wholly owned subsidiary	0.85	-
Software expenses	455.26	439.32
Sales and support cost	409.41	554.21
Royalty expenses	56.90	50.24
Sales and marketing expenses	69.63	36.45
Miscellaneous expenses	155.15	113.34
	<b>6,255.70</b>	<b>7,169.10</b>

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

### 27 Other expenses (Contd..)

	INR in Lacs	
(i) Payments to the auditors comprises (net of input credit, where applicable):	Year ended 31 March 2022	Year ended 31 March 2021
To Statutory auditors		
for statutory audit	37.00	45.00
for tax audit	2.00	2.00
for other services	2.89	15.07
for reimbursement of expenses	1.58	1.62
	<b>43.47</b>	<b>63.69</b>

### 28 Income tax

The major components of income tax expense for the year ended 31 March 2022 and 31 March 2021 are:

	INR in Lacs	
	Year ended 31 March 2022	Year ended 31 March 2021
<b>Current income tax:</b>		
Current income tax charge for the year	2,685.94	2,168.56
Adjustments in respect of current income tax of previous years	68.29	497.91
	2,754.23	2,666.47
<b>Deferred tax:</b>		
Deferred tax (credit)/ charge for the year	(61.11)	70.32
	(61.11)	70.32
Tax expense reported in the Statement of Profit and Loss	<b>2,693.12</b>	<b>2,736.79</b>
<b>OCI section</b>		
Tax related to items that will not be reclassified to Profit and Loss	(0.21)	(0.66)
<b>Income tax charged to OCI</b>	<b>(0.21)</b>	<b>(0.66)</b>

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

	INR in Lacs	
	Year ended 31 March 2022	Year ended 31 March 2021
Accounting profit before income tax	9,839.12	8,790.16
At India's statutory income tax rate	25.168%	25.168%
<b>Computed Tax Expense</b>	<b>2,476.31</b>	<b>2,212.31</b>
Impact of different tax laws	60.91	(38.42)
Non-deductible expenses	45.53	45.52
Additional allowances for tax purpose	(6.28)	-
Others	48.36	19.47
Tax relating to earlier years	68.29	497.91
Income tax charged to Statement of Profit and Loss at effective rate of 27.37 % (March 31, 2021: 31.13 %) (refer point (a) below)	<b>2,693.12</b>	<b>2,736.79</b>

- (a) Effective tax rate has been calculated on profit before tax.
- (b) The Company had opted for the Scheme by the Government under the Income Tax Law in respect of four Assessment Years to avoid protracted litigation and the attendant uncertainty on the issues covered in those years. Consequently, a tax provision of INR 585 Lacs had been made towards this purpose during the year ended 31 March 2021.

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

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

### 29 Earnings per equity share

	INR in Lacs	
	Year ended 31 March 2022	Year ended 31 March 2021
Profit for the year attributable to the owners of the Company	7,146.00	6,053.36
Weighted average number of equity shares outstanding	1,79,23,472	1,83,43,684
Face value per share (INR)	10.00	10.00
<b>Earnings per share- basic &amp; diluted (INR)</b>	<b>39.87</b>	<b>33.00</b>

### 30 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 year except for the amount of INR Nil (31 March 2021: INR Nil Lacs) against which interest has been accrued (refer below(ii)). 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.

	INR in Lacs	
Particulars	As at 31 March 2022	As at 31 March 2021
(i) The principal amount remaining unpaid to any supplier as at the end of the year	15.78	55.50
(ii) The interest due on principal amount remaining unpaid to any supplier as at the end of the year	0.31	0.31
(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 year	-	-
(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 at the end of the year	0.31	0.31
(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	0.31	0.31

### 31 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, 401(k) plan, employee state insurance (ESI) and social security fund and pension 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:

	INR in Lacs	
Particulars	Year ended 31 March 2022	Year ended 31 March 2021
Employer's contribution to provident fund	523.85	480.71
Employer's contribution to 401(k) plan	3.67	20.16
Employer's contribution to employee state insurance	56.52	60.57
Employer's contribution to social security fund and pension scheme	-	1.11
	<b>584.04</b>	<b>562.55</b>

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

### 31 Employee benefits in respect of the Company have been calculated as under: (Contd..)

#### (B) Defined benefit plans

##### Gratuity

In accordance with Ind AS 19 “Employee Benefits”, an actuarial valuation has been carried out in respect of gratuity. The discount rate assumed is 6.41% p.a. (31 March 2021: 6.26% p.a.) which is determined by reference to market yield at the Balance Sheet date on Government bonds.

The retirement age has been considered at 58 to 65 years (31 March 2021: 58 to 65 years) and mortality table is as per IALM (2006-08) (31 March 2021: IALM (2006-08)).

The estimates of future salary increases, considered in actuarial valuation is 6% p.a. (31 March 2021: 6% p.a.), taking into account of inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market.

The plans assets are maintained with Life Insurance Corporation of India in respect of gratuity scheme for employees of the Company. The expected rate of return on plan assets is 6.41% p.a. (31 March 2021: 6.26% p.a.).

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

Particulars	INR in Lacs	
	As at 31 March 2022	As at 31 March 2021
Present value of obligation at the beginning of the year	753.86	704.87
Current service cost	92.47	79.19
Interest cost	47.19	45.32
Actuarial (gain)/ loss	(0.09)	(4.60)
Benefits paid	(121.95)	(70.92)
<b>Present value of obligation at the end of the year</b>	<b>771.48</b>	<b>753.86</b>

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

Particulars	INR in Lacs	
	As at 31 March 2022	As at 31 March 2021
Present value of obligation at the end of the year	771.48	753.86
Fair value of plan assets at the end of the year	(678.50)	(676.94)
<b>Net liabilities recognised in the Balance Sheet</b>	<b>92.98</b>	<b>76.92</b>

##### Fair value of plan assets

Particulars	INR in Lacs	
	As at 31 March 2022	As at 31 March 2021
Plan assets at the beginning of the year	676.94	606.05
Expected return on plan assets	42.39	38.97
Contribution by employer	80.38	104.82
Actual benefits paid	(121.95)	(70.92)
Actuarial loss	0.74	(1.98)
<b>Plan assets at the end of the year</b>	<b>678.50</b>	<b>676.94</b>

Company's best estimate of contribution during next year is INR 190.65 Lacs (31 March 2021: INR 169.39 Lacs)

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

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

### 31 Employee benefits in respect of the Company have been calculated as under: (Contd..)

Composition of the plan assets is as follows:

Particulars	INR in Lacs	
	As at 31 March 2022	As at 31 March 2021
Central government securities	20.64%	19.09%
State government securities	46.92%	50.98%
Debentures and bonds	22.76%	23.85%
Equity shares	9.68%	6.08%
Money market instruments	0.00%	0.00%

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

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

Particulars	INR in Lacs	
	Year ended 31 March 2022	Year ended 31 March 2021
Current service cost	92.47	79.19
Interest cost	4.81	6.35
<b>Expense recognised in the Statement of Profit and Loss</b>	<b>97.28</b>	<b>85.54</b>

#### Amount recognised in the other comprehensive income:

Particulars	INR in Lacs	
	Year ended 31 March 2022	Year ended 31 March 2021
Actuarial loss due to financial assumption change	(7.05)	7.86
Actuarial loss/(Gain) due to change in demographic assumption	(0.04)	-
Actuarial (gain) due to experience adjustment	7.00	(12.46)
Actuarial (loss)/gain on plan assets	(0.74)	1.98
<b>Amount recognised in the other comprehensive income</b>	<b>(0.83)</b>	<b>(2.62)</b>

#### Sensitivity analysis

Particulars	INR in Lacs			
	Year ended 31 March 2022		Year ended 31 March 2021	
Assumptions	Discount rate		Future salary	
Sensitivity level	0.5% increase	0.5% decrease	0.5% increase	0.5% decrease
Impact on defined benefit	(22.64)	24.00	23.98	(22.83)

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

**31 Employee benefits in respect of the Company have been calculated as under: (Contd..)**

INR in Lacs				
Particulars	Year ended 31 March 2021		Year ended 31 March 2021	
	Discount rate		Future salary	
Sensitivity level	0.5% increase	0.5% decrease	0.5% increase	0.5% decrease
Impact on defined benefit	(22.67)	24.05	23.99	(22.83)

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

**(C) Other long term benefits (compensated absences):**

INR in Lacs		
Particulars	As at 31 March 2022	As at 31 March 2021
Present value of obligation at the end of the year	-	171.69

**32 Leases**

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

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

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

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

(ii) The Company has discounted lease payments using the applicable incremental borrowing rate which is 4.5% to 9.5% for measuring the lease liability.

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

INR in Lacs		
Particulars	Year ended 31 March 2022	Year ended 31 March 2021
Interest on lease liabilities (refer note 25)	91.94	118.01
Depreciation of Right-of-use assets (refer note 26)	320.40	296.57
Deferred tax credit (refer note 15)	71.87	(51.22)
<b>Impact on the statement of profit and loss for the year</b>	<b>484.21</b>	<b>363.36</b>

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

INR in Lacs		
Particulars	Year ended 31 March 2022	Year ended 31 March 2021
Expense related to short-term leases	439.77	115.64
Expense related to leases of low value assets, excluding short term leases of low value	63.33	14.45
<b>Total</b>	<b>503.10</b>	<b>130.09</b>

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

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

### 32 Leases (Contd..)

#### (v) Amount recognised in the statement of cash flows

Particulars	INR in Lacs	
	Year ended 31 March 2022	Year ended 31 March 2021
Repayment of lease liabilities including interest expenses	700.45	683.69
<b>Impact on the statement of cash flows for the year</b>	<b>700.45</b>	<b>683.69</b>

(vi) Refer note 34 (iii) for contractual maturities of lease liabilities.

### 33 Fair value measurements

Particulars	Note	Level of hierarchy*	INR in Lacs					
			As at 31 March 2022			As at 31 March 2021		
			FVPL	FVOCI	Amortised cost	FVPL	FVOCI	Amortised cost
<b>Financial assets</b>								
Investments in mutual fund (excluding investment in subsidiaries)	(d)	1	423.73	-	-	625.34	-	-
Lease Investment	(a)		-	-	-	-	-	387.82
Trade receivables	(a)		-	-	4,871.29	-	-	5,729.92
Loans	(a, b)		-	-	0.28	-	-	0.29
Cash and cash equivalents	(a)		-	-	1,515.84	-	-	2,118.44
Other bank balances	(a)		-	-	3,010.74	-	-	2,812.02
Derivative financial assets	(c)	2	62.11	-	-	75.94	-	-
Other financial assets	(a, b)		-	-	5,176.36	-	-	7,124.91
<b>Total financial assets</b>			<b>485.84</b>	<b>-</b>	<b>14,574.51</b>	<b>701.28</b>	<b>-</b>	<b>18,173.40</b>
<b>Financial liabilities</b>								
Lease liabilities	(a)		-	-	1,062.59	-	-	1,225.23
Trade payables	(a)		-	-	2,447.16	-	-	3,208.33
Other financial liabilities	(a)		-	-	434.25	-	-	678.01
<b>Total financial liabilities</b>			<b>-</b>	<b>-</b>	<b>3,944.00</b>	<b>-</b>	<b>-</b>	<b>5,111.57</b>

#### Note:

- 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.
- Fair value of non-current financial assets has not been disclosed as there is no significant differences between carrying value and fair value.
- Derivatives are carried at fair value at each reporting date. The fair values of the derivative financial instruments has been determined using valuation techniques with market observable inputs. The models incorporate various inputs including the credit quality of counter-parties and foreign exchange forward rates.
- The fair value of the mutual funds are based on net assets value of the funds as at reporting date.
- The fair value of the financial assets and liabilities is included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale. The fair-value of the financial-instruments factor the uncertainties arising out of COVID-19, where applicable.

\* Refer note 2.19 for Level of hierarchy

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

### 34 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, EUR, GBP and Others. The Company takes adequate foreign exchange forward covers as per the guidelines approved by the Board to mitigate currency risk.

#### 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:

	INR in Lacs							
	As at 31 March 2022				As at 31 March 2021			
	USD	EUR	EUR	Others	USD	EUR	GBP	Others
Cash and cash equivalents	50.95	7.47	229.67	1.86	90.87	8.92	9.64	0.42
Trade receivables	3,697.12	86.63	532.95	30.72	3,624.79	51.54	1,049.09	146.93
Other financial assets	(129.58)	-	105.24	4.88	51.12	-	80.92	4.68
Trade payables	(15.85)	(10.37)	(294.91)	(0.06)	(50.14)	(6.49)	(2,216.06)	(0.93)
Other financial liabilities	(9.73)	-	(1.35)	-	(66.77)	-	(182.54)	-
<b>Net statement of financial position exposure</b>	<b>3,592.91</b>	<b>83.73</b>	<b>571.60</b>	<b>37.40</b>	<b>3,649.87</b>	<b>53.97</b>	<b>(1,258.95)</b>	<b>151.10</b>

#### Sensitivity analysis

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

	INR in Lacs			
	Profit or Loss (before tax)			
	As at 31 March 2022		As at 31 March 2021	
	Strengthening	Weakening	Strengthening	Weakening
USD (1% movement)	35.93	(35.93)	36.50	(36.50)
EUR (1% movement)	0.84	(0.84)	0.54	(0.54)
GBP (1% movement)	5.72	(5.72)	(12.59)	12.59
Others (1% movement)	0.37	(0.37)	1.51	(1.51)

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

### 34 Financial risk management (Contd..)

#### Forward covers

The Company takes adequate foreign exchange forward covers to mitigate the risk of changes in exchange rates on foreign currency exposures. The counterparty for these contracts is bank. These forward covers are value based on quoted prices for similar assets and liabilities in active markets or input that are directly or indirectly observable in the marketplace.

The details in respect of outstanding foreign currency forward contract are as follows:

Forward exchange contract	Buy/Sell	INR in Lacs			
		As at 31 March 2022		As at 31 March 2021	
		FC in Lacs	INR in Lacs	FC in Lacs	INR in Lacs
USD	Sell	96.00	7,439.88	69.50	5,237.78

#### Pricing risk:

Pricing pressure is a constant risk due to increased competition. The Company strives to mitigate this risk with existing customers by a trade-off for volumes. Thereon, it is the Company's endeavour to reduce the impact by taking advantage of economies of scale and increasing productivity, as well increasing automation within these processes.

#### Interest rate risk

The Company is not exposed to interest rate risk.

### ii Credit risk

#### Trade receivables and other financial assets

The Company's exposure to credit risk is influenced mainly by the individual characteristics of each customer and if a customer fails to meet its contractual obligations. The demographics of the customer, including the default risk of the industry and country in which the customer operates, also has an influence on credit risk assessment. Details of concentration of revenue are as follows:

Particulars	INR in Lacs	
	Year ended 31 March 2022	Year ended 31 March 2021
Revenue from top customer (2 customers) (more than 10% revenue individually)	4,155.36	3,687.16
Revenue from top 15 customers	23,987.65	17,000.87

Expanding the customer base is mitigating this risk. Within the current customers, the Company is looking to deepen the partnership by supporting publishers in new areas of outsourcing.

#### Expected credit loss for trade receivables:

Trade receivables of INR 4,871.29 Lacs as at 31 March 2022 (31 March 2021 : INR 5,729.92 Lacs) 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.

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

### 34 Financial risk management (Contd..)

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.

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

Particulars	INR in Lacs					
	As at 31 March 2022			As at 31 March 2021		
	Gross carrying amount	Allowance for credit losses	Net carrying amount	Gross carrying amount	Allowance for credit losses	Net carrying amount
Less than 180 days	4,866.80	60.38	4,806.42	3,302.75	64.06	3,238.69
More than 180 days	84.31	19.44	64.87	2,624.91	133.68	2,491.23
	<b>4,951.11</b>	<b>79.82</b>	<b>4,871.29</b>	<b>5,927.66</b>	<b>197.74</b>	<b>5,729.92</b>

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

Particulars	INR in Lacs	
	As at 31 March 2022	As at 31 March 2021
Balance at the beginning of the year	197.74	50.43
Add: Addition due to business combination	-	46.28
Add: Provided during the year (net of reversal)	(113.87)	107.07
Less: Amount written off	(16.04)	(4.44)
Less: Impact of foreign currency translation	11.99	(1.60)
<b>Balance at the end of the year</b>	<b>79.82</b>	<b>197.74</b>

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 excepted 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 short term bonds and only with counterparties that have a good credit rating. The Company invests as per the guidelines approved by the Board to mitigate this risk.

#### iii Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Company's approach to managing liquidity is to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when they are due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation.

The Company's treasury department is responsible for managing the short term and long term liquidity requirements. Liquidity situation is reviewed regularly by the management.

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

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

### 34 Financial risk management (Contd..)

#### Exposure to liquidity risk

The following are the details of contractual maturities of financial liabilities at the reporting date:

INR in Lacs

Particulars	Contractual Cash flows					
	As at 31 March 2022			As at 31 March 2021		
	Carrying Amount	Within 1 year	More than 1 Year	Carrying Amount	Within 1 year	More than 1 Year
<b>Non-derivative financial liabilities</b>						
Lease liabilities	1,062.58	358.34	704.24	1,225.23	162.59	1,062.64
Trade payables	2,447.16	2,447.16	-	3,208.33	3,208.33	-
Other financial liabilities	434.25	434.25	-	678.01	678.01	-

### 35 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:

INR in Lacs

Particulars	As at 31 March 2022	As at 31 March 2021
Total equity attributable to the equity share holders of the Company	1,710.58	1,805.02
Other Equity	30,889.00	34,066.41
As percentage of total capital	100%	100%
Total lease liabilities	1,062.58	1,225.23
As a percentage of total capital	62%	68%
<b>Total capital (lease liabilities and equity)</b>	<b>33,662.16</b>	<b>37,096.66</b>

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

### 36 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:

- Content solutions:** Content solutions mean creating and developing content for print and digital delivery. It includes content authoring/development, content production, content transformation, fulfillment and customer support services.
- eLearning solutions:** offering custom technology-enabled learning services which included Web-based tutorials, Simulation- and Game-based learning, Augmented and Virtual Reality, Learning Nuggets and Motion Graphics, Learning Consulting to corporates, government agencies, universities etc.
- Platform solutions:** Platform solutions means developing and implanting various software and technology services programs.

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

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

### 36 Segment information

The Company has aggregated its operating segment into Content, eLearning and Platform operating reportable segment, which is consistent with aggregation criteria defined under Ind AS 108 i.e. similar economic characteristics, similar nature of the production process, similar type or class of customer for their products and services and similar method used to distribute their product or provide their services.

Accordingly, operating segment i.e. books, journals, customer fulfillment and others are aggregated into content operating segment and technology and software related services aggregated into platform operating segment. The CODM has evaluated the segment wise allocation for the business of the new acquisition of HighWire Company into existing segment of Platform Solutions.

The Company prepares its segment information in conformity with the accounting policies adopted for preparing and presenting the financial statements of the Company as a whole.

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

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

Particulars	INR in Lacs	
	Year ended 31 March 2022	Year ended 31 March 2021
<b>Segment revenue</b>		
Content solutions	17,574.72	16,017.16
Platform solutions	10,827.01	11,885.00
<b>Total revenue from operations</b>	<b>28,401.73</b>	<b>27,902.16</b>
<b>Segment results</b>		
Content solutions	7,102.48	6,511.01
Platform solutions	4,086.30	3,661.43
<b>Total</b>	<b>11,188.78</b>	<b>10,172.44</b>
Add: Interest income	506.62	590.56
Less: Finance cost	116.21	136.05
Less: Un-allocable expenditure (net of un-allocable income)	1,740.07	1,836.56
<b>Profit before tax</b>	<b>9,839.12</b>	<b>8,790.39</b>
Tax expense	2,693.12	2,736.79
<b>Profit for the year</b>	<b>7,146.00</b>	<b>6,053.60</b>

- (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.

#### (d) Geographical informations:

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

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

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

### 36 Segment information

#### (i) Revenue by geographical markets

Particulars	INR in Lacs	
	Year ended 31 March 2022	Year ended 31 March 2021
India (country of domicile)	331.94	233.92
Europe	8,826.78	8,280.03
USA	18,235.65	18,590.81
Rest of the world	1,007.36	797.40
<b>Total</b>	<b>28,401.73</b>	<b>27,902.16</b>

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

Particulars	INR in Lacs	
	Year ended 31 March 2022	Year ended 31 March 2021
India (country of domicile)	9,444.42	9,434.72
Europe	1,409.57	1,409.57
USA	9,518.54	10,214.17
Rest of the world	-	-
<b>Total</b>	<b>20,372.53</b>	<b>21,058.46</b>

### 37 Related party transactions

The related parties as per the terms of Ind AS-24, "Related Party Disclosures", (specified under section 133 of the Companies Act, 2013) are disclosed below:-

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

S. No.	Description of relationship	Names of related parties
1	Holding and Ultimate Holding	ADI BPO Services Limited
2	Subsidiary Company	MPS North America LLC MPS Interactive Systems Limited TOPSIM GmbH MPS Europa AG HighWire North America LLC (dissolved w.e.f. 21 December 2021)
3	Downstream Subsidiary Company	HighWire Press Limited (w.e.f 1 July 2020) Semantico Limited (w.e.f 1 July 2020)
4	Company Under Common Control	ADI Media Private Limited Birdcall Private Limited (w.e.f 14 July 2021)
5	Key management personnel (KMP)	Mr. Nishith Arora, Chairman & Non - Executive Director till 30 June 2021 Mr. Rahul Arora, Chairman (w.e.f. 01 July 2021) and Managing Director Ms. Jayantika Dave, Independent Director Ms. Achal Khanna, Independent Director Mr. Ajay Mankotia, Independent Director Dr. Piyush Kumar Rastogi, Independent Director

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

**37 Related party transactions**

S. No.	Description of relationship	Names of related parties
		Ms. Yamini Tandon, Non- Executive Director
		Mr. Sunit Malhotra, CFO (till 31 October 2021) & Company Secretary and Director of the holding company
		Mr. Ratish Mohan Sharma, CFO (w.e.f. 01 November 2021)
		Ms. Gagan Sahni Tyagi, Director of holding company

**B Transactions during the year**

S. No.	Description of transactions:	Name of related party	Relationship	INR in Lacs	
				Year ended 31 March 2022	Year ended 31 March 2021
1	Rentals paid	ADI BPO Services Limited	Holding and Ultimate Holding	184.23	168.88
		ADI Media Private Limited	Company Under Common Control	5.28	5.28
2	Infrastructure charges	ADI BPO Services Limited	Holding and Ultimate Holding	51.60	51.60
3	Reimbursement of expenses-paid	ADI BPO Services Limited	Holding and Ultimate Holding	1.10	9.93
		ADI Media Private Limited	Company Under Common Control	1.84	1.94
		MPS North America LLC	Subsidiary Company	20.77	1.18
		MPS Interactive Systems Limited	Subsidiary Company	-	2.11
4	Reimbursement of expenses-received	MPS Interactive Systems Limited	Subsidiary Company	-	3.61
		MPS North America LLC	Subsidiary Company	0.37	8.81
5	Rendering of services	MPS North America LLC	Subsidiary Company	2,545.71	1,957.97
		TOPSIM GmbH	Subsidiary Company	-	3.38
		Semantico Limited	Downstream Subsidiary Company	275.86	789.18
6	Outsourced Cost	HighWire Press Limited	Downstream Subsidiary Company	408.41	1,309.55
7	Sales and support cost	Semantico Limited	Downstream Subsidiary Company	-	554.21
8	Royalty income	Semantico Limited	Downstream Subsidiary Company	30.98	24.78
9	Royalty expenses	Semantico Limited	Downstream Subsidiary Company	56.88	50.24
10	Invoices for novation of contracts	Semantico Limited	Downstream Subsidiary Company	-	318.25
11	Interest income on loan	MPS Interactive Systems Limited	Subsidiary Company	-	55.80
12	Purchase of property, plant and equipment	MPS Interactive Systems Limited	Subsidiary Company	-	1.87
13	Purchase of intangible assets	Semantico Limited	Downstream Subsidiary Company	-	52.23

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

**37 Related party transactions (Contd..)**

S. No.	Description of transactions:	Name of related party	Relationship	INR in Lacs	
				Year ended 31 March 2022	Year ended 31 March 2021
14	Investment in equity shares	HighWire North America LLC	Subsidiary Company	-	189.05
15	Redemption of preference shares	MPS Interactive Systems Limited	Subsidiary Company	-	2,200.00
16	Repayment of loan	MPS Interactive Systems Limited	Subsidiary Company	-	2,052.60
17	Dividend income received	MPS Interactive Systems Limited	Subsidiary Company	-	29.41
18	Loss on liquidation	HighWire North America LLC	Subsidiary Company	0.85	-
19	<b>Remuneration</b>				
	<b>(i) Short-term employee benefits</b>	Mr. Rahul Arora	KMP	314.43	250.09
		Mr. Sunit Malhotra	KMP	63.14	66.56
		Mr. Ratish Mohan Sharma	KMP	31.82	-
		Ms. Gagan Sahni Tyagi	KMP	31.41	23.28
	<b>(ii) Post-employment benefits</b>	Mr. Sunit Malhotra	KMP	0.29	0.52
		Mr. Ratish Mohan Sharma	KMP	2.27	-
		Ms. Gagan Sahni Tyagi	KMP	1.89	1.15
20	<b>Director sitting fees</b>	Ms. Jayantika Dave	KMP	6.40	6.40
		Ms. Achal Khanna	KMP	5.20	5.20
		Mr. Ajay Mankotia	KMP	9.00	7.80
		Dr. Piyush Kumar Rastogi	KMP	7.80	7.80
21	<b>Buy back of Equity Share</b>	ADI BPO Services Limited	Holding and Ultimate Holding	5,228.94	2,072.33

**C Balances at the year end**

S. No.	Balances at the year end	Name of related party	Relationship	INR in Lacs	
				As at 31 March 2022	As at 31 March 2021
1	<b>Security deposit placed</b>	ADI BPO Services Limited	Holding and Ultimate Holding	80.96	75.46
		ADI Media Private Limited	Company Under Common Control	0.86	0.81
2	<b>Prepaid rent</b>	ADI BPO Services Limited	Holding and Ultimate Holding	15.74	20.98
		ADI Media Private Limited	Company Under Common Control	0.02	0.06
3	<b>Trade receivables</b>	MPS North America LLC	Subsidiary Company	480.54	233.82
		TOPSIM GmbH	Subsidiary Company	-	-
		Semantico Limited	Downstream Subsidiary Company	251.77	1,128.99
		MPS Interactive Systems Limited	Subsidiary Company	0.77	-

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

**37 Related party transactions (Contd..)**

S. No.	Balances at the year end	Name of related party	Relationship	INR in Lacs	
				As at 31 March 2022	As at 31 March 2021
4	Trade payables	ADI BPO Services Limited	Holding and Ultimate Holding	-	-
		ADI Media Private Limited	Company Under Common Control	0.03	0.02
		HighWire Press Limited	Downstream Subsidiary Company	301.82	311.00
		Semantico Limited	Downstream Subsidiary Company	1,266.15	1,886.54
5	Payable on purchase of intangible assets	Semantico Limited	Subsidiary Company	-	52.23
6	Interest accrued on deposits	MPS Interactive Systems Limited	Subsidiary Company	-	-
7	Projected benefit obligation	Mr. Sunit Malhotra	KMP	12.74	11.98
		Mr. Ratish Mohan Sharma	KMP	2.57	-
		Ms. Gagan Sahni Tyagi	KMP	6.34	4.29
8	Other receivables	MPS North America LLC	Subsidiary Company	5.67	-
9	Provision accrued	Semantico Limited	Downstream Subsidiary Company	22.50	-

**38 Contingent liabilities to the extent not provided for:**

**(i) Claims against Company, disputed by the Company, not acknowledged as debt:**

	INR in Lacs	
	As at 31 March 2022	As at 31 March 2021
(a) Income tax	318.29	651.67
(b) Service tax	43.14	43.14

The above amounts are based on the notice of demand / Assessment Orders / claims by the relevant authorities / parties and the Company is contesting these claims. Outflows, if any, arising out of these claims would depend on the outcome of the decisions of the appellate authorities and the Company's rights for future appeals before the judiciary. The management believes that the ultimate outcome of these proceedings will not have a material adverse effect on the Company's financial position and results of operations.

- (ii)** The 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 had 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 had 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.

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

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

### 39 Commitments as at year end

Estimated amount of contracts remaining to be executed on capital account (net of advances) INR NIL Lacs (31 March 2021: INR 62.21 Lacs).

### 40 Corporate Social Responsibility (CSR) Expense

As required by Section 135 of the Companies Act 2013, a Corporate Social Responsibility (CSR) committee has been formed by the Company. The areas for CSR activities include imparting primary education to under privileged girls, computer education to underprivileged children and building intellect and instill higher values of life through education and any other area the Board may find appropriate. Gross amount required to be spent by the Company during the year was INR 157 Lacs (for the year ended 31 March 2021; INR 163 Lacs).

#### a) Details of amount required, spent and shortfall in CSR Expense during the year

Particulars	INR in Lacs	
	Year ended 31 March 2022	Year ended 31 March 2021
Amount required to be spent by the company	157	163
Amount incurred during the year (Refer "b" below)	157	163
Shortfall at the end of the year	-	-
Total of previous years shortfall	-	-
Amount of provision made with respect to a liability incurred by entering into a contractual obligation	-	-

#### b) Amount spent by the Group on its CSR activities are as follows:

Particulars	INR in Lacs	
	Year ended 31 March 2022	Year ended 31 March 2021
Promotion of education and skills	115.00	115.00
Health care	42.00	48.00
<b>Total</b>	<b>157.00</b>	<b>163.00</b>

### 41 Business Combination:

The Company during the year ended 31 March 2021, had given purchase consideration of INR 5,181.20 Lacs in cash to acquire HighWire Press US Business through its US Branch. The combined platforms of the Company and HighWire has significantly strengthen Company's product ecosystem.

Following assets and liabilities have been recorded on fair value through business combination accounting by the Company:  
INR in Lacs

Particulars	Note	INR in Lacs	
		As at 31 March 2022	As at 31 March 2021
Property, plant and equipment	3.1	26.74	26.74
Right-of-use assets	4	233.70	233.70
Other intangible assets	5	2,365.78	2,365.78
Non-current investments		806.89	806.89
Trade receivables		1,423.72	1,423.72
Cash and cash equivalents		971.21	971.21

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

### 41 Business Combination: (Contd..)

Particulars	Note	INR in Lacs	
		As at 31 March 2022	As at 31 March 2021
Loans		127.99	127.99
Other current assets		452.27	452.27
Lease liabilities	14	(802.89)	(802.89)
Other financial liabilities-non current		(48.01)	(48.01)
Trade payables		(2,105.72)	(2,105.94)
Other financial liabilities-current		(397.39)	(397.39)
Income received in advance (contract liabilities)	46 (iii)	(830.80)	(830.80)
Other current liabilities		(168.26)	(168.26)
Provisions		(297.30)	(324.23)
<b>Net assets</b>		<b>1,757.93</b>	<b>1,730.78</b>
Purchase consideration		5,181.20	5,181.20
<b>Goodwill on acquisition</b>	5	<b>3,423.27</b>	<b>3,450.42</b>

The goodwill of INR 3,423.26 Lacs comprises value of acquired workforce and expected synergies arising from the acquisition. Goodwill is deductible for income tax purposes at USA.

The company incurred acquisition related cost of INR 64.61 Lacs on legal fees and due diligence costs in previous financial year. These cost have been included in legal and professional fees under the head "other expenses". The measurement period of goodwill had been closed on 30 June 2021.

If the acquisition had occurred on 1 April 2020, management estimates that total revenue for the Company would have been higher by INR 2,393.88 Lacs and the profit after taxes would have been higher by INR 159.66 Lacs. The pro-forma amounts are not necessarily indicative of the results that would have occurred if the acquisition had occurred on date indicated or that may result in the future.

**42** The Board recommended a final dividend of INR 30 (face value of INR 10 per share ) per equity share. This payment is subject to the approval of shareholders in the Annual General Meeting (AGM) of the Company to be held on June 27, 2022.

Further, there has been no delay in transferring amounts and shares, required to be transferred, to the Investor Education and Protection Fund by the Group.

### 43 Details of provisions

The Company has made provision for pending litigation matter based on its assessment of the amount it estimates to incur to meet such obligation, details of which are given below:

Provision for service tax matter	INR in Lacs	
	As at 31 March 2022	As at 31 March 2021
As at commencement of the year	-	39.04
Additions	-	-
Reversal/utilisation	-	(39.04)
<b>As at end of the year</b>	<b>-</b>	<b>-</b>

**44** The Company publishes this financial statement along with the consolidated financial statements. In accordance with Ind AS 108, Operating Segments, the Company has disclosed the segment information in the consolidated financial statements.

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

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

### 45 Disclosure pursuant to section 186(4) of the Companies Act, 2013 in respect of unsecured loans to subsidiary company (refer note 35):

MPS Interactive Systems Limited	Purpose/Term of loan	INR in Lacs	
		As at 31 March 2022	As at 31 March 2021
Outstanding as at the beginning of year		-	2,052.60
Given during the year	General business	-	-
Repaid during the year	purpose for a	-	(2,052.60)
Maximum balance outstanding	tenure of 5 years	-	2,052.60
<b>Outstanding as at the end of year</b>		<b>-</b>	<b>-</b>

### 46 Revenue from contracts with customers

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

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

Particulars	INR in Lacs	
	Year ended 31 March 2022	Year ended 31 March 2021
Content solutions	17,574.97	16,387.42
Platform solutions	10,826.76	11,514.74
	<b>28,401.73</b>	<b>27,902.16</b>

#### (ii) Disaggregation of revenue from contracts with customers

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

Particulars	INR in Lacs					
	Year ended 31 March 2022			Year ended 31 March 2021		
	Content solutions	Platform solutions	Total	Content solutions	Platform solutions	Total
India (country of domicile)	266.11	65.83	331.94	172.50	61.42	233.92
Europe	5,439.18	3,387.60	8,826.78	3,794.73	4,485.30	8,280.03
USA	11,559.51	6,676.14	18,235.65	12,078.05	6,512.76	18,590.81
Rest of the world	310.17	697.19	1,007.36	342.14	455.26	797.40
<b>Total</b>	<b>17,574.97</b>	<b>10,826.76</b>	<b>28,401.73</b>	<b>16,387.42</b>	<b>11,514.74</b>	<b>27,902.16</b>

Refer note 34 (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	INR in Lacs	
	As at 31 March 2022	As at 31 March 2021
Receivables, which are included in 'Trade and other receivables' (refer note 11)	4,871.29	5,729.92
Unbilled revenue (refer note 8(ii))	147.65	210.23
Contract assets (refer note 10(ii))	2,107.99	2,049.93
Contract liabilities (refer note 18)	2,847.72	1,396.15

Trade receivables are non-interest bearing and are generally on terms of 0 to 60 days.

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

### 46 Revenue from contracts with customers (Contd..)

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

INR in Lacs

Particulars	Year ended 31 March 2022		Year ended 31 March 2021	
	Contract assets	Contract liabilities	Contract assets	Contract liabilities
Balance as at beginning of the year	2,049.93	1,396.15	2,034.97	428.77
Business combination (refer note no 41)		-	-	830.80
Revenue recognised that was included in the unearned balance at the beginning of the year	(54.61)	(1,364.62)	-	(1,133.01)
Increases due to cash received, excluding amounts recognised as revenue during the year	14.07	2,817.60	54.61	814.60
Transfers from contract assets recognised at the beginning of the year to receivables	(1,995.32)	-	(1,960.50)	-
Increases as a result of changes in the measure of progress	2,093.92	-	1,920.85	479.55
Exchange Impact	-	(1.41)	-	(24.56)
<b>Balance at the end of the year</b>	<b>2,107.99</b>	<b>2,847.72</b>	<b>2,049.93</b>	<b>1,396.15</b>

(iv) The amount of revenue recognised from performance obligations satisfied (or partially satisfied) in previous years, mainly due to the changes in the transaction price is Nil (31 March 2021 : Nil)

#### (v) Reconciliation of revenue recognized with the contracted price is as follows:

INR in Lacs

Particulars	Year ended 31 March 2022	Year ended 31 March 2021
<b>Contracted price</b>	28,407.96	28,017.22
Reductions towards variable consideration components	(6.23)	(115.06)
<b>Revenue recognised</b>	<b>28,401.73</b>	<b>27,902.16</b>

The reduction towards variable consideration comprises of volume discounts, bulk discount and price discount, etc.

#### (vi) Transaction price allocated to the remaining performance obligations

The Company applies the practical expedient in paragraph 121 of Ind AS 115 and does not disclose information about remaining performance obligations that have original expected durations of one year or less.

(vii) 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.

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

### 47 Relationship with Struck off Companies

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

INR in Lacs

Name of struck off company	Nature of transactions with struck-off Company	Balance Outstanding as at 31 March 2022	Balance Outstanding as at 31 March 2021	Relationship with the Struck off company, (if any),
Trinity Publishing services (P) Ltd	Payables	0.18	0.18	
Green Land Facilities Management	Payables	0.54	0.54	No
		<b>0.72</b>	<b>0.72</b>	

48 Company is compliant with number of layers prescribed under clause 87 of section 2 of companies act, 2013.

49 Utilisation of Security premium total utilisation of Security premium INR 10,442.76 Lacs in FY 2021-22 and INR 4157.57 Lacs in FY 2020-21

### 50 Ratios

INR in Lacs

Ratios	Formulas for Computation	Measures (Times/ Percentage)	31 March 2022	31 March 2021	Variation	Remarks
Current Ratio	Curren Assets/Current Liabilities	Times	2.26	2.38	-5%	
Debt-Equity Ratio	Total Debts / Net Worth	Times	NA	NA	0%	There is no debt in the company.
Debt Service Coverage Ratio	EBITDA/Debt Service	Times	NA	NA	0%	There is no debt in the company.
Return on Equity Ratio	PAT/Average total equity	Percentage	21%	17%	21%	
Inventory turnover Ratio	COGS/Average Inventory	Times	NA	NA	0%	Company is in service sector.
Trade Receivable turnover Ratio	Revenue from Operations/ Average Debtors	Times	5.22	6.05	-14%	
Trade Payable turnover Ratio	Other expenses net off non cash expenses and CSR/ Average accounts payable	Times	2.03	3.89	-48%	Trade Payables at closing have increased in the previous financial year,post acquisition.
Net Capital turnover Ratio	Revenue from Operations/ Average Working Capital ( i.e Total Current Assets Less Total Current Liabilities)	Times	3.21	2.22	45%	Due to increase in other liabilities.
Net Profit Ratio	PAT/ Revenue from Operations	Percentage	25%	22%	16%	
Return on Capital Employed	EBIT/Capital Employed ((Net Worth +Lease Liabilities+Deferred Tax Liabilities)	Percentage	30%	24%	23%	
Return on Investments	PBT/Total Assets	Percentage	25%	20%	23%	

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

**51 Other statutory information**

- (i) The Company do not have any Benami property, where any proceeding has been initiated or pending against the Company for holding any Benami property.
- (ii) The Company do not have any charges or satisfaction which is yet to be registered with ROC beyond the statutory period
- (iii) The Company have not traded or invested in Crypto currency or Virtual Currency during the period/year.
- (iv) The Company have not advanced or loaned or invested funds to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding that the Intermediary shall:
  - (a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company (Ultimate Beneficiaries) or
  - (b) provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries
- (v) The Company have not received any fund from any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Company shall:
  - (a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries) or
  - (b) provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries,
- (vi) The Company have not any such transaction which is not recorded in the books of accounts that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (such as, search or survey or any other relevant provisions of the Income Tax Act, 1961.

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

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

**Rohit Arora**  
Partner  
Membership Number: 504774

**Rahul Arora**  
Chairman and Managing Director  
DIN: 05353333

**Ajay Mankotia**  
Director  
DIN: 03123827

**Ratish Mohan Sharma**  
Chief Financial Officer

**Sunit Malhotra**  
Company Secretary

Place : Gurugram  
Date : 17 May 2022

Place : Gurugram  
Date : 17 May 2022

# Independent Auditor’s Report

To the Members of **MPS Limited**

## Report on the Audit of the Consolidated Financial Statements

### Opinion

1. We have audited the accompanying consolidated financial statements of MPS Limited (‘the Holding Company’) and its subsidiaries (the Holding Company and its subsidiaries together referred to as ‘the Group’), as listed in Annexure 1, which comprise the Consolidated Balance Sheet as at 31 March 2022, the Consolidated Statement of Profit and Loss (including Other Comprehensive Income), the Consolidated Cash Flow Statement and the Consolidated Statement of Changes in Equity for the year then ended, and a summary of the significant accounting policies and other explanatory information.
2. In our opinion and to the best of our information and according to the explanations given to us and based on the consideration of the reports of the other auditors on separate financial statements and on the other financial information of the subsidiaries, the aforesaid consolidated financial statements give the information required by the Companies Act, 2013 (‘the Act’) in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards (‘Ind AS’) specified under section 133 of the Act, read with the Companies (Indian Accounting Standards) Rules, 2015, and other accounting principles generally accepted in India of the consolidated state of affairs of the Group as at 31 March 2022, and their consolidated profit (including other comprehensive income), consolidated cash flows and the consolidated changes in equity for the year ended on that date.

5. We have determined the matters described below to be the key audit matters to be communicated in our report.

### Basis for Opinion

3. We conducted our audit in accordance with the Standards on Auditing specified under section 143(10) of the Act. Our responsibilities under those standards are further described in the Auditor’s Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India (‘ICAI’) together with the ethical requirements that are relevant to our audit of the consolidated 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 together with the audit evidence obtained by the other auditors in terms of their reports referred to in paragraph 14 of the Other Matters section below, is sufficient and appropriate to provide a basis for our opinion.

### Key Audit Matter

4. Key audit matters are those matters that, in our professional judgment and based on the consideration of the reports of the other auditors on separate financial statements of the subsidiaries, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key audit matter	How our audit addressed the key audit matter
<p><b>Revenue from Contract with customers</b></p> <p>The Group’s revenue is derived primarily from content solutions, eLearning solutions, platform solutions and related services recognised in accordance with the accounting policy described in Note 2.9 to the accompanying Consolidated financial statements. Refer Note 21 for related financial disclosures.</p>	<p>Our audit procedures in respect of revenue recognition included, but were not limited to the following:</p> <ul style="list-style-type: none"> <li>• Understood the process of revenue recognition and evaluated the appropriateness of the revenue recognition accounting policies adopted by the Group in terms of principles enunciated under Ind AS 115;</li> </ul>

Key audit matter	How our audit addressed the key audit matter
<p>Revenue recognition sale of services in accordance with the principles of Ind AS 115, Revenue from Contracts with Customers ('Ind AS 115') for the Group involves management judgement in identification of distinct performance obligations in case of combined contracts, determination of transaction price in view of variable consideration terms included in contracts, and allocation of the transaction price to the performance obligations identified by determining standalone prices of the respective performance obligations.</p> <p>Further, the management has determined that the Group transfers the control of aforesaid services provided to customers over time as the entity's performance does not create an asset with an alternate use to the Group and the entity has an enforceable right to payment for performance obligations completed to date. Significant judgement is required in determining the extent of performance obligations satisfied which involves selection of appropriate method for measuring progress and use of estimates linked to output delivered.</p> <p>The Group and its external stakeholders focus on revenue as a key performance measure, which could be an incentive or external pressure to meet expectations resulting in revenue being overstated or recognized before performance obligations are completed.</p> <p>Thus, considering the aforementioned factors, it involves considerable audit efforts to test the accuracy, occurrence and completeness of revenue recognition and has therefore been determined as a key audit matter for the current year audit.</p>	<ul style="list-style-type: none"> <li>• Evaluated the integrity of the information and technology general control environment and tested the operating effectiveness of key IT application controls.</li> <li>• Evaluating the design, implementation and operating effectiveness of Group's key financial controls in respect of revenue recognition and tested the operating effectiveness of such controls for a sample of transactions.</li> <li>• Performed substantive testing of revenue transactions recorded during the year using statistical sampling by verifying the underlying supporting documents including customer contracts to confirm distinct performance obligations identified by the Group, test measurement and allocation of transaction price to identified performance obligations and determining the accuracy of recording of revenue based on progress towards satisfaction of performance obligations.</li> <li>• Tested the contracts assets and contract liabilities recorded by the Group at year end, on a sample basis, by evaluating appropriateness of method adopted by the Group, including use of estimates, for measuring progress towards satisfaction of performance obligations.</li> <li>• Performed substantive analytical procedures which included variance analysis of current year revenue with previous year revenue considering both qualitative and quantitative factors to identify any unusual trends or any unusual items.</li> <li>• Ensured that the disclosure requirements of Ind AS 115 have been complied with.</li> </ul>

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

6. The Holding Company's Board of Directors are responsible for the other information. The other information comprises the information included in the Annual Report, but does not include the consolidated financial statements and our auditor's report thereon. The Annual Report is expected to be made available to us after the date of this auditor's report.

Our opinion on the consolidated financial statements does not cover the other information and we will not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the

other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

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

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

7. The accompanying consolidated financial statements have been approved by the Holding Company's Board of Directors. The Holding Company's Board of Directors are responsible for the matters stated in section 134(5) of the Act with respect to the preparation

and presentation of these consolidated financial statements that give a true and fair view of the consolidated financial position, consolidated financial performance including other comprehensive income, consolidated changes in equity and consolidated cash flows of the Group in accordance with the Ind AS specified under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, and other accounting principles generally accepted in India. The Holding Company's Board of Directors are also responsible for ensuring accuracy of records including financial information considered necessary for the preparation of consolidated Ind AS financial statements. Further, in terms of the provisions of the Act the respective Board of Directors of the companies included in the Group covered under the Act are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error. These financial statements have been used for the purpose of preparation of the consolidated financial statements by the Board of Directors of the Holding Company, as aforesaid. In preparing the consolidated financial statements, the respective Board of Directors of the companies included in the Group are responsible for assessing the ability of the Group to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors either intend to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

8. Those respective Board of Directors are also responsible for overseeing the financial reporting process of the companies included in the Group.

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

9. Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance

is a high level of assurance but is not a guarantee that an audit conducted in accordance with Standards on Auditing will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

10. As part of an audit in accordance with Standards on Auditing specified under section 143(10) of the Act, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:
  - Identify and assess the risks of material misstatement of the consolidated 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 Holding Company has adequate internal financial controls system with reference to financial statements in place and the operating effectiveness of such controls;
  - Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management;
  - Conclude on the appropriateness of Board of Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Group 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 Group to cease to continue as a going concern; and

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
  - Obtain sufficient appropriate audit evidence regarding the financial information/financial statements of the entities or business activities within the Group, to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the audit of financial statements of such entities included in the financial statements, of which we are the independent auditors. For the other entities included in the financial statements, which have been audited by the other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion.
11. We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.
  12. 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.
  13. From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

#### Other Matters

14. We did not audit the financial statements/financial information of four subsidiaries, whose financial

statements reflects total assets of ₹ 5,740.81 lakhs and net assets of ₹ 3,138.20 lakhs as at 31 March 2022, total revenues of ₹ 5,248.22 lakhs and net cash inflows amounting to ₹ 214.20 lakhs for the year ended on that date, as considered in the consolidated financial statements. These financial statements have been audited by other auditors whose reports have been furnished to us by the management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries, and our report in terms of sub-section (3) of section 143 of the Act in so far as it relates to the aforesaid subsidiaries are based solely on the reports of the other auditors.

Further, these 4 subsidiaries are located outside India whose financial statements and other financial information have been prepared in accordance with accounting principles generally accepted in their respective countries and which have been audited by other auditors under generally accepted auditing standards applicable in their respective countries. The Holding Company's management has converted the financial statements of such subsidiaries, located outside India from accounting principles generally accepted in their respective countries to accounting principles generally accepted in India. We have audited these conversion adjustments made by the Holding Company's management. Our opinion on the consolidated financial statements, in so far as it relates to the balances and affairs of such subsidiaries located outside India, is based on the report of other auditors and the conversion adjustments prepared by the management of the Holding Company and audited by us.

Our opinion above on the consolidated financial statements, and our report on other legal and regulatory requirements below, are not modified in respect of the above matters with respect to our reliance on the work done by and the reports of the other auditors.

15. The consolidated financial statements of the Group for the year ended 31 March 2021 were audited by the predecessor auditor, B S R & Co. LLP, who have expressed an unmodified opinion on those consolidated financial statements vide their audit report dated 26 May 2021.

#### Report on Other Legal and Regulatory Requirements

16. As required by section 197(16) of the Act based on our audit, we report that the Holding Company and its subsidiary company, incorporated in India whose

financial statements have been audited under the Act have paid remuneration to their respective directors during the year in accordance with the provisions of and limits laid down under section 197 read with Schedule V to the Act.

17. As required by clause (xxi) of paragraph 3 of Companies (Auditor's Report) Order, 2020 ('the Order') issued by the Central Government of India in terms of section 143(11) of the Act based on the consideration of the Order reports issued by us of companies included in the consolidated financial statements and covered under the Act, we report that there are no qualifications or adverse remarks reported in the respective Order reports of such companies.
18. As required by section 143(3) of the Act, based on our audit, we report, to the extent applicable, that:
  - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit of the aforesaid consolidated financial statements;
  - b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books;
  - c) The consolidated financial statements dealt with by this report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements;
  - d) In our opinion, the aforesaid consolidated financial statements comply with Ind AS specified under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015;
  - e) On the basis of the written representations received from the directors of the Holding Company and its subsidiary company and taken on record by the Board of Directors of the Holding Company and its subsidiary company, covered under the Act, none of the directors of the Group companies are disqualified as on 31 March 2022 from being appointed as a director in terms of section 164(2) of the Act.
  - f) With respect to the adequacy of the internal financial controls with reference to financial statements of the Holding Company and its subsidiary company covered under the Act, and the operating effectiveness of such controls, refer to our separate report in 'Annexure I, wherein we have expressed an unmodified opinion; and
  - g) With respect to the other matters to be included in the Auditor's Report in accordance with rule 11 of the Companies (Audit and Auditors) Rules, 2014 (as amended), in our opinion and to the best of our information and according to the explanations given to us:
    - i. The consolidated financial statements disclose the impact of pending litigations on the consolidated financial position of the Group in Note 38 to the consolidated financial statements;
    - ii. The Holding Company and its subsidiary company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses as at 31 March 2022.
    - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Holding Company and its subsidiary company during the year ended 31 March 2022
    - iv. a. The respective managements of the Holding Company and its subsidiary company, incorporated in India whose financial statements have been audited under the Act have represented to us that, to the best of their knowledge and belief, as disclosed in note 51 to the financial statements, no funds have been advanced or loaned or invested (either from borrowed funds or securities premium or any other sources or kind of funds) by the Holding Company or its subsidiary company to or in any persons or entities, including foreign entities ('the intermediaries'), with the understanding, whether recorded in writing or otherwise, that the intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Holding Company, or any such subsidiary company ('the Ultimate Beneficiaries') or provide any guarantee, security or the like on behalf the Ultimate Beneficiaries;

- b. The respective managements of the Holding Company and its subsidiary company incorporated in India whose financial statements have been audited under the Act have represented to us that, to the best of their knowledge and belief, as disclosed in note 51 to the financial statements, no funds have been received by the Holding Company or its subsidiary company from any persons or entities, including foreign entities ('the Funding Parties'), with the understanding, whether recorded in writing or otherwise, that the Holding Company, or any such subsidiary company shall, whether directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ('Ultimate Beneficiaries') or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries; and
- c. Based on such audit procedures performed by us, as considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the management representations under sub-clauses (a) and (b) above contain any material misstatement.
- v. As stated in note 42 to the accompanying consolidated financial statements, the Board of Directors of the Holding Company have proposed final dividend for the year ended 31 March 2022 which is subject to the approval of the members at the ensuing Annual General Meeting. The dividend declared is in accordance with section 123 of the Act to the extent it applies to declaration of dividend.

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

**Rohit Arora**  
Partner

Place: Gurugram  
Date: 17 May 2022

Membership No.: 504774  
UDIN: 22504774AJCKWT6957

# Annexure 1

## List of entities included in the statement

Entity Name	Relationship
MPS Interactive Systems Limited	Subsidiary
MPS North America LLC	Subsidiary
MPS EUROPA AG	Subsidiary
Highwire Press Limited	Subsidiary
Semantico Limited	Subsidiary
TOPSIM GmbH	Subsidiary

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

1. In conjunction with our audit of the consolidated financial statements of MPS Limited ('the Holding Company') and its subsidiaries (the Holding Company and its subsidiaries together referred to as 'the Group'), as at and for the year ended 31 March 2022, we have audited the internal financial controls with reference to financial statements of the Holding Company and its subsidiary company which are companies covered under the Act, as at that date.

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

2. The respective Board of Directors of the Holding Company and its subsidiary company which are companies covered under the Act, are responsible for establishing and maintaining internal financial controls based on internal financial controls with reference to financial statements criteria established by the Holding Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting ('the Guidance note') issued by the Institute of Chartered Accountants of India ('ICAI'). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of the Company's business, including adherence to the Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

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

3. Our responsibility is to express an opinion on the internal financial controls with reference to financial statements of the Holding Company and its subsidiary company as aforesaid, based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the ICAI prescribed under Section 143(10) of the Act, to the extent applicable to an audit of internal financial controls with reference to financial statements, and the Guidance Note issued by the ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable

assurance about whether adequate internal financial controls with reference to financial statements were established and maintained and if such controls operated effectively in all material respects.

4. Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls with reference to financial statements and their operating effectiveness. Our audit of internal financial controls with reference to financial statements includes obtaining an understanding of such internal financial controls, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.
5. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls with reference to financial statements of the Holding Company and its subsidiary company as aforesaid.

### **Meaning of Internal Financial Controls with Reference to Financial Statements**

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

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

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

**Opinion**

8. In our opinion, the Holding Company and its subsidiary company which are companies covered under the Act, have in all material respects, adequate

internal financial controls with reference to financial statements and such controls were operating effectively as at 31 March 2022, based on the internal financial controls with reference to financial statements criteria established by the Holding 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.

For **Walker Chandiok & Co LLP**

Chartered Accountants

Firm's Registration No.: 001076N/N500013

**Rohit Arora**

Partner

Membership No.: 504774

UDIN: 22504774AJCKWT6957

Place: Gurugram

Date: 17 May 2022

# Consolidated Balance Sheet

as at 31 March 2022

INR in Lacs

	Note	As at 31 March 2022	As at 31 March 2021
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property, plant and equipment	3.1	2,023.69	2,156.18
Investment property	3.2	101.24	104.41
Right-of-use assets	4	993.00	1,276.65
Goodwill	5	8,700.53	8,529.06
Other intangible assets	5	2,501.58	3,369.28
<b>Financial assets</b>			
Investments	6 (i)	-	387.82
Other financial assets	8 (i)	4,754.52	7,214.98
Income tax assets (net)	9 (i)	615.03	326.19
Deferred tax assets (net)	17	-	55.94
Other non-current assets	10 (i)	333.95	374.64
<b>Total non-current assets</b>		<b>20,023.54</b>	<b>23,795.15</b>
<b>Current assets</b>			
<b>Financial assets</b>			
Investments	6 (ii)	584.63	827.07
Trade receivables	11	8,570.28	9,054.15
Cash and cash equivalents	12 (i)	8,156.05	6,658.91
Other bank balances	12 (ii)	5,126.86	3,603.83
Loans	7	0.28	0.29
Other financial assets	8 (ii)	690.72	651.22
Income tax assets (net)	9 (ii)	28.90	18.35
Other current assets	10 (ii)	6,478.26	6,108.38
<b>Total current assets</b>		<b>29,635.98</b>	<b>26,922.20</b>
<b>TOTAL ASSETS</b>		<b>49,659.52</b>	<b>50,717.35</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
Equity share capital	13	1,710.58	1,805.02
Other equity		34,976.60	36,306.83
<b>Total equity</b>		<b>36,687.18</b>	<b>38,111.85</b>
<b>Liabilities</b>			
<b>Non-current liabilities</b>			
<b>Financial liabilities</b>			
Lease liabilities	14 (i)	741.31	1,291.83
Provisions	15 (i)	45.67	63.63
Deferred tax liabilities (net)	17	1,254.96	1,110.52
Other non-current liabilities	19 (i)	-	-
<b>Total non-current liabilities</b>		<b>2,041.94</b>	<b>2,465.98</b>
<b>Current liabilities</b>			
<b>Financial liabilities</b>			
Lease liabilities	14 (ii)	457.17	543.14
Trade payables			
Due to Micro and Small enterprises	16	25.11	55.81
Due to Others	16	1,781.17	2,140.77
Other financial liabilities	18 (i)	781.63	1,092.92
Other current liabilities	19 (i)	7,585.97	5,585.75
Provisions	15 (ii)	131.70	301.59
Income tax liabilities (net)	20	167.65	419.54
<b>Total current liabilities</b>		<b>10,930.40</b>	<b>10,139.52</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>49,659.52</b>	<b>50,717.35</b>
Significant accounting policies	2		
Notes to financial statements	3-51		
The accompanying notes form an integral part of consolidated financial statements			

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

**Rohit Arora**  
Partner  
Membership Number: 504774

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

**Rahul Arora**  
Chairman and Managing Director  
DIN: 05353333

**Ratish Mohan Sharma**  
Chief Financial Officer

**Ajay Mankotia**  
Director  
DIN: 03123827

**Sunit Malhotra**  
Company Secretary

Place : Gurugram  
Date : 17 May 2022

Place : Gurugram  
Date : 17 May 2022

**Consolidated Statement of Profit & Loss** for the year ended 31 March 2022

		INR in Lacs	
	Note	Year ended 31 March 2022	Year ended 31 March 2021
Revenue from operations	21-22	44,888.18	42,254.75
Other income	23	1,408.87	987.26
<b>Total income</b>		<b>46,297.05</b>	<b>43,242.01</b>
<b>Expenses</b>			
Employee benefits expense	24	20,174.20	20,254.12
Finance costs	25	153.22	203.77
Depreciation and amortization expense	26	2,060.63	2,121.59
Other expenses	27	12,113.21	11,323.14
<b>Total expenses</b>		<b>34,501.26</b>	<b>33,902.62</b>
<b>Profit before exceptional items and tax</b>		<b>11,795.79</b>	<b>9,339.39</b>
Exceptional items		-	-
<b>Profit before tax</b>		<b>11,795.79</b>	<b>9,339.39</b>
<b>Tax expense:</b>	28		
Current tax		2,850.75	2,371.71
Adjustment of tax relating to earlier years		47.61	498.26
Deferred tax	17	185.38	613.46
<b>Total tax expenses</b>		<b>3,083.74</b>	<b>3,483.43</b>
<b>Profit for the year</b>		<b>8,712.05</b>	<b>5,855.96</b>
<b>Other comprehensive income</b>			
<b>Items that will not be reclassified subsequently to profit or loss</b>			
Remeasurement of net defined benefit liability/assets		33.88	69.42
Income tax relating to items that will not be reclassified to profit or loss		(8.53)	(17.47)
<b>Items that will be reclassified subsequently to profit or loss</b>			
Exchange differences on translation of foreign operations		396.41	(272.54)
<b>Total other comprehensive income for the year, net of tax</b>		<b>421.76</b>	<b>(220.59)</b>
<b>Total comprehensive income for the year</b>		<b>9,133.81</b>	<b>5,635.37</b>
<b>Earnings per equity share (nominal value of share INR 10)</b>			
- Basic and diluted (earnings per equity share expressed in absolute amount in Indian Rupees)	29	48.61	31.92
Significant accounting policies	2		
Notes to financial statements	3-51		
The accompanying notes form an integral part of consolidated financial statements			

As per our report of even date attached

For **Walker Chandio & Co. LLP**

Chartered Accountants

ICAI Firm Registration Number: 001076N/N500013

**Rohit Arora**

Partner

Membership Number: 504774

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

**Rahul Arora**

Chairman and Managing Director

DIN: 05353333

**Ajay Mankotia**

Director

DIN: 03123827

**Ratish Mohan Sharma**

Chief Financial Officer

**Sunit Malhotra**

Company Secretary

Place : Gurugram

Date : 17 May 2022

Place : Gurugram

Date : 17 May 2022

## Consolidated Statement of Change in Equity for the year ended 31 March 2022

### A. Equity share capital

	INR in Lacs
<b>Balance as at 1 April 2020</b>	<b>1,861.69</b>
Shares extinguished on buy back	(56.67)
<b>Balance as at 31 March 2021</b>	<b>1,805.02</b>
Shares extinguished on buy back	(94.44)
<b>Balance as at 31 March 2022</b>	<b>1,710.58</b>

### B. Other equity

Particulars	Other Comprehensive income (refer note 1 below)				Other Comprehensive income (refer note 1 below)	Total
	Securities premium account	Capital redemption reserve	General reserve	Retained earnings	Foreign currency translation reserve	
						INR in Lacs
<b>As at 1 April 2020</b>	<b>14,600.33</b>	-	<b>2,849.32</b>	<b>16,526.88</b>	<b>852.50</b>	<b>34,829.03</b>
Profit for the year	-	-	-	5,855.96	-	5,855.96
Other comprehensive income	-	-	-	51.95	(272.54)	(220.59)
<b>Total comprehensive income for the year</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>5,907.91</b>	<b>(272.54)</b>	<b>5,635.37</b>
Buy-back of equity shares (refer note 13 viii)	(3,343.33)	56.67	(56.67)			(3,343.33)
Expenses for buy-back of equity shares (refer note 13 viii)	(35.38)					(35.38)
Tax expenses on buy back (refer note 13 viii)	(778.86)					(778.86)
<b>As at 31 March 2021</b>	<b>10,442.76</b>	<b>56.67</b>	<b>2,792.65</b>	<b>22,434.79</b>	<b>579.96</b>	<b>36,306.83</b>
<b>As at 1 April 2021</b>	<b>10,442.76</b>	<b>56.67</b>	<b>2,792.65</b>	<b>22,434.79</b>	<b>579.96</b>	<b>36,306.83</b>
Profit for the year	-	-	-	8,712.05	-	8,712.05
Other comprehensive income	-	-	-	25.35	396.41	421.76
<b>Total comprehensive income for the year</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>8,737.40</b>	<b>396.41</b>	<b>9,133.81</b>
Buy-back of equity shares (refer note 13 viii)	(8,405.56)	94.44	(94.44)			(8,405.56)
Expenses for buy-back of equity shares (refer note 13 viii)	(57.04)		(21.28)			(78.32)
Tax expenses on buy back (refer note 13 viii)	(1,980.16)					(1,980.16)
<b>Balance as at 31 March 2022</b>	<b>-</b>	<b>151.11</b>	<b>2,676.93</b>	<b>31,172.19</b>	<b>976.37</b>	<b>34,976.60</b>

# Consolidated Statement of Change in Equity for the year ended 31 March 2022

Notes:

## 1 Nature and purpose of other equity:

**Securities premium reserve:** The unutilized accumulated excess of issue price over face value on issue of shares. This reserve is utilised in accordance with the provisions of the Companies Act, 2013.

**Capital redemption reserve:** As per Companies Act, 2013, capital redemption reserve is created when company purchases its own shares out of general reserve reserves. A sum equal to the nominal value of the shares so purchased is transferred to capital redemption reserve. The reserve is utilised in accordance with the provisions of section 69 of the Companies Act, 2013.

**General reserve:** This represents appropriation of profit by the Company and is available for distribution of dividend.

**Retained earning:** This represents the cumulative profits/(losses) of the Group.

As per our report of even date attached

For **Walker Chandio & Co. LLP**

Chartered Accountants

ICAI Firm Registration Number: 001076N/N500013

**Rohit Arora**

Partner

Membership Number: 504774

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

**Rahul Arora**

Chairman and Managing Director

DIN: 05353333

**Ajay Mankotia**

Director

DIN: 03123827

**Ratish Mohan Sharma**

Chief Financial Officer

**Sunit Malhotra**

Company Secretary

Place : Gurugram

Date : 17 May 2022

Place : Gurugram

Date : 17 May 2022

## Consolidated Cash Flow Statement for the year ended 31 March 2022

Particulars	INR in Lacs	
	Year ended 31 March 2022	Year ended 31 March 2021
<b>A. Cash flows from operating activities</b>		
<b>Net profit before tax</b>	<b>11,795.79</b>	<b>9,339.39</b>
<b>Adjustments:</b>		
Depreciation and amortisation expense	2,060.63	2,121.59
Interest income	(594.98)	(572.45)
Net gain on sale of current investment	(10.47)	(42.16)
Finance costs paid	153.22	203.77
(Gain)/loss on sale of property, plant and equipment (net)	(9.93)	12.40
Rent concession as a variable lease payment	-	(50.17)
Gain on investment carried at fair value through profit or loss (net)	(23.10)	(93.29)
Liabilities/provisions no longer required written back	(43.79)	(32.77)
Allowances for expected credit loss	(69.07)	165.36
Bad debts written off	85.51	32.77
Allowances/(reversal) for doubtful advances	2.76	4.49
Allowances for contract assets	212.95	-
Income from government grants	(248.15)	-
Advances written off (net)	77.54	32.12
Unrealised foreign exchange loss (net)	(12.61)	200.84
Unrealised foreign exchange (gain)/loss on mark-to-market on forward contracts	13.83	(150.82)
Miscellaneous income	-	(40.19)
<b>Operating cash flows before working capital changes</b>	<b>13,390.13</b>	<b>11,130.88</b>
Decrease/(increase) in trade receivables	461.15	(940.06)
(increase) in loans	(2.74)	(3.49)
Decrease in other financial assets	185.38	107.21
(Increase)/decrease in other current assets	(412.22)	1,325.25
Decrease/(increase) in other non-current assets	40.69	(85.12)
(Decrease) in trade payables	(392.44)	(276.97)
(Decrease) in other financial liabilities	(259.22)	(122.60)
Increase in other liabilities	2,025.39	907.24
(Decrease) in provisions	(153.97)	(172.32)
<b>Cash generated from operations</b>	<b>14,882.15</b>	<b>11,870.02</b>
Income tax paid (net of refunds)	(3,449.64)	(1,932.85)
<b>Net cash generated from operating activities (A)</b>	<b>11,432.51</b>	<b>9,937.17</b>
<b>B. Cash flows from investing activities</b>		
Purchase of property, plant and equipment (including capital work-in-progress)	(417.49)	(587.15)
Purchase of other intangible assets	(22.27)	(87.24)
Sale of property, plant and equipment	22.53	8.54
Acquisition of business (net of cash and cash equivalents acquired)#	-	(4,448.69)
Purchase of current investments	(5,873.00)	(18,631.06)
Sale of current investments	6,149.01	26,511.72
Purchase of term deposits	(8,518.10)	(12,336.19)
Redemption of term deposits	9,497.45	3,104.03
Rent received	400.05	416.03
Interest received	297.72	121.06
<b>Net cash generated from/(used in) from investing activities (B)</b>	<b>1,535.90</b>	<b>(5,928.95)</b>

# Consolidated Cash Flow Statement

for the year ended 31 March 2022

Particulars	INR in Lacs	
	Year ended 31 March 2022	Year ended 31 March 2021
<b>C. Cash flows from financing activities</b>		
Repayment of lease liabilities including interest expenses	(970.17)	(1,065.18)
Deposits placed/earmarked for buyback of equity shares		
Transaction costs related to buy back of shares		
Buy-back of equity shares (refer note 13 viii)	(8,500.00)	(3,400.00)
Expenses for buy-back of equity shares (refer note 13 viii)	(78.32)	(35.38)
Tax on buy-back of equity shares (refer note 13 viii)	(1,980.16)	(778.86)
Finance costs paid	(22.50)	(13.94)
<b>Net cash used in financing activities (C)</b>	<b>(11,551.15)</b>	<b>(5,293.36)</b>
<b>Net increase/(decrease) in cash and cash equivalents (A+B+C)</b>	<b>1,417.26</b>	<b>(1,285.14)</b>
Impact on cash flows on account of foreign currency translation reserve	58.21	(7.37)
Effects of exchange differences on cash and cash equivalents held in foreign currency	21.67	(218.66)
Cash and cash equivalents at the beginning of the year	6,658.91	8,170.08
<b>Cash and cash equivalents at the end of the year (see below)</b>	<b>8,156.05</b>	<b>6,658.91</b>
<b>Components of cash and cash equivalents:</b>		
<b>Cash on hand</b>	0.51	1.22
<b>Balances with banks</b>		
- Current accounts	7,496.65	6,423.07
- EEFC accounts	658.89	234.62
	<b>8,156.05</b>	<b>6,658.91</b>

## Notes:

- Statement of Cash Flows has been prepared under the indirect method as set out in the Ind AS 7 "Statement of Cash Flows".
- During the year, the Company paid in cash INR 157 Lacs (31 March 2021: INR 163.00 Lacs) towards corporate social responsibility (CSR) expenditure (refer note 41).

As per our report of even date attached

For **Walker Chandiok & Co. LLP**

Chartered Accountants

ICAI Firm Registration Number: 001076N/N500013

**Rohit Arora**

Partner

Membership Number: 504774

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

**Rahul Arora**

Chairman and Managing Director

DIN: 05353333

**Ajay Mankotia**

Director

DIN: 03123827

**Ratish Mohan Sharma**

Chief Financial Officer

**Sunit Malhotra**

Company Secretary

Place : Gurugram

Date : 17 May 2022

Place : Gurugram

Date : 17 May 2022

# Notes forming part of the Consolidated Financial Statements

All amount in INR Lacs, unless otherwise stated

## 1. Corporate Information

MPS Limited ("the Company" or the "Parent Company") is a public limited Company domiciled in India and incorporated under the provisions of Companies Act, 1956 having its registered office located at RR Towers IV, Super A, 16/17, Thiru-vi-ka Industrial State, Guindy, Chennai-600032. Its equity shares are listed on the Bombay Stock Exchange Limited and the National Stock Exchange of India Limited.

MPS provides platforms and services for content creation, full-service production, and distribution to the world's leading publishers, learning companies, corporate institutions, libraries, and content aggregators.

The Company offers a diverse geographic spread with production facilities in Chennai, Noida, Dehradun Gurugram and Bengaluru. The Company also operates with editorial and marketing offices in United States. The Company's multi location presence helps it in executing various customer requirements efficiently.

The Company has a wholly owned subsidiary namely MPS North America LLC (MPS NA LLC) as a Limited Liability Company under the laws of the State of Florida in the United States of America.

The Company has a wholly owned subsidiary namely MPS Interactive Systems Limited as a public limited company under the provisions of Companies Act, 2013 domiciled in India.

The Company had acquired TOPSIM GmbH, a company based in Germany and MPS Europa AG, a company based in Switzerland and eLearning business of Tata Interactive Systems (a division of Tata Industries Limited) having its branches at USA and UAE through MPS Interactive Systems Limited.

On 19 June 2020, the Company has incorporated a wholly owned subsidiary by the name HighWire North America LLC as a Limited Liability Company under the laws of the State of Florida in the United States of America. The entity is dissolved with effect from December 21, 2021.

On 1 July 2020, MPS North America LLC, an existing US based wholly owned subsidiary of the Company has 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. The consolidated financial statements of the Company as at and for the year ended on 31 March 2022 comprise the Company and its subsidiaries (together referred to as "the Group").

## 2. Significant accounting policies

This note provides a list of the significant accounting policies adopted in the preparation of these consolidated financial statements. These policies have been consistently applied to all the years presented, unless otherwise stated.

### 2.1 Basis of preparation of consolidated financial statements

#### a) Statement of compliance

These 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 other relevant provisions of the Act. On March 24, 2021, the ministry of Corporate Affairs (MCA) through a notification, amended Schedule III of the Companies Act, 2013 and the amendments are applicable for financial periods commencing from April 1, 2021. The Group has evaluated the effect of amendments on its financial statements and complied with the same.

The consolidated financial statements of the Group for the year ended 31 March 2022 were approved for issue in accordance with the resolution of the Board of Directors on 17 May 2022.

#### b) Basis of consolidation:

The consolidated financial statements comprise the financial statements of the Parent Company and its subsidiaries as at 31 March 2022. Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Specifically, the Group controls an investee if and only if the Group has:

# Notes forming part of the Consolidated Financial Statements

All amount in INR Lacs, unless otherwise stated

- Power over the investee (i.e. existing rights that give it the current ability to direct the relevant activities of the investee)
- Exposure, or rights, to variable returns from its involvement with the investee, and
- The ability to use its power over the investee to affect its returns

The group re-assesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of controls listed above. The group considers all relevant facts and circumstances in assessing whether it has power over the investee, including:

- The size of Group's holding of voting rights;
- Potential voting rights held by the Group;
- Rights arising from other contractual arrangements.

Consolidation of a subsidiary begins when the group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. Assets, liabilities, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated financial statements from the date the Group gains control until the date the Group ceases to control the subsidiary.

Consolidated financial statements are prepared using uniform accounting policies for like transactions and other events in similar circumstances. If a member of the Group uses accounting policies other than those adopted in the consolidated financial statements for like transactions and events in similar circumstances, appropriate adjustments are made to that Group member's financial statements in preparing the consolidated financial statements to ensure conformity with the Group's accounting policies.

The details of the consolidated entities are as follows:

S.N.	Name	Country of incorporation	Name of Ultimate Parent company	Percentage of ownership
1	MPS North America LLC	USA	MPS Limited	100%
2	MPS Interactive Systems Limited	India	MPS Limited	100%
3	TOPSIM GmbH	Germany	MPS Limited	100%
4	MPS Europa AG	Switzerland	MPS Limited	100%
5	HighWire North America LLC (dissolved w.e.f 21 December 2021)	USA	MPS Limited	100%
6	HighWire Press Limited (w.e.f 1 July 2020)	Northern Ireland	MPS Limited	100%
7	Semantico Limited (w.e.f 1 July 2020)	UK	MPS Limited	100%

## c) Consolidation procedure

- Combine like items of assets, liabilities, equity, income, expenses and cash flows of the parent with those of its subsidiaries.
- Offset (eliminate) the carrying amount of the parent's investment in each subsidiary and the parent's portion of equity of each subsidiary. Business combinations policy explains how to account for any related goodwill.
- Eliminate in full, intragroup assets and liabilities, equity, income, expenses and cash flows relating to transactions between entities

of the Group (profits or losses resulting from intragroup transactions that are recognised in assets, such as inventory and fixed assets, are eliminated in full). Intragroup losses may indicate an impairment that requires recognition in the consolidated financial statements. Ind AS 12 "Income Taxes" applies to temporary differences that arise from the elimination of profits and losses resulting from intragroup transactions.

Profit or loss and each component of other comprehensive income (OCI) are attributed to the equity holders of the parent of the Group.

# Notes forming part of the Consolidated Financial Statements

All amount in INR Lacs, unless otherwise stated

## d) Basis of measurement

These consolidated 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

- Derivative financial instruments;
- Financial instruments classified as fair value through other comprehensive income or fair value through profit or loss; and
- The net defined benefit asset/(liability) is recognized as the present value of defined benefit obligation less fair value of plan assets

## e) Critical estimates and judgements

The preparation of consolidated 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 consolidated financial statements is included in the following notes.

- Assessment of useful life of items of property, plant and equipment and intangible asset – refer note 2.3
- Estimated impairment of financial instrument and non-financial assets – refer note 2.5 and 2.6
- Recognition and estimation of tax expense including deferred tax– refer note 17
- Estimation of assets and obligations relating to employee benefits – refer note 31
- Fair value measurement – refer note 33
- Measurement and likelihood of occurrence of provisions and contingencies – refer note 38

- Measurement of consideration and assets acquired as part of business combination – refer note 41
- 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 2.9

In assessing the recoverability of receivables including unbilled receivables, contract assets and contract costs, goodwill, intangible assets, and certain investments, the Group has considered internal and external information up to the date of approval of these financial statements including credit reports and 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.

## 2.2 Current–non-current classification

The Group 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 group'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 group's normal operating cycle;

# Notes forming part of the Consolidated Financial Statements

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- it is held primarily for the purpose of being traded;
- the group 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 Group has identified twelve months as its operating cycle for the purpose of current-non current classification of assets and liabilities.

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

### a) Item of property, plant and equipment

Item of property, plant and equipment are stated at acquisition cost net of accumulated depreciation and accumulated impairment losses, if any. The cost of item 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 Group 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.

Item 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) Investment Properties

Property that is held for long term rental yields or for capital appreciation or for both, and that is not occupied by the Group, is classified as investment property. Investment property is measured initially at its cost, including related transaction cost and where applicable borrowing costs. Subsequent expenditure is capitalised to assets carrying amount only when it is probable that future economic benefits associated with the expenditure will flow to the Group 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. When part of an investment property is replaced, the carrying amount of the replaced part is derecognised.

Investment property consists of freehold land and building, building is depreciated using the straight line method over their estimated useful life of 60 years.

### c) 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.

### d) Depreciation and amortisation methods, estimated useful lives and residual value

Depreciation on item of 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.

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Freehold land is not depreciated. Leasehold improvements are amortised on a straight line basis over the period of lease or their useful lives, whichever is shorter.

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
- Trademark- 10 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 item of property, plant and equipment, investment property and intangible assets are reviewed at each financial year end and adjusted prospectively, if appropriate.

For overseas entities, depreciation is charged using the straight line method, over the estimated useful life considered as follows:

- Plant and equipment- 3 to 5 years
- Leasehold improvement- over the life of lease period
- Fixtures and fixtures- 10 years
- Office equipment- 3 to 10 years
- Trademark- 10 years
- Computer software- 1 to 10 years

### e) Derecognition

An item of 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 Group. 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. 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 Group'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

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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 Group 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.

## 2.6 Financial instrument

Financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

## Financial assets

### Initial recognition and measurement

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

# Notes forming part of the Consolidated Financial Statements

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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.

## 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 Group 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.

Dividend income from financial assets at FVPL is recognized in the statement of profit and loss with in other income separately from the other gains / losses arising from changes in fair value.

## Equity investments

All equity investments in scope of Ind AS 109 are measured at fair value. Equity instruments which are held for trading and contingent consideration recognised by an acquirer in a business combination to which Ind AS 103 applies are classified as at FVPL. For all other equity instruments, the Group may make an irrevocable election to present in other comprehensive income subsequent changes in the fair value. The Group makes such election on an instrument by-instrument basis. The classification is made on initial recognition and is irrevocable.

If the Group decides to classify an equity instrument as at FVOCI, then all fair value changes on the instrument, excluding dividends, are recognised in the OCI. There is no recycling of the amounts from OCI to the Statement of Profit and Loss, even on sale of investment. However, the Group may transfer the cumulative gain or loss within equity.

Equity 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 instrument

The Group 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 Group 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

# Notes forming part of the Consolidated Financial Statements

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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 Group's balance sheet) when:

- The rights to receive cash flows from the asset have expired, or
- The Group 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 Group has transferred substantially all the risks and rewards of the asset, or (b) the Group has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Group 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 Group continues to recognise the transferred asset to the extent of the Group's continuing involvement. In that case, the Group 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 Group has retained.

## Financial liabilities

Financial liabilities are classified as measured at amortised cost or FVPL. A financial liability is classified as at FVPL if it is classified as held for trading, or it is a derivative or it is designated as such on initial recognition. Financial liabilities

at FVPL are measured at fair value and net gains and losses, including any interest expense, are recognised in 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.

## Derivative financial instruments

The Group uses derivative financial instruments primarily forward contract to mitigate its currency risk. Such derivative financial instruments are initially recognised at fair value on the date on which a derivative contract is entered into and are subsequently re-measured at fair value and changes therein are recognised in Statement of profit or loss. Derivatives are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative.

## Offsetting

Financial assets and financial liabilities are offset and the net amount presented in the Balance Sheet when, and only when, the Group 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 Cash and cash equivalents

Cash comprises cash on hand and demand deposits with banks. Cash equivalents are short-term balances (with an original maturity of three months or less from the date of acquisition)

# Notes forming part of the Consolidated Financial Statements

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and highly liquid investments that are readily convertible into known amounts of cash and which are subject to insignificant risk of changes in value.

## 2.8 Provisions and Contingent Liabilities

### Provision

A provision is recognized if, as a result of a past event, the Group 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 Group 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 Group does not recognize a contingent liability but discloses its existence in the consolidated financial statements unless the probability of outflow of resources is remote.

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

## 2.9 Revenue recognition

The Group derives revenue primarily from content solutions, eLearning solutions, platform solutions and related services.

Revenue is recognised upon transfer of control of promised products or services to customers in an amount that reflects the consideration which the Group 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 in determining the degree of completion of the performance obligation.
- Revenue from time and material and job contracts is recognised on output basis measured by units delivered, efforts expended, number of transactions processed, etc.
- Revenue related to fixed price maintenance is recognized based on time elapsed mode and revenue is straight lined over the period of performance.

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

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

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

The billing schedules agreed with customers include periodic performance based payments

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and / or milestone based progress payments. Invoices are payable within contractually agreed credit period.

In accordance with Ind AS 37, the Group 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 Group 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 Group disaggregates revenue from contracts with customers geography and nature of services.

Use of significant judgements in revenue recognition

- The Group's contracts with customers could include promises to transfer multiple products and services to a customer. The Group assesses the products / services promised in a contract and identifies distinct performance obligations in the contract. Identification of distinct performance obligation involves judgement to determine the deliverables and the ability of the customer to benefit independently from such deliverables.
- Judgement is also required to determine the transaction price for the contract. The transaction price 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 Group 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 Group uses judgement to determine an appropriate standalone selling price for a performance obligation. The Group 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 Group uses the expected cost plus margin approach to allocate the transaction price to each distinct performance obligation.
- The Group exercises judgement in determining whether the performance obligation is satisfied at a point in time or over a period of time. The Group 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 Group uses judgement to estimate the efforts incurred which is used to determine the degree of completion of the performance obligation.

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## 2.10 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.

## 2.11 Government Grants

Government grants that are awarded as incentives with no ongoing performance obligations are recognised when there is reasonable assurance that:

- a) the Group will comply with the conditions attached to them; and
- b) the grant will be received.

These are recorded at fair value where applicable. Government grants are recognised in the statement of profit and loss, either on a systematic basis when the Group recognises, as expenses, the related costs that the grants are intended to compensate or, immediately if the costs have already been incurred.

Government grants related to income are presented as an offset against the related expenditure.

## 2.12 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. measured on an undiscounted basis 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 Group has an obligation towards gratuity, a defined benefit retirement plan covering eligible employees. The plan provides for a lump sum payment to vested employees at retirement, death while in employment or on termination of employment of an amount based on the respective employee's salary and the tenure of employment. The liability in respect of Gratuity is recognised in the books of accounts based on actuarial valuation by an independent actuary. The gratuity liability for the employees of the Group 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 Group. Actuarial gain/losses are recognised immediately in the other comprehensive income.
- **Superannuation:** Certain employees of the Group are also participants in the superannuation plan ('the Plan'), a defined contribution plan. Contribution made by the Group to the plan 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. Group'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. Group's contribution to the ESI is charged to Statement of Profit and Loss.
- **Social security plans:** For employees outside India, Employees contributions

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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 Group'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 Group'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 Group 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.

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).

## 2.13 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.

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## b) Deferred tax:

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

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

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

## 2.14 Dividend Distributions

The Group 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 Group. A corresponding amount is recognised directly in equity.

## 2.15 Foreign currency transactions and translations

### a) Functional and presentation currency

The consolidated financial statements are presented in Indian Rupees (INR), which is also the Parent Company's functional currency. Items included in the consolidated financial statements of the Group are recorded using the currency of the primary economic environment in which the Group operates (the 'functional currency'). All the amount 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.

# Notes forming part of the Consolidated Financial Statements

All amount in INR Lacs, unless otherwise stated

## c) Group companies

The results and financial position of foreign operations (none of which has the currency of a hyperinflationary economy) that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

- Share capital and opening reserves and surplus are carried at historical cost.
- All assets and liabilities, both monetary and non-monetary, (excluding share capital, opening reserves and surplus) are translated using closing rates at Balance Sheet date.
- Profit and Loss items are translated at the respective monthly average rates or the exchange rate that approximates the actual exchange rate on date of specific transaction.
- Contingent liabilities are translated at the closing rates at Balance sheet date.
- All resulting exchange differences are recognised in Other Comprehensive Income.

When a foreign operation is sold, the associated cumulative exchange differences are reclassified to profit or loss, as part of the gain or loss on sale.

The items of Consolidated Cash Flow Statement are translated at the respective average rates or the exchange rate that approximates the actual exchange rate on date of specific transaction. The impact of changes in exchange rate on cash and cash equivalent held in foreign currency is included in effect of exchange rate changes.

## 2.16 Leases

The Group's lease asset classes primarily consist of leases for offices. The Group, at the inception of a contract, assesses whether the contract is a lease or not lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a time in exchange for a consideration. This policy has been applied to contracts existing and entered into on or after 1 April 2019.

The Group recognises a right-of-use asset and a lease liability at the lease commencement date.

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

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the end of the lease term.

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

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

## 2.17 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 period 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.

# Notes forming part of the Consolidated Financial Statements

All amount in INR Lacs, unless otherwise stated

For the purpose of calculating diluted earnings/ (loss) per share, the net profit or loss for the year attributable to equity shareholders and the weighted average number of shares outstanding during the year are adjusted for the effects of all dilutive potential equity shares, except where the result would be anti-dilutive.

## 2.18 Cash Flow Statement

Cash flows are reported using the indirect method, whereby profit for the period 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 Group are segregated.

## 2.19 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 Group 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 Group 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 Group recognises transfers between levels of the fair value hierarchy at the end of the reporting period during which the change has occurred. Further information about the assumptions made in measuring fair values used in preparing these consolidated financial statements is included in the respective notes.

## 2.20 Recent Pronouncement

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

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

# Notes forming part of the Consolidated Financial Statements

All amount in INR Lacs, unless otherwise stated

- b) **Ind AS 16** – Proceeds before intended use The amendments mainly prohibit an entity from deducting from the cost of property, plant and equipment amounts received from selling items produced while the Group is preparing the asset for its intended use. Instead, an entity will recognise such sales proceeds and related cost in profit or loss. The Group does not expect the amendments to have any impact in its recognition of its property, plant and equipment in its financial statements.
- c) **Ind AS 37** – Onerous Contracts - Costs of fulfilling a contract The amendments specify that that the ‘cost of fulfilling’ a contract comprises the ‘costs that relate directly to the contract’. Costs that relate directly to a contract can either be incremental costs of fulfilling that contract (examples would be direct labour, materials) or an allocation of other costs that relate directly to fulfilling contracts. The amendment is essentially a clarification and the Company does not expect the amendment to have any significant impact in its financial statements.
- d) **Ind AS 109** – Annual improvements to Ind AS (2021) The amendment clarifies which fees an entity includes when it applies the ‘10 percent’ test of Ind AS 109 in assessing whether to derecognise a financial liability. The Group does not expect the amendment to have any significant impact in its financial statements.

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

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

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

Particulars	INR in Lacs							
	Freehold land (refer note 1 below)	Buildings (refer note 1 below)	Plant & equipment	Furniture & fixtures	Vehicles	Leasehold improvements	Capital Work- in-Progress	Total
<b>Gross carrying value</b>								
<b>As at 1 April 2020</b>	400.00	901.23	2,407.12	375.88	92.17	80.11	3.06	4,259.57
Acquisitions through business combinations (refer note 41)	-	-	170.56	52.44	-	6.98	-	229.98
Additions	-	-	575.79	14.42	-	-	-	590.21
Offset on transfer to investment property	-	-	(112.28)	(43.41)	(0.50)	(4.22)	(3.06)	(163.47)
Disposals/adjustments	-	-	-	-	-	-	-	-
Offset on transfer to investment property	-	-	10.57	5.30	1.66	0.33	-	17.86
Foreign currency translation reserve	-	-	3,051.76	404.63	93.33	83.20	-	4,934.15
<b>As at 31 March 2021</b>	400.00	901.23	412.83	3.13	-	1.53	-	4,174.9
Additions	-	-	(117.84)	(11.91)	(4.81)	-	-	(134.57)
Disposals/adjustments	-	-	21.29	6.72	1.84	1.57	-	31.42
Foreign currency translation reserve	-	-	3,368.04	402.57	90.36	86.30	-	5,248.49
<b>As at 31 March 2022</b>	400.00	901.23	1,743.07	269.73	89.71	74.38	-	2,258.28
<b>Accumulated depreciation</b>								
<b>As at 1 April 2020</b>	-	81.39	135.04	21.39	-	-	-	156.43
Acquisitions through business combinations (refer note 41)	-	-	417.10	47.69	0.22	6.31	-	491.63
Depreciation charge for the year	-	20.31	(108.05)	(29.05)	-	(2.37)	-	(139.47)
Disposals/adjustments	-	-	-	-	-	-	-	-
Foreign currency translation reserve	-	-	5.63	3.23	1.66	0.58	-	11.10
<b>As at 31 March 2021</b>	-	101.70	2,192.79	312.99	91.59	78.90	-	2,777.97
Depreciation charge for the year	-	20.35	477.10	39.25	1.06	3.21	-	540.97
Disposals/adjustments	-	-	(109.08)	(8.74)	(4.15)	-	-	(121.97)
Foreign currency translation reserve	-	-	19.01	5.47	0.83	2.52	-	27.83
<b>As at 31 March 2022</b>	-	122.05	2,579.82	348.97	89.33	84.63	-	3,224.80
<b>Net carrying value</b>								
<b>As at 31 March 2021</b>	400.00	799.53	858.97	91.64	1.74	4.30	-	2,156.18
<b>As at 31 March 2022</b>	400.00	779.18	788.22	53.59	1.03	1.67	-	2,023.69
<b>Net carrying value</b>								
<b>31 March 2022</b>								
Property, plant and equipment	2,023.69	2,156.18	-	-	-	-	-	-
Capital work in progress	-	-	-	-	-	-	-	-

1. Freehold land and Buildings include property located at Bengaluru (HMG Ambassador) at a cost of INR 400 Lacs and INR 901.23 Lacs respectively. The title to this property is in the name of HMG Ambassador Property Management Private Limited, represented by 1,47,50,000 equity shares of INR 10/- each representing the value of land and buildings with irrevocable right of permanent occupation.

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

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

## 3.1 Property, plant and equipment and Capital work-in-progress (Contd..)

Details of Immovable Property, whose title deeds are not in the name of Group

Relevant line item in the Balance sheet	Description of property	Net carrying value as at 31 March 2022	Net carrying value as at 31 March 2021	Name of Title deed holder	Whether title deed holder is a promoter, director or relative of promoter/director or employee of promoter/director	Property held since which date	Reason for Title deed not being held in the name of the company
	Land	400.00	400.00	Agreements to sell dated 23 May 1998 and 18 March 2003 between HASCO Associates and Macmillan India Limited (erstwhile name of MPS Limited); partnership deed of HASCO Associates where MPS Limited is partner and articles of association of HMG Ambassador Property Management Private Limited, where MPS Limited is a shareholder.	No	09-02-2000	MPS Limited, in its erstwhile name i.e., Macmillan India Limited, entered into a partnership deed dated 29 April 2004 for the partnership firm HASCO Associates, with other occupants of office units in the building. The parties converted the partnership into HMG Co. and incorporated it as a company under Part IX of the Companies Act, 1956 on 31 May 2004, pursuant to the deed of co-partnership dated 30 April 2004 and mutually settled their shareholdings amongst themselves as members of HMG Co. Accordingly, HMG Ambassador building came to be vested in HMG Co. The title to the property is in the name of HMG Co. The Company's undivided share, title and interest in the building as well as its office units in the building are represented by 14,750,000 equity shares of Rs. 10 each of HMG Co. with irrevocable right of permanent occupation.
PPE	Building	779.18	799.53	Sale deeds are between Brigade Investments, Macmillan India Limited and Brigade Marketing Company Private Limited. Brigade Marketing Company Private Limited is the erstwhile company that has been merged into the MPS Limited/Macmillan India Limited (erstwhile name of the MPS Limited) (purchasers) and Brigade Investments (seller).	No	31-12-1993	The title deeds for some floors of the property are in the name of Brigade Marketing Company Private Limited, an erstwhile company that was merged with Macmillan India Limited (now, MPS Limited) under Sections 391 to 394 of the Companies Act, 1956, pursuant to the approval of Karnataka High Court. The title deeds for eighth floor of the building are in the name of Macmillan India Limited, the erstwhile name of MPS Limited.
Investment Property	Building	96.88	100.05		No		

## Notes forming part of the Consolidated Financial Statements

All amount in INR Lacs, unless otherwise stated

### 3.2 Investment property

Particulars	INR in Lacs		
	Freehold land	Buildings	Total
Gross carrying value			
<b>As at 1 April 2020</b>	<b>4.36</b>	<b>114.93</b>	<b>119.29</b>
Additions	-	-	-
Disposals/adjustments	-	-	-
<b>As at 31 March 2021</b>	<b>4.36</b>	<b>114.93</b>	<b>119.29</b>
Additions	-	-	-
Disposals/adjustments	-	-	-
Effect of foreign currency exchange differences	-	-	-
<b>As at 31 March 2022</b>	<b>4.36</b>	<b>114.93</b>	<b>119.29</b>
Accumulated depreciation			
<b>As at 1 April 2020</b>	<b>-</b>	<b>11.71</b>	<b>11.71</b>
Depreciation charge for the year	-	3.17	3.17
Disposals/adjustments	-	-	-
<b>As at 31 March 2021</b>	<b>-</b>	<b>14.88</b>	<b>14.88</b>
Depreciation charge for the year	-	3.17	3.17
Disposals/adjustments	-	-	-
<b>As at 31 March 2022</b>	<b>-</b>	<b>18.05</b>	<b>18.05</b>

Net carrying value	Freehold land	Buildings	Total
As at 31 March 2021	4.36	100.05	104.41
As at 31 March 2022	4.36	96.88	101.24

Amount recognised in profit or loss for investment property	Year ended 31 March 2022	Year ended 31 March 2021
Rental income derived from investment properties	-	-
Direct operating expenses (including repairs and maintenance) generating rental income	-	-
Direct operating expenses (including repairs and maintenance) that did not generate rental income	(30.21)	(27.65)
<b>Loss arising from investment properties before depreciation</b>	<b>(30.21)</b>	<b>(27.65)</b>
Less: Depreciation for the year	(3.17)	(3.17)
<b>Loss arising from investment properties</b>	<b>(33.39)</b>	<b>(30.82)</b>

Fair value of investment property	Freehold land and buildings
As at 31 March 2021	3,211.88
As at 31 March 2022	3,479.54

- Investment property comprises land and building for basement, ground floor, first floor, eighth floor and parking areas situated in Bengaluru. The title deeds for land and building for basement, ground floor and first floor are in the name of Brigade Marketing Company Private Limited, erstwhile Company that was merged with Macmillan India Limited (now MPS Limited) in 2001 under section 391 to 394 of the Companies Act, 1956 in terms of the approval of the Honorable High Court at Karnataka. The title deeds for land and building for remaining areas are in the name of the Company.
- The Company has obtained an independent valuation for the fair value of its investment property based on the market value approach. The valuer has relied on the prevalent real estate rates and realisable price of similar property in the same vicinity.

# Notes forming part of the Consolidated Financial Statements

All amount in INR Lacs, unless otherwise stated

## 4 Right-of-use assets\*

INR in Lacs

Particulars	Buildings	Vehicles	Total
Gross carrying value			
<b>As at 1 April 2020</b>	<b>1,520.07</b>	<b>23.35</b>	<b>1,543.42</b>
Acquisitions through business combinations (refer note 41)	428.53	-	428.53
Additions	-	-	-
Disposals/adjustments	(60.62)	-	(60.62)
Depreciation charge for the year	628.65	13.18	641.83
Foreign currency translation reserve	7.15	-	7.15
<b>As at 31 March 2021</b>	<b>1,266.48</b>	<b>10.17</b>	<b>1,276.65</b>
Additions	521.52	-	521.52
Disposals/adjustments	(244.80)	-	(244.80)
Depreciation charge for the year	564.05	13.62	577.67
Foreign currency translation reserve	13.85	3.45	17.30
<b>As at 31 March 2022</b>	<b>993.00</b>	<b>-</b>	<b>993.00</b>

Net carrying value	Buildings	Vehicles	Total
As at 31 March 2021	1,266.48	10.17	1,276.65
As at 31 March 2022	993.00	-	993.00

\*Refer note 32

## 5 Intangible assets

INR in Lacs

Particulars	Goodwill	Other intangible assets				Total
		Trademark	Customer Relationship	Computer software	Order Book	
Gross carrying value						
<b>As at 1 April 2020</b>	<b>6,177.24</b>	<b>117.26</b>	<b>868.31</b>	<b>3,164.52</b>	<b>151.62</b>	<b>10,478.95</b>
Acquisitions through business combinations (refer note 41)	2,548.76	360.71	1,685.92	594.96	-	5,190.35
Additions	-	-	-	87.24	-	87.24
Disposals/adjustments	-	-	-	-	-	-
Foreign currency translation reserve	(196.94)	(13.37)	(36.49)	7.59	-	(239.21)
<b>As at 31 March 2021</b>	<b>8,529.06</b>	<b>464.60</b>	<b>2,517.74</b>	<b>3,854.31</b>	<b>151.62</b>	<b>15,517.33</b>
Additions	-	-	-	22.27	-	22.27
Disposals/adjustments	(27.15)	-	-	-	-	(27.15)
Foreign currency translation reserve	198.62	14.25	38.97	47.07	-	298.91
<b>As at 31 March 2022</b>	<b>8,700.53</b>	<b>478.85</b>	<b>2,556.71</b>	<b>3,923.65</b>	<b>151.62</b>	<b>15,811.36</b>
Amortisation						
<b>As at 1 April 2020</b>	<b>-</b>	<b>42.33</b>	<b>371.22</b>	<b>2,122.38</b>	<b>92.63</b>	<b>2,628.56</b>
Amortisation charge for the year	-	38.29	426.52	469.61	50.54	984.96
Disposals/adjustments	-	-	-	-	-	-
Foreign currency translation reserve	-	(0.69)	(1.95)	8.12	-	5.48
<b>As at 31 March 2021</b>	<b>-</b>	<b>79.93</b>	<b>795.79</b>	<b>2,600.11</b>	<b>143.17</b>	<b>3,619.00</b>

## Notes forming part of the Consolidated Financial Statements

All amount in INR Lacs, unless otherwise stated

### 5 Intangible assets (Contd..)

Particulars	Goodwill	Other intangible assets				Total
		Trademark	Customer Relationship	Computer software	Order Book	
Amortisation expense for the year	-	47.47	488.40	394.50	8.45	938.82
Disposals/adjustments	-	-	-	-	-	-
Foreign currency translation reserve	-	38.75	2.45	10.23	-	51.43
<b>As at 31 March 2022</b>	<b>-</b>	<b>166.15</b>	<b>1,286.64</b>	<b>3,004.84</b>	<b>151.62</b>	<b>4,609.25</b>

Net carrying value	Goodwill	Trademark	Customer Relationship	Computer software	Order Book	Total
As at 31 March 2021	8,529.06	384.67	1,721.95	1,254.20	8.45	11,898.33
As at 31 March 2022	8,700.53	312.70	1,270.07	918.81	-	11,202.11

Net carrying value	31 March 2022	31 March 2021
Goodwill	8,700.53	8,529.06
Other Intangible assets	2,501.58	3,369.28

### 5(a) Impairment testing of goodwill

For the purposes of impairment testing, goodwill is allocated to the Cash Generating Units (CGU) which represents the lowest level at which the goodwill is monitored for internal management purposes, which is not higher than the Group's operating reportable segments.

The aggregate carrying amounts of goodwill allocated to content solution, eLearning and platform solutions operating segments as follows:

Particulars	INR in Lacs	
	As at 31 March 2022	As at 31 March 2021
Content solutions	1,321.75	1,276.23
eLearning solutions	3,878.77	3,878.77
Platform solutions	3,500.00	3,374.06
	<b>8,700.52</b>	<b>8,529.06</b>

For the purpose of the impairment testing, goodwill is allocated to the Cash Generating Units (CGU) which represents the recoverable amount of the above CGU based on its value in use. The value in use of CGU is determined to be higher than the carrying amount post the sensitivity analysis towards change in the 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 are based on past experience, actual operating results and the 5-year business plan in all periods presented.
- The terminal growth rate 1.5% to 4% for the year ended 31 March 2022 (31 March 2021: 1% to 4%) representing management view on the future long-term growth rate.

# Notes forming part of the Consolidated Financial Statements

All amount in INR Lacs, unless otherwise stated

## 5(a) Impairment testing of goodwill (Contd..)

- iii. Discount rate ranging from 12% to 19% for the year ended 31 March 2022 (31 March 2021: ranging from 13.5% to 19%) was applied in determining the recoverable amount of the CGUs. The discount rate was estimated based on past experience and historical industry average weighted-average cost of capital.
- iv. The estimate of recoverable amount is particularly sensitive towards pretax discount rate and terminal growth rate, There will be no impairment even if the weighted average cost of capital is increased by 1% and the terminal growth rate is decreased by 1%. Management is not currently aware of any other reasonably possible changes to key assumptions that would cause a unit's carrying amount to exceed its recoverable amount.

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.

## 6 (i) Non-current investments

Particulars	As at 31 March 2022	As at 31 March 2021
Lease Investment (carried at cost)	-	387.82
	-	<b>387.82</b>

## 6 (ii) Current investments

Particulars	As at 31 March 2022 Units in '000	As at 31 March 2022 INR in Lacs	As at 31 March 2021 Units in '000	As at 31 March 2021 INR in Lacs
"Investment in mutual funds carried at fair value through profit or loss (unquoted, fully paid up)				
ICICI Prudential Liquid Fund-Direct Plan Growth	-	-	49.88	151.99
Aditya Birla Sun Life Liquid Fund -Direct Growth	55.45	190.27	15.00	49.74
Kotak Liquid Fund- Direct Plan-Growth*	5.43	233.46	10.23	425.33
Aditya Birla Sun Life Overnight Fund-Direct Plan- Growth	46.89	160.90	-	-
Nippon India Liquid Fund -Direct Plan- Growth Plan- Growth Option	-	-	3.97	200.01
<b>Total</b>	<b>107.77</b>	<b>584.63</b>	<b>79.08</b>	<b>827.07</b>
Aggregate market value of unquoted investments		<b>584.63</b>		<b>827.07</b>

\*Out of the same mutual fund units i.e., 5.20 (units in thousands) with an NAV of INR 0.04 Lacs per unit as at 31 March 2022 (31 March 2021: Units 5.20 (units in thousands) as at NAV of INR 0.04 Lacs per unit) have been pledged with Kotak Mahindra Bank Limited as a security towards hedging facilities availed by the Company.

## Notes forming part of the Consolidated Financial Statements

All amount in INR Lacs, unless otherwise stated

### 7 Loans

Particulars	INR in Lacs	
	As at 31 March 2022	As at 31 March 2021
<b>Current (unsecured, considered good )</b>		
Loan to employees	0.28	0.30
	<b>0.28</b>	<b>0.30</b>

### 8 Other financial assets

Particulars	INR in Lacs	
	As at 31 March 2022	As at 31 March 2021
<b>(i) Non current (Unsecured, considered good)</b>		
Security Deposit	192.51	230.01
Bank deposits held as margin money or security against guarantees	105.76	18.06
Bank deposits due to mature after 12 months of the reporting date	4,456.25	6,966.91
	<b>4,754.52</b>	<b>7,214.98</b>
<b>(ii) Current (Unsecured, considered good)</b>		
Security Deposit	61.33	187.15
Unrealised gain receivable on forward covers	62.11	75.94
Unbilled revenue	125.15	210.23
Interest accrued on deposits	430.65	141.74
Other receivables	11.48	36.15
	<b>690.72</b>	<b>651.21</b>

### 9 Income tax assets

Particulars	INR in Lacs	
	As at 31 March 2022	As at 31 March 2021
<b>(i) Non current</b>		
Advance income tax (net of provisions of INR 15,476.44 Lacs (31 March 2021: INR 15,660.49 Lacs))	615.03	326.19
	<b>615.03</b>	<b>326.19</b>
<b>(ii) Current</b>		
Advance income tax	28.90	18.35
	<b>28.90</b>	<b>18.35</b>

### 10 Other assets

Particulars	INR in Lacs	
	As at 31 March 2022	As at 31 March 2021
<b>(i) Other non-current assets (Unsecured, Considered Good)</b>		
Security deposits carried at amortised cost	35.37	35.37
Doubtful	-	-
	<b>35.37</b>	<b>35.37</b>
Less: Provision for doubtful deposits	-	-
	<b>35.37</b>	<b>35.37</b>

# Notes forming part of the Consolidated Financial Statements

All amount in INR Lacs, unless otherwise stated

## 10 Other assets (Contd..)

Particulars	INR in Lacs	
	As at 31 March 2022	As at 31 March 2021
Prepaid expenses	49.74	152.45
Balances with government authorities		
-Service tax credit receivable	105.88	105.88
-Others	120.92	55.39
Prepayment rent (refer note below)	22.04	25.55
	<b>333.95</b>	<b>374.64</b>
Note: Includes INR 10.50 Lacs (31 March 2021: INR 15.74 Lacs) to holding company (ADI BPO Services Ltd.) as a deposit for premises and infrastructure facility taken on rent.		
<b>(ii) Other current assets (Unsecured, Considered Good)</b>		
Security deposits		
Unsecured, considered good	0.46	0.47
Doubtful	1.13	1.13
	<b>1.59</b>	<b>1.60</b>
Less: Allowances for doubtful deposits	1.13	1.13
	<b>0.46</b>	<b>0.47</b>
Advances to employees		
Considered good	0.82	0.28
Doubtful	8.30	5.54
	<b>9.12</b>	<b>5.82</b>
Less: Allowances for doubtful advances to employees	8.30	5.54
	<b>0.82</b>	<b>0.28</b>
Government grant receivables*	729.13	487.83
Less- Expected Credit Loss	203.04	-
	<b>526.09</b>	<b>487.83</b>
Advance to Suppliers	3.92	12.10
Prepaid expenses	1,034.63	942.14
Contract assets (refer note 46(iii))	3,246.30	3,237.93
Balances with government authorities		
-GST receivable	1,546.74	1,206.96
-Others	7.94	24.28
Capital Advances	1.96	84.71
Others advances	63.34	66.77
Excess of plan asset over gratuity liability (refer note 31)	25.55	23.90
Prepayment rent (refer note 1 below)	20.51	21.01
	<b>6,478.26</b>	<b>6,108.38</b>

1) Includes INR 5.24 Lacs (31 March 2021: INR 5.24 Lacs) to holding company (ADI BPO Services Ltd.) as a deposit for premises and infrastructure facility taken on rent.

\*represents grant receivable under Service Export from India Scheme

## Notes forming part of the Consolidated Financial Statements

All amount in INR Lacs, unless otherwise stated

### 11 Trade receivables

Particulars	INR in Lacs	
	As at 31 March 2022	As at 31 March 2021
<b>Current</b>		
Trade receivables	8,570.28	9,054.15
	<b>8,570.28</b>	<b>9,054.15</b>
<b>Break-up for details:</b>		
<b>Trade receivables (Unsecured)</b>		
Considered good	8,710.99	9,414.06
Less: Expected credit loss allowance (refer note 34)	140.71	359.91
	<b>8,570.28</b>	<b>9,054.15</b>
Trade Receivables - credit impaired	23.91	112.29
Less: Expected credit loss allowance (refer note 34)	23.91	112.29
<b>Total</b>	<b>8,570.28</b>	<b>9,054.15</b>

### Trade receivable ageing for year ended 31 March 2022

Particulars	Outstanding for following periods from due date of payment						Total
	Not Due	Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	
(i) <b>Undisputed Trade receivable-</b> considered good	6,932.92	148.73	114.89	1,510.66	3.79	-	8,710.99
(ii) <b>Disputed Trade receivable-</b> credit impaired	-	-	-	-	-	-	-

### Trade receivable ageing for year ended 31 March 2021

Particulars	Outstanding for following periods from due date of payment						Total
	Not Due	Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	
(i) <b>Undisputed Trade Receivable-</b> considered good	5,646.33	3,194.96	397.68	54.57	8.98	2.19	9,304.71
(ii) <b>Disputed Trade Receivable-</b> credit impaired	-	-	109.35	-	-	-	109.35

### 12 (i) Cash and cash equivalents

Particulars	INR in Lacs	
	As at 31 March 2022	As at 31 March 2021
<b>(a) Cash and cash equivalents</b>		
Balances with banks		
-In current accounts	7,496.65	6,423.07
-In EEFC accounts	658.89	234.62
Cash on hand	0.51	1.22
<b>Total</b>	<b>8,156.05</b>	<b>6,658.91</b>

# Notes forming part of the Consolidated Financial Statements

All amount in INR Lacs, unless otherwise stated

## 12 (ii) Other bank balances

Particulars	INR in Lacs	
	As at 31 March 2022	As at 31 March 2021
<b>(b) Other Balances with banks</b>		
Term deposits with original maturity for more than 3 months but less than 12 months	5,097.12	3,565.81
Earmarked Balances with Banks		
Unclaimed dividends	29.74	38.02
<b>Total</b>	<b>5,126.86</b>	<b>3,603.83</b>
<b>Details of bank balances/deposits</b>		
Bank deposits due to mature within 12 months of the reporting date included under 'Other Balances with banks'	5,097.12	3,565.81
Bank deposits due to mature after 12 months of the reporting date included under 'Other non-current financial assets' (refer note 8 (i))	4,562.02	6,984.97
	<b>9,659.14</b>	<b>10,550.78</b>

## 13 Share capital

(i) Particulars	INR in Lacs	
	As at 31 March 2022	As at 31 March 2021
<b>Authorised</b>		
20,000,000 equity shares of INR 10 each (31 March 2021: 20,000,000 equity shares of INR 10 each)	2,000.00	2,000.00
	<b>2,000.00</b>	<b>2,000.00</b>
<b>Issued, Subscribed &amp; Paid-up</b>		
1,71,05,816 equity shares of INR 10 each fully paid up with voting rights (31 March 2021: 18,050,260 equity shares of INR 10 each)	1,710.58	1,805.02
	<b>1,710.58</b>	<b>1,805.02</b>

## (ii) Reconciliation of the equity share outstanding at beginning and at end of the year

Particulars	As at 31 March 2022		As at 31 March 2021	
	Number	INR in Lacs	Number	INR in Lacs
Equity shares (with voting rights) outstanding at the beginning of the year	1,80,50,260	1,805.02	1,86,16,926	1,861.69
Shares extinguished on buy-back	(9,44,444)	(94.44)	(5,66,666)	(56.67)
Outstanding at the end of the year	<b>1,71,05,816</b>	<b>1,710.58</b>	<b>1,80,50,260</b>	<b>1,805.02</b>

## (iii) Rights, preferences and restrictions attached to 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 share holders 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 the shareholders.

## Notes forming part of the Consolidated Financial Statements

All amount in INR Lacs, unless otherwise stated

### 13 Share capital (Contd..)

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

Particulars	As at 31 March 2022		As at 31 March 2021	
	Number	INR in Lacs	Number	INR in Lacs
<b>Equity shares of INR 10 each fully paid up and held by</b>				
ADI BPO Services Limited, the holding company	1,16,90,615	1,169.06	1,22,71,608	1,227.16

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

Promoter Name	No. of Shares as at	% of total shares	No. of Shares as at	% of total shares	% change during the year	
	31 March 2022		31 March 2022		31 March 2022	31 March 2022
ADI BPO Services Limited	1,16,90,615	68.34%	1,22,71,608	67.99%	0.53%	2.74%
<b>Total</b>	<b>1,16,90,615</b>		<b>1,22,71,608</b>			

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

Class of shares / Name of shareholder	As at 31 March 2022		As at 31 March 2021	
	Number	% holding in that class of shares	Number	% holding in that class of shares
<b>Equity shares of INR 10 each fully paid up and held by</b>				
ADI BPO Services Limited, the holding company	1,16,90,615	68.34%	1,22,71,608	67.99%

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

There are no bonus shares issued during the period of five years immediately preceding the reporting date.

**(viii)** The Board of Directors, at its meeting held on 27 October 2021, 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 900 per equity share, for an aggregate amount not exceeding INR 8500 Lacs, payable in cash. The Company has bought back 9,44,444 fully paid up equity shares on 11 February 2022 and extinguished the equity shares bought back on 11 February 2022. The Company has utilised its Securities Premium of INR 10,442.74 Lacs and General Reserve of INR 21.28 lacs for the buyback of its equity shares. Total transaction cost including tax of INR 2,058.47 Lacs incurred towards buyback was offset from Securities Premium and General Reserve. In accordance with Section 69 of the Companies Act 2013, the Company has created Capital Redemption Reserve of INR 94.44 Lacs equal to the nominal value of the shares bought back as an appropriation from the General Reserve.

# Notes forming part of the Consolidated Financial Statements

All amount in INR Lacs, unless otherwise stated

## 13 Share capital (Contd..)

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 and extinguished the equity shares bought back on 12 October 2020. The Company has utilised its Securities Premium of INR 4,157.57 Lacs for the buyback of its equity shares. Total transaction cost including tax of INR 814.24 Lacs incurred towards buyback was offset from Securities Premium. In accordance with Section 69 of the Companies Act 2013, the Company has created Capital Redemption Reserve of INR 56.67 Lacs equal to the nominal value of the shares bought back as an appropriation from the General Reserve.

## 14 Lease liabilities\*

Particulars	INR in Lacs	
	As at 31 March 2022	As at 31 March 2021
<b>(i) Non current</b>		
Lease liabilities	741.31	1,291.83
	<b>741.31</b>	<b>1,291.83</b>
<b>(ii) Current</b>		
Lease liabilities	457.17	543.14
	<b>457.17</b>	<b>543.14</b>

### (iii) Reconciliation of liabilities from financing activities

Particulars	INR in Lacs	
	As at 31 March 2022	As at 31 March 2021
<b>Opening</b>	1,834.97	1,884.11
Acquisitions through business combinations (refer note 41)	-	997.73
Addition during the year	521.52	-
Interest on lease liabilities	128.95	185.73
Rent concession as a variable lease payment	-	(50.17)
Repayment of lease liabilities excluding interest expenses	(970.17)	(1,065.18)
Disposals/adjustments	(323.07)	(103.95)
Exchange difference on lease liabilities	6.28	(13.30)
<b>Closing</b>	<b>1,198.48</b>	<b>1,834.97</b>

\*Refer note 32

## 15 Provisions

Particulars	INR in Lacs	
	As at 31 March 2022	As at 31 March 2021
<b>(i) Non current</b>		
Provision for compensated absences (refer note 31)	45.67	63.63
	<b>45.67</b>	<b>63.63</b>
<b>(ii) Current</b>		
Provision for compensated absences (refer note 31)	38.72	224.67
Provision for gratuity (refer note 31)	92.98	76.92
	<b>131.70</b>	<b>301.59</b>

# Notes forming part of the Consolidated Financial Statements

All amount in INR Lacs, unless otherwise stated

## 16 Trade payables

Particulars	INR in Lacs	
	As at 31 March 2022	As at 31 March 2021
<b>Trade payables</b>		
Due to Micro and Small enterprises (refer note 30)	25.11	55.81
Due to Others	1,781.14	2,140.75
Trade payables to related parties (refer note 37)	0.03	0.02
	<b>1,806.28</b>	<b>2,196.58</b>

\*The Ministry of Micro, Small and Medium Enterprises has issued an Office Memorandum dated 26 August 2008 which recommends that the Micro and Small Enterprises should mention in their correspondence with its customers the Entrepreneurs Memorandum Number as allocated after filing of the Memorandum. Based on information received and available with the Company, there are no over dues to parties on account of principal amount and / or interest. Accordingly, no additional disclosures are required.

### Trade payable ageing for year ended 31 March 2022

Particulars	Outstanding for following periods from due date of payment							Total
	Unbilled	Not Due	Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	
(i) MSME	4.04	9.67	11.40	-	-	-	-	25.11
(ii) Others	352.06	1,319.23	85.29	22.30	2.12	0.11	0.06	1,781.17
<b>Total</b>	<b>356.10</b>	<b>1,328.90</b>	<b>96.69</b>	<b>22.30</b>	<b>2.12</b>	<b>0.11</b>	<b>0.06</b>	<b>1,806.28</b>

### Trade payable ageing for year ended 31 March 2021

Particulars	Outstanding for following periods from due date of payment							Total
	Unbilled	Not Due	Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	
(i) MSME	-	1.29	54.52	-	-	-	-	55.81
(ii) Others	656.21	1,232.63	162.86	73.78	14.03	1.20	0.06	2,140.77
<b>Total</b>	<b>656.21</b>	<b>1,233.92</b>	<b>217.38</b>	<b>73.78</b>	<b>14.03</b>	<b>1.20</b>	<b>0.06</b>	<b>2,196.58</b>

## 17 Deferred tax liabilities (net)

Particulars	INR in Lacs	
	As at 31 March 2022	As at 31 March 2021
<b>Deferred tax liability arising on account of :</b>		
Property, plant and equipment and intangible assets	-1,583.37	-1,533.16
Unrealised MTM gain receivables on forward covers	-15.63	-19.11
Gains on investment carried at fair value through profit or loss	-	-75.86
Expenses allowable for tax purposes when paid	-13.64	-
Others	-32.95	-62.12
<b>Deferred tax asset arising on account of :</b>		
Carry forward business losses	179.51	409.01
Allowance for credit impaired receivable	50.16	83.99

# Notes forming part of the Consolidated Financial Statements

All amount in INR Lacs, unless otherwise stated

## 17 Deferred tax liabilities (net)

INR in Lacs

Particulars	As at 31 March 2022	As at 31 March 2021
Expenses allowable for tax purposes when paid	-	3.39
Gains on investment carried at fair value through profit or loss	23.76	-
Right of use asset and related liabilities	50.92	139.28
Others	86.28	-
<b>Deferred tax liabilities (net)</b>	<b>-1,254.96</b>	<b>-1,054.58</b>

## Movement in deferred tax assets (net)

Particulars	As at 1 April 2021	Recognised statement of profit and loss	Recognised in other comprehensive income	FCTR	Transfer from DTL to DTA	Transfer from DTA to DTL	As at 31 March 2022
<b>Assets</b>							
Carry forward business losses	409.01	(232.52)	-	3.02	-	-	179.51
Allowance for credit impaired receivable	83.99	(34.01)	-	0.18	-	-	50.16
Expenses allowable for tax purposes when paid	3.39	(6.76)	(8.53)	(1.74)	-	13.64	-
Gains on investment carried at fair value through profit or loss	0.00	-	-	-	23.76	-	23.76
Right of use asset and related liabilities	139.28	(88.32)	-	(0.04)	-	-	50.92
Others	-	-	-	-	86.28	-	86.28
<b>Liabilities</b>							
Property, plant and equipment and intangible assets	(1,533.16)	(42.71)	-	(7.50)	-	-	-1,583.37
Unrealised gain receivables on forward covers	(19.11)	3.48	-	-	-	-	-15.63
Gains on investment carried at fair value through profit or loss	(75.86)	99.62	-	-	(23.76)	-	-
Right of use asset and related liabilities	-	-	-	-	-	-	-
Others	(62.12)	115.84	-	(0.39)	(86.28)	-	-32.95
Expenses allowable for tax purposes when paid	-	-	-	-	-	(13.64)	-13.64
<b>Deferred tax liabilities (net)</b>	<b>(1,054.58)</b>	<b>(185.38)</b>	<b>(8.53)</b>	<b>(6.47)</b>	<b>0.00</b>	<b>-</b>	<b>(1,254.96)</b>

## Notes forming part of the Consolidated Financial Statements

All amount in INR Lacs, unless otherwise stated

### 18 Other financial liabilities

Particulars	INR in Lacs	
	As at 31 March 2022	As at 31 March 2021
<b>(i) Current</b>		
Security deposits carried at amortised cost	-	48.00
Employee payable	751.89	826.83
Unclaimed dividends	29.74	38.02
Payable to Invest Northern Ireland	-	180.07
	<b>781.63</b>	<b>1,092.92</b>

### 19 Other current liabilities

Particulars	INR in Lacs	
	As at 31 March 2022	As at 31 March 2021
<b>(i) Current</b>		
Prepayment rent	-	1.44
Income received in advance (contract liabilities) (refer note 46(iii))	5,859.42	4,388.79
Advances from customers (refer note 46(iii))	1,055.64	-
Statutory remittances*	579.65	966.44
Others	91.26	229.08
	<b>7,585.97</b>	<b>5,585.75</b>

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

### 20 Income tax liabilities (current)

Particulars	INR in Lacs	
	As at 31 March 2022	As at 31 March 2021
Provision for tax (net of advance tax of INR 2,501.43 Lacs (31 March 2021: INR 2,770.89 Lacs))	167.65	419.54
	<b>167.65</b>	<b>419.54</b>

### 21 Revenue from operations

Particulars	INR in Lacs	
	Year ended 31 March 2022	Year ended 31 March 2021
<b>Sale of services (refer note 45)</b>		
Exports (earning in foreign currency)	43,958.43	41,487.90
Domestic	681.59	766.85
	<b>44,640.02</b>	<b>42,254.75</b>

### 22 Other-operating income

Particulars	INR in Lacs	
	Year ended 31 March 2022	Year ended 31 March 2021
Government grants	248.15	-
	<b>248.15</b>	<b>-</b>

# Notes forming part of the Consolidated Financial Statements

All amount in INR Lacs, unless otherwise stated

## 23 Other income

Particulars	INR in Lacs	
	Year ended 31 March 2022	Year ended 31 March 2021
Interest income on:		
Financial assets-carried at amortised cost	8.88	304.08
Deposits with banks	586.09	268.37
Net gain on sale of current investment carried at fair value through profit or loss	10.47	42.16
Gain on investment carried at fair value through profit or loss	23.10	93.29
MTM and net gain on foreign currency transactions	409.11	36.48
Other non-operating income (Refer note (i) below)	371.22	242.88
	<b>1,408.87</b>	<b>987.26</b>

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

Particulars	INR in Lacs	
	Year ended 31 March 2022	Year ended 31 March 2021
Rent concession as a variable lease payment	-	50.17
Liabilities/provisions no longer required written back	43.79	32.77
Reversal of allowances for expected credit loss	150.59	13.02
Bad debts and advances recovered	0.39	0.57
Gain on sale/disposal/discard of property, plant and equipment (net)	9.93	4.97
Miscellaneous income	166.52	141.38
	<b>371.22</b>	<b>242.88</b>

## 24 Employee benefits expense

Particulars	INR in Lacs	
	Year ended 31 March 2022	Year ended 31 March 2021
Salaries and wages (refer note 31)	18,884.26	18,919.85
Contribution to provident and other funds (refer note 31)	946.49	979.34
Staff welfare expenses	343.45	354.93
	<b>20,174.20</b>	<b>20,254.12</b>

## 25 Finance costs

Particulars	INR in Lacs	
	Year ended 31 March 2022	Year ended 31 March 2021
Interest on lease liabilities (refer note 31)	128.95	185.73
Interest expense on income tax, service tax & Goods & service tax	24.27	18.04
	<b>153.22</b>	<b>203.77</b>

## Notes forming part of the Consolidated Financial Statements

All amount in INR Lacs, unless otherwise stated

### 26 Depreciation and amortization expense

Particulars	INR in Lacs	
	Year ended 31 March 2022	Year ended 31 March 2021
Depreciation on property, plant and equipment (refer note 3.1)	540.97	491.63
Depreciation on investment property (refer note 3.2)	3.17	3.17
Depreciation on right-of-use assets (refer note 4)	577.67	641.83
Amortization on intangible assets (refer note 5)	938.82	984.96
	<b>2,060.63</b>	<b>2,121.59</b>

### 27 Other expenses

Particulars	INR in Lacs	
	Year ended 31 March 2022	Year ended 31 March 2021
Consumables	17.32	6.66
Outsourcing cost	6,412.10	5,728.20
Power and fuel	357.32	426.47
Rent	171.94	253.08
Hire charges	14.45	16.85
Repairs and maintenance - buildings	334.49	282.38
Repairs and maintenance - plant and machinery	511.21	549.53
Repairs and maintenance - others	29.95	54.29
Insurance	41.51	52.29
Rates and taxes	93.35	111.28
Communication	1,804.52	1,570.96
Travelling and conveyance	68.13	36.46
Expenditure on corporate social responsibility (refer note 40)	157.00	163.00
Legal and professional	517.74	558.65
Directors sitting fees	33.40	31.20
Payments to auditors (refer note (i) below)	55.47	78.19
Bad debts written off	116.03	59.88
Less: Allowances for expected credit loss utilised for the above	30.52	85.51
MTM and net loss on foreign currency translations	16.29	106.20
Advances written off	77.93	32.69
Allowances for expected credit loss and doubtful advances	84.28	182.87
Allowances for contract assets and other receivables	212.95	-
Loss on sale/disposal/discard of property, plant and equipment (net)	-	17.37
Software expenses	592.68	620.07
Sales and support cost	3.77	-
Sales and marketing expenses	129.83	114.87
Miscellaneous expenses	290.07	296.82
	<b>12,113.21</b>	<b>11,323.14</b>

# Notes forming part of the Consolidated Financial Statements

All amount in INR Lacs, unless otherwise stated

## 27 Other expenses (Contd..)

	INR in Lacs	
<b>Payments to the auditors comprises (net of input credit, where applicable):</b>	<b>Year ended 31 March 2022</b>	<b>Year ended 31 March 2021</b>
To Statutory auditors		
for statutory audit	47.50	46.50
for tax audit	3.50	3.50
for other services	2.89	26.57
for reimbursement of expenses	1.58	1.62
	<b>55.47</b>	<b>78.19</b>

## 28 Income tax

The major components of income tax expense for the year ended 31 March 2022 and 31 March 2021 are:

	INR in Lacs	
	<b>Year ended 31 March 2022</b>	<b>Year ended 31 March 2021</b>
<b>Current income tax:</b>		
Current income tax charge for the year	2,850.75	2,371.71
Adjustments in respect of current income tax of previous year	47.61	498.26
	<b>2,898.36</b>	<b>2,869.97</b>
<b>Deferred tax:</b>		
Deferred tax (credit)/charge for the year	185.38	613.46
	<b>185.38</b>	<b>613.46</b>
<b>Tax expense reported in the Statement of Profit and Loss</b>	<b>3,083.74</b>	<b>3,483.43</b>
<b>OCI section</b>		
Tax related to items that will not be reclassified to Profit and Loss	(8.53)	(17.47)
<b>Income tax charged to OCI</b>	<b>(8.53)</b>	<b>(17.47)</b>

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

	INR in Lacs	
	<b>Year ended 31 March 2022</b>	<b>Year ended 31 March 2021</b>
Accounting profit before income tax	11,795.79	9,339.39
At India's statutory income tax rate	25.168%	25.168%
<b>Computed Tax Expense</b>	<b>2,968.76</b>	<b>2,350.54</b>
Change in tax rate	(24.48)	(11.21)
Tax exempt income	-	-
Non-deductible expenses	47.06	56.06
Additional allowances for tax purpose	(9.01)	-
Others	53.80	589.78
Tax relating to earlier years	47.61	498.26
Income tax charged to Statement of Profit and Loss at effective rate of 26.14% (31 March 2021: 37.30 %) (refer note below)	<b>3,083.74</b>	<b>3,483.43</b>

## Notes forming part of the Consolidated Financial Statements

All amount in INR Lacs, unless otherwise stated

### 28 Income tax (Contd..)

- (a) Effective tax rate has been calculated on profit before tax.
- (b) The Company had opted for the Scheme by the Government under the Income Tax Law in respect of four Assessment Years to avoid protracted litigation and the attendant uncertainty on the issues covered in those years. Consequently, a tax provision of INR 585 Lacs had been made towards this purpose during the year ended 31 March 2021.
- (c) The amendment in the Income Tax Act through the Finance Bill enacted in March 2021 has taken out goodwill from the purview of tax depreciation with effect from 1 April 2020. Consequent to the enactment and as per the requirements of Ind AS 12, the group has recognised a deferred tax expense of INR 561 Lacs for the year ended 31 March 2021 being the Deferred Tax Liability on difference between book base and tax base of goodwill for MPS Interactive Systems Limited in respect of business acquired from Tata Interactive Systems in financial year 2018-19.

### 29 Earnings per equity share

	INR in Lacs	
	Year ended 31 March 2022	Year ended 31 March 2021
Profit for the year attributable to the owners of the Group	8,712.05	5,855.96
Weighted average number of equity shares outstanding	1,79,23,472	1,83,43,684
Face value per share (INR)	10.00	10.00
<b>Earnings per share- basic &amp; diluted (INR)</b>	<b>48.61</b>	<b>31.92</b>

### 30 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 year except for the amount of INR Nil (31 March 2021: INR Nil Lacs) against which interest has been accrued (refer below(ii)). 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.

	INR in Lacs	
Particulars	As at 31 March 2022	As at 31 March 2021
(i) The principal amount remaining unpaid to any supplier as at the end of the year	24.80	55.50
(ii) The interest due on principal amount remaining unpaid to any supplier as at the end of the year	0.31	0.31
(iii) The amount of interest paid by the Group 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 year	-	-
(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 at the end of the year	0.31	0.31
(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	0.31	0.31

# Notes forming part of the Consolidated Financial Statements

All amount in INR Lacs, unless otherwise stated

## 31 Employee benefits in respect of the Group have been calculated as under:

### (A) Defined contribution plans

The Group has certain defined contribution plan such as provident fund, 401(k) plan, superannuation fund, employee state insurance (ESI) and social security fund and pension scheme for qualifying employees, etc. Under the schemes, the Group is required specified percentage of payroll costs to fund the benefits. During the year, the Group has contributed following amounts to:

Particulars	INR in Lacs	
	Year ended 31 March 2022	Year ended 31 March 2021
Employer's contribution to provident fund	629.88	607.82
Employer's contribution to 401(k) plan	75.42	85.04
Employer's contribution to superannuation fund	18.99	29.80
Employer's contribution to employee state insurance	57.80	61.08
Employer's contribution to labour welfare fund	0.02	0.02
Employer's contribution to social security fund and pension scheme	164.38	195.58
	<b>946.49</b>	<b>979.34</b>

### (B) Defined benefit plans

#### Gratuity

In accordance with Ind AS 19 "Employee Benefits", an actuarial valuation has been carried out in respect of gratuity. The discount rate assumed for the Company is 6.41% p.a. (31 March 2021: 6.26% p.a.) and for subsidiary is 6.41% p.a. (31 March 2021: 6.06% p.a.) which is determined by reference to market yield at the Balance Sheet date on Government bonds. The retirement age has been considered at 58 to 65 years (31 March 2021: 58 to 65 years) and mortality table is as per IALM (2006-08) (31 March 2019: IALM (2006-08)).

The estimates of future salary increases, considered in actuarial valuation is 6% p.a. (31 March 2021: 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 Group. The expected rate of return on plan assets for the Company is 6.41% p.a. (31 March 2021: 6.26% p.a.) and for subsidiary is 6.41% p.a. (31 March 2021: 6.06% p.a.)

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

Particulars	INR in Lacs	
	As at 31 March 2022	As at 31 March 2021
Present value of obligation at the beginning of the year	1,226.03	1,301.91
Current service cost	125.30	121.50
Interest cost	75.80	82.58
Liability transferred on acquisition	-	(0.45)
Actuarial (gain)/loss	(33.01)	(71.49)
Benefits paid	(245.20)	(208.02)
<b>Present value of obligation at the end of the year</b>	<b>1,148.92</b>	<b>1,226.03</b>

## Notes forming part of the Consolidated Financial Statements

All amount in INR Lacs, unless otherwise stated

### 31 Employee benefits in respect of the Group have been calculated as under: (Contd..)

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

Particulars	INR in Lacs	
	As at 31 March 2022	As at 31 March 2021
Present value of obligation at the end of the year	1,148.92	1,226.03
Fair value of plan assets at the end of the year	(1,081.49)	(1,173.01)
<b>Net liabilities recognised in the Balance Sheet (refer note below)</b>	<b>67.43</b>	<b>53.02</b>

Note: Reflected in the Balance Sheet as follows:

Particulars	INR in Lacs	
	As at 31 March 2022	As at 31 March 2021
Excess of plan asset over gratuity liability (refer note 10 (ii))	(25.55)	(23.90)
Provision for gratuity (refer note 15(ii) )	92.98	76.92
<b>Net liabilities</b>	<b>67.43</b>	<b>53.02</b>

Fair value of plan assets

Particulars	INR in Lacs	
	As at 31 March 2022	As at 31 March 2021
Plan assets at the beginning of the year	1,173.01	1,193.47
Expected return on plan assets	72.56	75.62
Contribution by employer	80.38	114.45
Assets transferred in on acquisition	-	(0.45)
Actual benefits paid	(245.20)	(208.02)
Actuarial (loss)/gain	0.74	(2.07)
<b>Plan assets at the end of the year</b>	<b>1,081.49</b>	<b>1,173.01</b>

Group's best estimate of contribution during next year is INR 190.65 Lacs (31 March 2021: INR 178.31 Lacs)

Composition of the plan assets is as follows:

Particulars	INR in Lacs	
	As at 31 March 2022	As at 31 March 2021
Central government securities	20.64%	19.09%
State government securities	46.92%	50.98%
Debentures and bonds	22.76%	23.85%
Equity shares	9.68%	6.08%
Money market instruments	0.00%	0.00%

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

# Notes forming part of the Consolidated Financial Statements

All amount in INR Lacs, unless otherwise stated

## 31 Employee benefits in respect of the Group have been calculated as under: (Contd..)

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

Particulars	INR in Lacs	
	Year ended 31 March 2022	Year ended 31 March 2021
Current service cost	125.30	121.50
Interest cost	3.25	6.95
<b>Expense recognised in the Statement of Profit and Loss</b>	<b>128.55</b>	<b>128.45</b>

Amount recognised in the other comprehensive income:

Particulars	INR in Lacs	
	Year ended 31 March 2022	Year ended 31 March 2021
Actuarial (gain)/loss due to financial assumption change	(40.01)	(59.03)
Actuarial (gain) due to experience adjustment	7.00	(12.46)
Actuarial loss on plan assets	(0.87)	2.07
<b>Amount recognised in the other comprehensive income</b>	<b>(33.88)</b>	<b>(69.42)</b>

Sensitivity analysis

Particulars	INR in Lacs			
	Year ended 31 March 2022		Year ended 31 March 2022	
	Discount rate		Future salary	
Sensitivity level	0.5% increase	0.5% decrease	0.5% increase	0.5% decrease
Impact on defined benefit	(30.97)	32.72	32.71	(31.24)

Particulars	INR in Lacs			
	Year ended 31 March 2021		Year ended 31 March 2021	
	Discount rate		Future salary	
Sensitivity level	0.5% increase	0.5% decrease	0.5% increase	0.5% decrease
Impact on defined benefit	(33.98)	35.91	35.82	(33.97)

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

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

Particulars	INR in Lacs	
	As at 31 March 2022	As at 31 March 2021
Present value of obligation at the end of the year	84.39	288.30

# Notes forming part of the Consolidated Financial Statements

All amount in INR Lacs, unless otherwise stated

## 32 Leases

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

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

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

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

(ii) The Group has discounted lease payments using the applicable incremental borrowing rate, which is ranging from 1.50% to 9.50% for measuring the lease liability.

### (iii) Impact of adoption of Ind AS 116 on the statement of profit and loss

Particulars	INR in Lacs	
	Year ended 31 March 2022	Year ended 31 March 2021
Interest on lease liabilities (refer note 25)	128.95	185.73
Depreciation of Right-of-use assets (refer note 26)	577.67	641.83
Deferred tax credit (refer note 17)	88.32	(54.08)
<b>Impact on the statement of profit and loss for the year</b>	<b>794.94</b>	<b>773.48</b>

### (iv) Bifurcation of lease expenses on which exemption is taken

Particulars	INR in Lacs	
	Year ended 31 March 2022	Year ended 31 March 2021
Expense related to short-term leases	879.90	149.93
Expense related to leases of low value assets, excluding short team leases of low value	98.67	45.24
<b>Total</b>	<b>978.57</b>	<b>195.17</b>

### (v) Amount recognised in the statement of cash flows

Particulars	INR in Lacs	
	Year ended 31 March 2022	Year ended 31 March 2021
Repayment of lease liabilities including interest expenses	970.17	1,065.18
<b>Impact on the statement of cash flows for the year</b>	<b>970.17</b>	<b>1,065.18</b>

(vi) Refer note 34 (iii) for contractual maturities of lease liabilities.

## 33 Fair value measurements

Particulars	Note	Level of hierarchy*	As at 31 March 2022			As at 31 March 2021		
			FVPL	FVOCI	Amortised cost	FVPL	FVOCI	Amortised cost
<b>Financial assets</b>								
Investments in mutual fund	(d)	1	584.63	-	-	827.07	-	-
Lease Investment	(a)		-	-	-	-	-	387.82
Trade receivables	(a)		-	-	8,570.28	-	-	9,054.15
Loans	(a, b)		-	-	0.28	-	-	0.29
Cash and cash equivalents	(a)		-	-	8,156.05	-	-	6,658.91

# Notes forming part of the Consolidated Financial Statements

All amount in INR Lacs, unless otherwise stated

## 33 Fair value measurements (Contd..)

INR in Lacs

Particulars	Note	Level of hierarchy*	As at 31 March 2022			As at 31 March 2021		
			FVPL	FVOCI	Amortised cost	FVPL	FVOCI	Amortised cost
Other bank balances	(a)		-	-	5,126.86	-	-	3,603.83
Derivative financial assets	(c)	2	62.11	-	-	75.94	-	-
Other financial assets	(a, b)		-	-	5,383.13	-	-	7,790.26
<b>Total financial assets</b>			<b>646.74</b>	<b>-</b>	<b>27,236.60</b>	<b>903.01</b>	<b>-</b>	<b>27,495.26</b>
<b>Financial liabilities</b>								
Lease liabilities	(a)		-	-	1,198.48	-	-	1,834.97
Trade payables	(a)		-	-	1,806.29	-	-	2,196.58
Derivative financial liabilities	(c)	2	-	-	-	-	-	-
Other financial liabilities	(a)		-	-	781.63	-	-	1,092.92
<b>Total financial liabilities</b>			<b>-</b>	<b>-</b>	<b>3,786.40</b>	<b>-</b>	<b>-</b>	<b>5,124.47</b>

### Note:

- 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.
- Fair value of non-current financial assets has not been disclosed as there is no significant differences between carrying value and fair value.
- Derivatives are carried at fair value at each reporting date. The fair values of the derivative financial instruments has been determined using valuation techniques with market observable inputs. The models incorporate various inputs including the credit quality of counter-parties and foreign exchange forward rates.
- The fair value of the mutual funds are based on net assets value of the funds as at reporting date.
- The fair value of the financial assets and liabilities is included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale. The fair-value of the financial-instruments factor the uncertainties arising out of COVID-19, where applicable.

\* Refer note 2.19 for Level of hierarchy

## 34 Financial risk management

### Risk management framework

The Group'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 Group'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 Group 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 Group. The currencies in which the Group is exposed to risk are USD, EUR, GBP and Others. The Group takes adequate foreign exchange forward covers as per the guidelines approved by the Board to mitigate currency risk.

# Notes forming part of the Consolidated Financial Statements

All amount in INR Lacs, unless otherwise stated

## 34 Financial risk management (Contd.)

### Exposure to currency risk

The summary quantitative data about the Group's exposure to currency risk as reported to the management of the Group is as follows:

INR in Lacs

	As at 31 March 2022				As at 31 March 2021			
	USD	EUR	GBP	Others	USD	EUR	GBP	Others
Cash and cash equivalents	485.23	18.84	258.55	15.74	353.95	77.14	9.64	0.43
Trade receivables	4,365.00	86.63	542.59	254.17	4,173.79	82.31	1,054.13	298.78
Other financial assets	(128.73)	-	105.24	4.88	50.18	-	80.92	156.53
Trade payables	(108.94)	(10.37)	(297.50)	(0.06)	(122.32)	(9.04)	(2,217.63)	(0.93)
Other financial liabilities	(27.41)	-	(85.44)	(0.45)	(115.16)	-	(182.54)	-
Net statement of financial position exposure	<b>4,585.15</b>	<b>95.10</b>	<b>523.44</b>	<b>274.28</b>	<b>4,340.44</b>	<b>150.41</b>	<b>(1,255.48)</b>	<b>454.81</b>

### Sensitivity analysis

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

INR in Lacs

	Profit or Loss (before tax)			
	Year ended 31 March 2022		Year ended 31 March 2021	
	Strengthening	Weakening	Strengthening	Weakening
USD (1% movement)	45.85	(45.85)	43.40	(43.40)
EUR (1% movement)	0.95	(0.95)	1.50	(1.50)
GBP (1% movement)	5.23	(5.23)	(12.55)	12.55
Others (1% movement)	2.74	(2.74)	4.55	(4.55)

### Forward covers

The Group takes adequate foreign exchange forward covers to mitigate the risk of changes in exchange rates on foreign currency exposures. The counterparty for these contracts is bank. These forward covers are value based on quoted prices for similar assets and liabilities in active markets or input that are directly or indirectly observable in the marketplace.

The details in respect of outstanding foreign currency forward contract are as follows:

INR in Lacs

Forward exchange contract	Buy/Sell	As at 31 March 2022		As at 31 March 2021	
		FC in Lacs	INR in Lacs	FC in Lacs	INR in Lacs
USD	Sell	96.00	7,439.88	69.50	5,237.78

# Notes forming part of the Consolidated Financial Statements

All amount in INR Lacs, unless otherwise stated

## 34 Financial risk management (Contd.)

### Pricing risk:

Pricing pressure is a constant risk due to increased competition. The Group strives to mitigate this risk with existing customers by a trade-off for volumes. Thereon, it is the Group's endeavor to reduce the impact by taking advantage of economies of scale and increasing productivity, as well increasing automation within these processes.

### Interest rate risk

The Group is not exposed to interest rate risk.

## ii Credit risk

### Trade receivables and other financial assets

The Group'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	INR in Lacs	
	Year ended 31 March 2022	Year ended 31 March 2021
Revenue from top customer (1 customer in 31 March 2022 and 2 customers in 31 March 2021) (more than 10% revenue individually)	4,807.11	9,240.03
Revenue from top 15 customers	24,103.75	23,810.46

Expanding the customer base is mitigating this risk. Within the current customers, the Group is looking to deepen the partnership by supporting publishers in new areas of outsourcing.

### Expected credit loss for trade receivables:

Trade receivables of INR 8,570.28 Lacs as at 31 March 2022 (31 March 2021 : INR 9,054.15 Lacs) 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 Group 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 Group estimates its allowance for trade receivable using lifetime expected credit loss.

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

Particulars	INR in Lacs					
	As at 31 March 2022			As at 31 March 2021		
	Gross carrying amount	Allowance for credit losses	Net carrying amount	Gross carrying amount	Allowance for credit losses	Net carrying amount
Less than 180 days	8,586.11	110.79	8,475.32	7,563.70	80.81	7,482.89
More than 180 days	124.88	29.92	94.96	1,962.65	391.39	1,571.26
	<b>8,710.99</b>	<b>140.71</b>	<b>8,570.28</b>	<b>9,526.35</b>	<b>472.20</b>	<b>9,054.15</b>

# Notes forming part of the Consolidated Financial Statements

All amount in INR Lacs, unless otherwise stated

## 34 Financial risk management (Contd.)

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

Particulars	As at	As at
	31 March 2022	31 March 2021
Balance at the beginning of the year	472.20	188.92
Add: Addition due to business combination	0.88	138.85
Add: Provided during the year (net of reversal)	(224.01)	165.32
Less: Amount written off	(95.49)	(27.12)
Less: Impact of foreign currency translation	11.03	6.23
<b>Balance at the end of the year</b>	<b>164.61</b>	<b>472.20</b>

### 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 excepted 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 Group limits its exposure to credit risk by investing in liquid securities and short term bonds and only with counterparties that have a good credit rating. The Group invests as per the guidelines approved by the Board to mitigate this risk.

### iii Liquidity risk

Liquidity risk is the risk that the Group will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Group'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 Group's reputation.

The Group'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:

INR in Lacs

Particulars	Contractual Cash flows					
	As at 31 March 2022			As at 31 March 2021		
	Carrying Amount	Within 1 year	More than 1 Year	Carrying Amount	Within 1 year	More than 1 Year
<b>Non-derivative financial liabilities</b>						
Lease liabilities	1,198.48	457.17	741.31	1,834.97	543.14	1,291.83
Trade payables	1,806.29	1,806.29	-	2,196.58	2,196.58	-
Other financial liabilities	781.63	781.63	-	1,092.92	1,092.92	-

# Notes forming part of the Consolidated Financial Statements

All amount in INR Lacs, unless otherwise stated

## 35 Capital management

The Group'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 2022	As at 31 March 2021
Total equity attributable to the equity share holders of the Group	1,710.58	1,805.02
Other equity	34,976.60	36,306.83
As percentage of total capital	100%	100%
Total lease liabilities	1,198.48	1,834.97
As a percentage of total capital	70%	102%
<b>Total capital (lease liabilities and equity)</b>	<b>37,885.65</b>	<b>39,946.82</b>

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

## 36 Segment information

### Operating Segments

The CEO and Whole Time Director of the Group 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 Group has determined reportable segment by nature of its product and service, accordingly following are the reportable segments:

- (a) **Content solutions:** Content solutions mean creating and developing content for print and digital delivery. It includes content authoring/development, content production, content transformation, fulfillment and customer support services.
- (b) **eLearning solutions:** offering custom technology-enabled learning services which included Web-based tutorials, Simulation- and Game-based learning, Augmented and Virtual Reality, Learning Nuggets and Motion Graphics, Learning Consulting to corporates, government agencies, universities etc.
- (c) **Platform solutions:** Platform solutions means developing and implanting various software and technology services programs.

The Group has aggregated its operating segment into Content, eLearning and Platform operating reportable segment, which is consistent with aggregation criteria defined under Ind AS 108 i.e. similar economic characteristics, similar nature of the production process, similar type or class of customer for their products and services and similar method used to distribute their product or provide their services. Accordingly, operating segment i.e. books, journals, customer fulfillment and others are aggregated into content operating segment and technology and software related services aggregated into platform operating segment. The CODM has evaluated the segment wise allocation for the business of the new acquisition of HighWire Group into existing segment of Platform Solutions.

The Group prepares its segment information in conformity with the accounting policies adopted for preparing and presenting the financial statements of the Group as a whole.

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

## Notes forming part of the Consolidated Financial Statements

All amount in INR Lacs, unless otherwise stated

### 36 Segment information (Contd..)

- (i) Revenue and expenses which relate to the Group as a whole and not allocable to segments on reasonable basis have been included under 'unallocated revenue / expenses'. Details are as follows:

Particulars	INR in Lacs	
	Year ended 31 March 2022	Year ended 31 March 2021
<b>Segment revenue</b>		
Content solutions	24,220.00	22,764.15
eLearning solutions	8,334.12	5,730.86
Platform solutions	12,334.06	13,759.74
<b>Total revenue from operations</b>	<b>44,888.18</b>	<b>42,254.75</b>
<b>Segment results</b>		
Content solutions	7,664.50	7,495.38
eLearning solutions	1,143.00	(242.39)
Platform solutions	4,064.00	3,473.79
<b>Total</b>	<b>12,871.50</b>	<b>10,726.78</b>
Add: Interest income	594.98	572.45
Less: Finance cost	153.22	203.77
Less: Un-allocable expenditure (net of un-allocable income)	1,517.47	1,756.07
<b>Profit before tax</b>	<b>11,795.79</b>	<b>9,339.39</b>
Tax expense	3,083.74	3,483.43
<b>Profit for the year</b>	<b>8,712.05</b>	<b>5,855.96</b>

- (ii) 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.

### (d) Geographical informations:

The geographical information analysis the Group's revenue and non-current assets by the holding 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

Particulars	INR in Lacs	
	Year ended 31 March 2022	Year ended 31 March 2021
India (country of domicile)	929.74	766.85
Europe	14,255.55	11,600.61
USA	27,673.23	28,526.65
Rest of the world	2,029.66	1,360.64
<b>Total</b>	<b>44,888.18</b>	<b>42,254.75</b>

# Notes forming part of the Consolidated Financial Statements

All amount in INR Lacs, unless otherwise stated

## 36 Segment information (Contd..)

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

Particulars	INR in Lacs	
	Year ended 31 March 2022	Year ended 31 March 2021
India (country of domicile)	7,797.89	8,513.44
Europe	84.58	285.40
USA	7,386.20	7,724.98
Rest of the world	0.34	0.42
<b>Total</b>	<b>15,269.01</b>	<b>16,524.24</b>

## 37 Related party transactions

The related parties as per the terms of Ind AS-24, "Related Party Disclosures", (specified under section 133 of the Companies Act, 2013) are disclosed below:-

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

S. No.	Description of relationship	Names of related parties
1	Holding and Ultimate Holding	ADI BPO Services Limited
2	Company Under Common Control	ADI Media Private Limited Birdcall Private Limited (w.e.f 14 July 2021)
3	Key management personnel (KMP)	Mr. Nishith Arora, Chairman & Non - Executive Director till 30 June 2021 Mr. Rahul Arora, Chairman (w.e.f. 01 July 2021) and Managing Director Ms. Jayantika Dave, Independent Director w.e.f 30 October 2019 Ms. Achal Khanna, Independent Director w.e.f 30 October 2019 Mr. Ajay Mankotia, Independent Director w.e.f. 29 January 2020 Dr. Piyush Kumar Rastogi, Independent Director w.e.f. 29 January 2020 Ms. Yamini Tandon, Non- Executive Director Mr. Sunit Malhotra, CFO (till 31 October 2021) & Company Secretary and Director of the holding company Mr. Ratish Mohan Sharma, CFO (w.e.f. 01 November 2021) Ms. Gagan Sahni Tyagi, Director of holding company

### B Transactions during the year

S. No.	Description of transactions:	Name of related party	Relationship	INR in Lacs	
				Year ended 31 March 2022	Year ended 31 March 2021
1	Rentals paid	ADI BPO Services Limited	Holding and Ultimate Holding	184.23	168.88
		ADI Media Private Limited	Company Under Common Control	5.28	5.28
2	Infrastructure charges	ADI BPO Services Limited	Holding and Ultimate Holding	51.60	51.60

## Notes forming part of the Consolidated Financial Statements

All amount in INR Lacs, unless otherwise stated

### 37 Related party transactions (Contd..)

					INR in Lacs	
S. No.	Description of transactions:	Name of related party	Relationship	Year ended 31 March 2022	Year ended 31 March 2021	
3	Reimbursement of expenses	ADI BPO Services Limited	Holding and Ultimate Holding	1.10	9.93	
		ADI Media Private Limited	Company Under Common Control	1.84	1.94	
4	Remuneration					
(i)	Short-term employee benefits	Mr. Rahul Arora	KMP	314.43	250.09	
		Ms. Yamini Tandon	KMP	156.93	152.60	
		Mr. Sunit Malhotra	KMP	63.14	66.56	
		Mr. Ratish Mohan Sharma	KMP	31.82	-	
		Ms. Gagan Sahni Tyagi	KMP	31.41	23.28	
(ii)	Post-employment benefits	Mr. Sunit Malhotra	KMP	0.29	0.52	
		Mr. Ratish Mohan Sharma	KMP	2.27	-	
		Ms. Gagan Sahni Tyagi	KMP	1.89	1.15	
5	Director sitting fees	Ms. Jayantika Dave	KMP	6.40	6.40	
		Ms. Achal Khanna	KMP	5.20	5.20	
		Mr. Ajay Mankotia	KMP	14.00	11.80	
		Dr. Piyush Kumar Rastogi	KMP	7.80	7.80	
6	Buy back of Equity Share	ADI BPO Services Limited	Holding and Ultimate Holding	5,228.94	2,072.33	

					INR in Lacs	
C	Balances at the year end	Name of related party	Relationship	As at 31 March 2022	As at 31 March 2021	
1	Security deposit placed	ADI BPO Services Limited	Holding and Ultimate Holding	80.96	75.46	
		ADI Media Private Limited	Company Under Common Control	0.86	0.81	
2	Prepaid rent	ADI BPO Services Limited	Holding and Ultimate Holding	15.74	20.98	
		ADI Media Private Limited	Company Under Common Control	0.02	0.06	
3	Trade payables	ADI BPO Services Limited	Holding and Ultimate Holding	-	-	
		ADI Media Private Limited	Company Under Common Control	0.03	0.02	
4	Projected benefit obligation	Mr. Sunit Malhotra	KMP	12.74	11.98	
		Mr. Ratish Mohan Sharma	KMP	2.57	-	
		Ms. Gagan Sahni Tyagi	KMP	6.34	4.29	

# Notes forming part of the Consolidated Financial Statements

All amount in INR Lacs, unless otherwise stated

## 38 Contingent liabilities to the extent not provided for:

### (i) Claims against Company, disputed by the Group, not acknowledged as debt:

	INR in Lacs	
	As at 31 March 2022	As at 31 March 2021
(a) Income tax	318.29	651.67
(b) Service tax	43.14	43.14

The above amounts are based on the notice of demand / Assessment Orders / claims by the relevant authorities / parties and the Group is contesting these claims. Outflows, if any, arising out of these claims would depend on the outcome of the decisions of the appellate authorities and the Group's rights for future appeals before the judiciary. The management believes that the ultimate outcome of these proceedings will not have a material adverse effect on the Group's financial position and results of operations.

- (ii) "The 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 had 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 Group had 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 Group should not be material.

## 39 Commitments as at year end

Estimated amount of contracts remaining to be executed on capital account (net of advances) INR NIL Lacs (31 March 2021: INR 62.21 Lacs).

## 40 Corporate Social Responsibility (CSR) Expense

As required by Section 135 of the Companies Act 2013, a Corporate Social Responsibility (CSR) committee has been formed by the Company. The areas for CSR activities include imparting primary education to under privileged girls, computer education to underprivileged children and building intellect and instill higher values of life through education and any other area the Board may find appropriate. Gross amount required to be spent by the Company during the year was INR 157 Lacs (for the year ended 31 March 2021; INR 163 Lacs).

Particulars	INR in Lacs	
	Year ended 31 March 2022	Year ended 31 March 2021
<b>a) Details of amount required, spent and shortfall in CSR Expense during the year</b>		
Amount required to be spent by the company	157	163
Amount incurred during the year (Refer "b" below)	157	163
Shortfall at the end of the year	-	-
Total of previous years shortfall	-	-
Amount of provision made with respect to a liability incurred by entering into a contractual obligation	-	-

## Notes forming part of the Consolidated Financial Statements

All amount in INR Lacs, unless otherwise stated

### 40 Corporate Social Responsibility (CSR) Expense (Contd..)

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

Purpose	INR in Lacs	
	Year ended 31 March 2022	Year ended 31 March 2021
Promotion of education and skills	115.00	115.00
Health care	42.00	48.00
<b>Total</b>	<b>157.00</b>	<b>163.00</b>

### 41 Business Combination

On 1 July 2020, the Company has completed the acquisition of the HighWire Press US Business at a purchase consideration of INR 5,181 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. The combined platforms of the Company and HighWire has significantly strengthen Company's product ecosystem.

Following assets and liabilities have been recorded on fair value through business combination accounting by the Group :

Particulars	Notes	INR in Lacs	
		As at 31 March 2022	As at 31 March 2021
Property, plant and equipment	3.1	73.54	73.55
Right-of-use assets	4	428.53	428.53
Other intangible assets	5	2,641.59	2,641.59
Non-current investments		806.89	806.89
Other non-current assets		3.24	3.24
Trade receivables		2,062.41	2,062.41
Cash and cash equivalents		1,502.71	1,502.71
Other financial assets		51.00	51.00
Loans		170.48	170.48
Other current assets		689.46	689.46
Lease liabilities	14	(997.72)	(997.73)
Other financial liabilities-non current		(48.01)	(48.01)
Trade payables		(1,255.72)	(1,255.94)
Other financial liabilities-current		(400.77)	(400.77)
Income received in advance (contract liabilities)	46 (iii)	(1,471.31)	(1,471.31)
Other current liabilities		(269.45)	(269.45)
Provisions		(357.24)	(384.17)
Income tax liabilities (net)		(142.42)	(142.42)
Deferred tax liabilities (net)	17	(57.42)	(57.42)
<b>Net assets</b>		<b>3,429.79</b>	<b>3,402.64</b>
Purchase consideration		5,951.40	5,951.40
<b>Goodwill</b>	5	<b>2,521.61</b>	<b>2,548.76</b>

# Notes forming part of the Consolidated Financial Statements

All amount in INR Lacs, unless otherwise stated

## 41 Business Combination (Contd..)

The goodwill of INR 2,548.75 Lacs comprises value of acquired workforce and expected synergies arising from the acquisition. Goodwill is deductible for income tax purposes at USA.

The group incurred acquisition related cost of INR 73.42 Lacs on legal fees and due diligence costs in previous financial year. These cost have been included in legal and professional fees under the head "other expenses". The measurement period of goodwill had been closed on 30 June 2021.

If the acquisition had occurred on 1 April 2020, management estimates that total revenue for the Company would have been higher by INR 2,899.42 Lacs and the profit after taxes would have been higher by INR 245.71 Lacs. The pro-forma amounts are not necessarily indicative of the results that would have occurred if the acquisition had occurred on date indicated or that may result in the future.

**42** The Board recommended a final dividend of INR 30 (face value of INR 10 per share ) per equity share. This payment is subject to the approval of shareholders in the Annual General Meeting (AGM) of the Company to be held on June 27, 2022.

Further, there has been no delay in transferring amounts and shares, required to be transferred, to the Investor Education and Protection Fund by the Group.

## 43 Details of provisions

The Company has made provision for pending litigation matter based on its assessment of the amount it estimates to incur to meet such obligation, details of which are given below:

Provision for service tax matter	INR in Lacs	
	As at 31 March 2022	As at 31 March 2021
As at commencement of the year	-	39.04
Additions	-	-
Reversal/utilisation	-	(39.04)
<b>As at end of the year</b>	<b>-</b>	<b>-</b>
Out of the above following amount are expected to be incurred within year	-	-

## 44 Disclosure pursuant to section 186(4) of the Companies Act, 2013 in respect of unsecured loans to subsidiary company (refer note 36):

MPS Interactive Systems Limited	Purpose/Term of loan	INR in Lacs	
		As at 31 March 2022	As at 31 March 2021
Outstanding as at the beginning of year		-	2,052.60
Given during the year	General business	-	-
Repaid during the year	purpose for a	-	(2,052.60)
Maximum balance outstanding	tenure of 5 years	-	2,052.60
<b>Outstanding as at the end of year</b>		<b>-</b>	<b>-</b>

## Notes forming part of Consolidated Financial Statements

for the year ended 31 March 2022 (INR in Lacs, except share and per share data, unless otherwise stated)

### 45 Additional Information, as required under Schedule III to the Companies Act, 2013, of enterprises consolidated as Subsidiary

S.No.	Name of Enterprise	Year ended	Net Assets (Total assets -Total liabilities)		Share in profit/ (loss)		Share in other comprehensive income		Share in total comprehensive income	
			As % of consolidated net assets	INR in Lacs	As % of consolidated profit/ (loss)	INR in Lacs	As % of Consolidated other comprehensive income	INR in Lacs	As % of Consolidated total comprehensive income	INR in Lacs
	<b>Parent</b>									
	MPS Limited	31-Mar-22	88.86%	32,599.58	82.02%	7,145.95	33.35%	140.63	79.78%	7,286.58
		31-Mar-21	94.12%	35,871.41	103.37%	6,053.38	70.48%	(155.46)	104.66%	5,897.92
	<b>Wholly Owned Subsidiaries</b>									
	<b>Indian</b>									
	MPS Interactive Systems Limited	31-Mar-22	17.83%	6,540.08	8.81%	767.81	5.86%	24.73	8.68%	792.54
		31-Mar-21	15.08%	5,747.55	(11.16%)	(653.69)	(22.66%)	49.99	(10.71%)	(603.70)
	<b>Foreign</b>									
1	MPS North America LLC	31-Mar-22	20.75%	7,614.19	4.48%	390.62	61.98%	261.39	7.14%	652.01
		31-Mar-21	18.27%	6,962.15	9.14%	535.34	104.01%	(229.44)	5.43%	305.90
2	Topsim GmbH	31-Mar-22	0.85%	313.20	3.14%	273.80	(2.03%)	(8.55)	2.90%	265.24
		31-Mar-21	0.13%	47.95	1.07%	62.38	7.34%	(16.19)	0.82%	46.19
3	Europa AG	31-Mar-22	2.30%	843.92	0.29%	25.00	10.45%	44.05	0.76%	69.06
		31-Mar-21	2.03%	774.87	(5.18%)	(303.48)	2.46%	(5.44)	(5.48%)	(308.92)
4	HighWire NA LLC (w.e.f 19 June 2020)*	31-Mar-22	0.00%	-	0.05%	4.66	1.46%	6.15	0.12%	10.81
		31-Mar-21	0.47%	178.24	(0.08%)	(4.56)	2.83%	(6.25)	(0.19%)	(10.81)
5	HighWire Press Limited (w.e.f 1 July 2020)	31-Mar-22	0.86%	315.51	0.65%	56.62	(1.12%)	(4.74)	0.56%	51.88
		31-Mar-21	0.69%	263.63	0.77%	45.33	(8.77%)	19.36	1.14%	64.69
6	Semantico Limited (w.e.f 1 July 2020)	31-Mar-22	4.54%	1,665.58	0.93%	81.36	(5.98%)	(25.25)	0.61%	56.11
		31-Mar-21	4.22%	1,609.47	3.08%	180.43	(60.35%)	133.13	5.56%	313.56
	<b>Total elimination</b>	31-Mar-22	(35.99%)	(13,204.88)	(0.39%)	(33.76)	(3.95%)	(16.66)	(0.55%)	(50.42)
		31-Mar-21	(35.01%)	(13,343.42)	(1.01%)	(59.17)	4.66%	(10.29)	(1.23%)	(69.46)
	<b>Total (31 March 2022)</b>		<b>100%</b>	<b>36,687.17</b>	<b>100%</b>	<b>8,712.06</b>	<b>100%</b>	<b>421.75</b>	<b>100%</b>	<b>9,133.81</b>
	<b>Total (31 March 2021)</b>		<b>100%</b>	<b>38,111.85</b>	<b>100%</b>	<b>5,855.96</b>	<b>100%</b>	<b>(220.59)</b>	<b>100%</b>	<b>5,635.37</b>

\* HireWire North America LLC a wholly owned subsidiary at US was voluntary dissolved and ceased to be a subsidiary of the group with effect from 21 December 2021

# Notes forming part of the Consolidated Financial Statements

All amount in INR Lacs, unless otherwise stated

## 46 Revenue

### (i) Revenue from contracts with customers

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

Particulars	INR in Lacs	
	Year ended 31 March 2022	Year ended 31 March 2021
Content solutions	24,220.00	22,764.15
eLearning solutions	8,334.12	5,730.86
Platform solutions	12,334.06	13,759.74
	<b>44,888.18</b>	<b>42,254.75</b>

### (ii) Disaggregation of revenue from contracts with customers

In the following table, revenue is disaggregated by primary geographical market and major products/service lines. The table also includes a reconciliation of the disaggregated revenue with the Group's three segments, which are its reportable segments (refer note 36)

Revenue by geographical markets	INR in Lacs							
	Year ended 31 March 2022				Year ended 31 March 2021			
	Content solutions	eLearning solutions	Platform solutions	Total	Content solutions	eLearning solutions	Platform solutions	Total
India (country of domicile)	266.11	597.80	65.83	929.74	172.49	532.93	61.43	766.85
Europe	6,220.19	3,163.37	4,871.99	14,255.55	3,940.36	1,215.78	6,444.47	11,600.61
USA	17,260.59	3,809.18	6,603.46	27,673.23	18,254.99	3,510.20	6,761.46	28,526.65
Rest of the world	473.11	763.77	792.78	2,029.66	396.31	471.95	492.38	1,360.64
<b>Total</b>	<b>24,220.00</b>	<b>8,334.12</b>	<b>12,334.06</b>	<b>44,888.18</b>	<b>22,764.15</b>	<b>5,730.86</b>	<b>13,759.74</b>	<b>42,254.75</b>

Refer note 34 (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	INR in Lacs	
	As at 31 March 2022	As at 31 March 2021
Receivables, which are included in 'Trade and other receivables' (refer note 11)	8,570.28	9,054.15
Unbilled revenue (refer note 8(ii) )	125.15	210.23
Contract assets (refer note 10 (ii) )	3,246.30	3,237.93
Contract liabilities (refer note 19)	6,915.06	4,388.79

Trade receivables are non-interest bearing and are generally on terms of 0 to 60 days.

# Notes forming part of the Consolidated Financial Statements

All amount in INR Lacs, unless otherwise stated

## 46 Revenue (Contd..)

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

Particulars	INR in Lacs			
	Year ended 31 March 2022		Year ended 31 March 2021	
	Contract assets	Contract liabilities	Contract assets	Contract liabilities
<b>Balance as at beginning of the year</b>	<b>3,237.93</b>	<b>4,388.79</b>	<b>3,931.24</b>	<b>2,298.85</b>
Business combination (refer note no 41)	-	-	-	1,471.31
Revenue recognised that was included in the unearned balance at the beginning of the year	(54.62)	(3,937.44)	-	(3,536.34)
Increases due to cash received, excluding amounts recognised as revenue during the year	14.07	5,554.87	54.61	3,665.66
Reversal of contract assets/contract liabilities	-	-	(164.07)	(16.93)
Transfers from contract assets recognised at the beginning of the year to receivables	(3,183.31)	-	(3,692.71)	-
Increases as a result of changes in the measure of progress	3,232.23	893.44	3,108.86	479.55
Exchange Impact	-	15.40	-	26.69
<b>Balance at the end of the year</b>	<b>3,246.30</b>	<b>6,915.06</b>	<b>3,237.93</b>	<b>4,388.79</b>

(iv) The amount of revenue recognised from performance obligations satisfied (or partially satisfied) in previous years, mainly due to the changes in the transaction price is Nil (31 March 2021 : INR Nil Lacs)

(v) **Reconciliation of revenue recognized with the contracted price is as follows:**

	INR in Lacs	
	Year ended 31 March 2022	Year ended 31 March 2021
<b>Contracted price</b>	44,918.97	42,487.38
Reductions towards variable consideration components	(30.79)	(232.63)
<b>Revenue recognised</b>	<b>44,888.18</b>	<b>42,254.75</b>

(vi) **Transaction price allocated to the remaining performance obligations**

The Group applies the practical expedient in paragraph 121 of Ind AS 115 and does not disclose information about remaining performance obligations that have original expected durations of one year or less.

(vii) The Group 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 Group has concluded that the impact of COVID – 19 is not material based on such evaluation. Due to the nature of the pandemic, the Group will continue to monitor developments to identify significant uncertainties relating to revenue in future periods.

# Notes forming part of the Consolidated Financial Statements

All amount in INR Lacs, unless otherwise stated

## 47 Relationship with Struck off Companies

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

INR in Lacs				
Name of struck off company	Nature of transactions with struck-off Company	Balance Outstanding as at 31 March 2022	Balance Outstanding as at 31 March 2021	Relationship with the Struck off company, if any, to be disclosed
Trinity Publishing services (P) Ltd	Payables	0.18	0.18	
Green Land Facilities Management	Payables	0.54	0.54	No
		<b>0.72</b>	<b>0.72</b>	

**48** Group is compliant with number of layers prescribed under clause 87 of section 2 of companies act, 2013.

**49 Utilisation of Security premium** Total utilisation of Security premium INR 10,442.76 Lacs in FY 2021-22 and INR 4157.57 Lacs in FY 2020-21

## 50 Ratios

INR in Lacs						
Ratios	Formulas for Computation	Measures (Times/ Percentage)	31 March 2022	31 March 2021	Variation	Remarks
Current Ratio	Curren Assets/Current Liabilities	Times	2.71	2.66	2%	
Debt-Equity Ratio	Total Debts / Net Worth	Times	NA	NA	0%	There is no debt in the group.
Debt Service Coverage Ratio	EBITDA/Debt Service	Times	NA	NA	0%	There is no debt in the group.
Return on Equity Ratio	PAT/Net Worth	Percentage	23%	16%	49%	Recovery and better margins in eLearning segment.
Inventory turnover Ratio	COGS/Average Inventory	Times	NA	NA	0%	Group is in service sector.
Trade Receivable turnover Ratio	Revenue from Operations/ Average Debtors	Times	4.92	5.30	-7%	
Trade Payable turnover Ratio	Other expenses net off non cash expenses and CSR/ Average accounts payable	Times	5.79	6.50	-11%	
Net Capital turnover Ratio	Revenue from Operations/ Average Working Capital ( i.e Total Current Assets Less Total Current Liabilities)	Times	2.53	2.00	26%	Due to increase in other liabilities.
Net Profit Ratio	PAT/ Revenue from Operations	Percentage	19%	14%	40%	Recovery and better margins in eLearning segment.
Return on Capital Employed	EBIT/Capital Employed ((Net Worth +Lease Liabilities+Deferred Tax Liabilities)	Percentage	31%	23%	31%	Recovery and better margins in eLearning segment.
Return on Investments	PBT/Total Assets	Percentage	24%	18%	29%	Recovery and better margins in eLearning segment.

# Notes forming part of the Consolidated Financial Statements

All amount in INR Lacs, unless otherwise stated

## 51 Other statutory information

- (i) The Group do not have any Benami property, where any proceeding has been initiated or pending against the Group for holding any Benami property.
- (ii) The Group do not have any charges or satisfaction which is yet to be registered with ROC beyond the statutory period
- (iii) The Group have not traded or invested in Crypto currency or Virtual Currency during the period/year.
- (iv) The Group have not advanced or loaned or invested funds to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding that the Intermediary shall:
  - (a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company (Ultimate Beneficiaries) or
  - (b) provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries
- (v) The Group have not received any fund from any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Group shall:
  - (a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries) or
  - (b) provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries,
- (vi) The Group have not any such transaction which is not recorded in the books of accounts that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (such as, search or survey or any other relevant provisions of the Income Tax Act, 1961.

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

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

**Rohit Arora**  
Partner  
Membership Number: 504774

**Rahul Arora**  
Chairman and Managing Director  
DIN: 05353333

**Ajay Mankotia**  
Director  
DIN: 03123827

**Ratish Mohan Sharma**  
Chief Financial Officer

**Sunit Malhotra**  
Company Secretary

Place : Gurugram  
Date : 17 May 2022

Place : Gurugram  
Date : 17 May 2022

# Form AOC – 1

(Pursuant to first proviso to sub-section (3) of Section 129 read with Rule 5 of Companies (Accounts) Rules, 2014)

## STATEMENT CONTAINING SALIENT FEATURES OF THE FINANCIAL STATEMENT OF SUBSIDIARIES

Name of the Subsidiary	INR in Lacs				
	MPS North America LLC	MPS Interactive Systems Limited	MPS Europa AG	TOPSIM GmbH	HighWire North America LLC*
Reporting period for the subsidiary concerned	Financial Year 2021-2022	Financial Year 2021-2022	Financial Year 2021-2022	Financial Year 2021-2022	Period 1 April 2021 to 21 December 2021
Reporting currency and exchange rate as on the Financial Year ended on March 31, 2022	INR 75.7925 = USD 1	Rupees	INR 82.03 = CHF 1	INR 84.22 = Euro 1	NA
Share capital	4,213.59	6200	68.34	182.27	NA
Reserves & surplus	3400.60	340.07	775.58	130.92	NA
Total assets	10143.15	9,433.18	1002.09	1364.70	NA
Total Liabilities	10143.15	9,433.18	1002.09	1364.70	NA
Investments	757.93	-	-	-	NA
Turnover	9236.50	5,387.14	1,518.51	1,490.83	NA
Profit/(loss) before taxation	564.48	1028.86	29.32	249.81	4.66
Provision for taxation	173.86	261.06	4.31	(23.99)	NA
Profit/(loss) after taxation	390.62	767.80	25.00	273.80	4.66
Other Comprehensive Income/(loss)	261.39	24.73	44.05	(8.55)	6.15
Total Comprehensive Income	652.01	792.53	69.06	265.24	10.81
Proposed Dividend	NIL	Nil	Nil	Nil	NA
% of shareholding	100%	100%	100%	100%	100%

\*Highwire North America LLC a wholly owned subsidiary at US was voluntarily dissolved and ceased to be a subsidiary of the company with effect from 21 December, 2021.

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

**Rahul Arora**

Chairman and Managing Director  
DIN: 05353333

**Ajay Mankotia**

Director  
DIN: 03123827

**Sunit Malhotra**

Company Secretary

**Ratish Mohan Sharma**

Chief Financial Officer

**Place:** Gurugram

**Date:** May 17, 2022



# **NOTICE OF ANNUAL GENERAL MEETING**



## MPS LIMITED

CIN: L22122TN1970PLC005795

Registered Office: RR Towers IV, Super A, 16/17, Thiru Vi Ka Industrial Estate, Guindy, Chennai-600 032, Tamil Nadu, India,  
Tel. No.: +91-44 -49162222 |

Corporate Office: 4th Floor, Tower – A, Windsor IT Park, A-1, Sector 125, Noida, Uttar Pradesh,  
201 303, India, Tel. No.: +91-120 -4599750 |

E-mail: [investors@mpslimited.com](mailto:investors@mpslimited.com) | Website: [www.mpslimited.com](http://www.mpslimited.com)

Company Secretary: Mr. Sunit Malhotra | Tel. No.: +91-120 -4599753 |

# NOTICE

Notice is hereby given that the 52<sup>nd</sup> Annual General Meeting (“AGM”) of MPS LIMITED (“the **Company**”) will be held on **Monday, June 27, 2022 at 11:30 A.M. (IST)** through Video Conferencing (“VC”)/ Other Audio Visual Means (“OAVM”) facility to transact the following businesses:

### ORDINARY BUSINESS:

1. To receive, consider and adopt
  - a. the Audited Standalone Financial Statements of the Company for the financial year ended March 31, 2022, together with the Reports of the Board of Directors and the Auditors thereon; and
  - b. the Audited Consolidated Financial Statements of the Company for the financial year ended March 31, 2022, together with the Reports of the Board of Directors and the Auditors thereon.
2. To appoint Ms. Yamini Tandon (DIN: 06937633), Non-Executive Director, who retires by rotation and being eligible, offers herself for re-appointment as a Director.
3. To declare a Final Dividend of INR 30 (Rupees Thirty only) per Equity Shares of INR 10 each for the financial year 2021-22.

**By Order of the Board of Directors**

**Place:**Gurugram  
**Date:** May 17, 2022

**Sunit Malhotra**  
Company Secretary

### IMPORTANT NOTES:

**A. GENERAL INSTRUCTIONS FOR ACCESSING AND PARTICIPATING IN THE 52ND AGM THROUGH VC/OAVM FACILITY AND VOTING THROUGH ELECTRONIC MEANS INCLUDING REMOTE E-VOTING:**

1. In view of the continuing COVID-19 pandemic, the Ministry of Corporate Affairs (“MCA”) has vide its circular nos. 14/2020, 17/2020, 20/2020, 02/2021 and 21 /2021 dated April 8, 2020, April 13, 2020, May 5, 2020, January 13, 2021 and December 14, 2021 respectively (“MCA Circulars”), permitted the holding of AGM through Video Conferencing (‘VC’) / Other Audio Visual Means (‘OAVM’) facility without the physical presence of the Members at a common venue. In compliance with the provisions of the Act, SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (‘SEBI Listing Regulations’) and MCA Circulars, 52nd AGM of the Company is being held through VC/OAVM facility. The registered office of the Company shall be deemed to be the venue for the AGM.
2. The relevant details, pursuant to Regulations 26(4) and 36(3) of the SEBI Listing Regulations and Secretarial Standard on General Meetings issued by the Institute of Company Secretaries of India, in respect of Director seeking re-appointment at this AGM are also annexed to this Notice.
3. The AGM is being held pursuant to the MCA Circulars through VC / OAVM facility, therefore physical attendance of Members has been dispensed with. Accordingly, the facility for

appointment of proxy/proxies by the Members will not be available for the AGM and hence, the Proxy Form and Attendance Slip and route map of the venue of AGM are not annexed to this Notice.

However, Corporate Members intending to authorize their representatives to attend & vote at the AGM through VC / OAVM facility on its behalf are requested to send duly certified copy of the relevant Board resolution. The said resolution/ authorization shall be sent to the Scrutinizer by email through its registered email address to [rsaevoting@gmail.com](mailto:rsaevoting@gmail.com) with a copy marked to [investors@mpslimited.com](mailto:investors@mpslimited.com).

4. Members attending the AGM through VC / OAVM facility shall be counted for the purpose of reckoning the quorum under Section 103 of the Act.
5. During the AGM, Members may access the scanned copy of Register of Directors and Key Managerial Personnel and their shareholding maintained under Section 170 of the Act, the Register of contracts or arrangements in which Directors are interested under Section 189 of the Act.
6. 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 Regulation 44 of SEBI (Listing Obligations & Disclosure Requirements) Regulations 2015 (as amended), and MCA Circulars dated April 08, 2020, April 13, 2020 and May 05, 2020, the Company is providing facility of remote e-voting to its Members in respect of the business to be transacted at the AGM. For this purpose, the Company has entered into an agreement with Central Depository Services (India) Limited (CDSL) for facilitating voting through electronic means, as the authorized e-Voting's agency. The facility of casting votes by a member using remote e-voting as well as the e-voting system on the date of the AGM will be provided by CDSL.
7. The Members can join the AGM in the VC/OAVM mode 30 minutes before and after the scheduled time of the commencement of the Meeting by following the procedure mentioned in the Notice. The facility of participation at the AGM through VC/OAVM will be made available to at least 1000 members on first come first served basis. This will not include large Shareholders (Shareholders holding 2% or more shareholding), Promoters, Institutional Investors, Directors, Key Managerial Personnel, the Chairpersons of the Audit Committee, Nomination and Remuneration

Committee and Stakeholders Relationship Committee, Auditors etc. who are allowed to attend the AGM without restriction on account of first come first served basis.

8. In line with the Ministry of Corporate Affairs (MCA) Circular No. 17/2020 dated April 13, 2020 and circular no. 20/2020 dated May 5, 2020, the Notice calling the AGM has been uploaded on the website of the Company at [www.mpslimited.com](http://www.mpslimited.com). The Notice can also be accessed from the websites of the Stock Exchanges i.e. BSE Limited and National Stock Exchange of India Limited at [www.bseindia.com](http://www.bseindia.com) and [www.nseindia.com](http://www.nseindia.com) respectively. The AGM Notice is also disseminated on the website of CDSL (agency for providing the Remote e-Voting facility and e-voting system during the AGM) i.e. [www.evotingindia.com](http://www.evotingindia.com).
9. The Instructions to Shareholders for Remote e-Voting and e-Voting during AGM and for joining Meeting through VC/OAVM is mentioned at Point no. B hereinafter.
10. The Instructions for Shareholders Attending the AGM Through VC/OAVM & E-Voting during Meeting is mentioned at Point no. C hereinafter.
11. The process for those shareholders whose email addresses are not registered with the depositories and for obtaining login credentials for e-voting for the resolutions proposed in this notice is mentioned at Point no. D hereinafter.

**B. THE INSTRUCTIONS TO SHAREHOLDERS FOR REMOTE E-VOTING AND E-VOTING DURING AGM AND JOINING MEETING THROUGH VC/OAVM ARE AS UNDER:**

- (i) The voting period begins on Friday, June 24, 2022 at 09:00 AM (IST) and ends on Sunday, June 26, 2022 at 05:00 PM (IST). During this period shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date Monday, June 20, 2022, may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
- (ii) Shareholders who have already voted prior to the meeting date would not be entitled to vote at the meeting venue.
- (iii) Pursuant to SEBI Circular No. SEBI/HO/CFD/CMD/CIR/P/2020/242 dated 09.12.2020, under Regulation 44 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, listed entities are required to provide remote e-voting facility to its shareholders,

in respect of all shareholders’ resolutions. However, it has been observed that the participation by the public non-institutional shareholders/retail shareholders is at a negligible level.

Currently, there are multiple e-voting service providers (ESPs) providing e-voting facility to listed entities in India. This necessitates registration on various ESPs and maintenance of multiple user IDs and passwords by the shareholders.

In order to increase the efficiency of the voting process, pursuant to a public consultation, it has been decided to enable e-voting to all the demat account holders, by way of a single login credential, through their demat accounts/

websites of Depositories/ Depository Participants. Demat account holders would be able to cast their vote without having to register again with the ESPs, thereby, not only facilitating seamless authentication but also enhancing ease and convenience of participating in e-voting process.

- (iv) In terms of SEBI circular no. SEBI/HO/CFD/CMD/CIR/P/2020/242 dated December 9, 2020 on e-Voting facility provided by Listed Companies, Individual shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Shareholders are advised to update their mobile number and email Id in their demat accounts in order to access e-Voting facility.

**PURSUANT TO ABOVE SAID SEBI CIRCULAR, LOGIN METHOD FOR E-VOTING AND JOINING VIRTUAL MEETINGS FOR INDIVIDUAL SHAREHOLDERS HOLDING SECURITIES IN DEMAT MODE IS GIVEN BELOW:**

Type of shareholders	Login Method
Individual Shareholders holding securities in Demat mode with CDSL	<ol style="list-style-type: none"> <li>1) Users of who have opted for CDSL’s Easi / Easiest facility, can login through their existing user id and password. Option will be made available to reach e-Voting page without any further authentication. The URLs for users to login to Easi / Easiest are <a href="https://web.cdslindia.com/myeasi/home/login">https://web.cdslindia.com/myeasi/home/login</a> or <a href="http://www.cdslindia.com">www.cdslindia.com</a> and click on Login icon and select New System Myeasi.</li> <li>2) After successful login the Easi / Easiest user will be able to see the e-Voting Menu. On clicking the e-voting menu, the user will be able to see his/her holdings along with links of the respective e-Voting service provider i.e. CDSL/ NSDL/ KARVY/ LINK INTIME as per information provided by Issuer / Company. Additionally, we are providing links to e-Voting Service Providers, so that the user can visit the e-Voting service providers’ site directly.</li> <li>3) If the user is not registered for Easi/Easiest, option to register is available at <a href="https://web.cdslindia.com/myeasi./Registration/ EasiRegistration">https://web.cdslindia.com/myeasi./Registration/ EasiRegistration</a></li> <li>4) Alternatively, the user can directly access e-Voting page by providing Demat Account Number and PAN No. from a link in <a href="http://www.cdslindia.com">www.cdslindia.com</a> home page. The system will authenticate the user by sending OTP on registered Mobile &amp; Email as recorded in the Demat Account. After successful authentication, user will be provided links for the respective ESP where the e-Voting is in progress during or before the AGM.</li> </ol>
Individual Shareholders holding securities in demat mode with NSDL	<ol style="list-style-type: none"> <li>1) If you are already registered for NSDL IDeAS facility, please visit the e-Services website of NSDL. Open web browser by typing the following URL: <a href="https://eservices.nsd.com">https://eservices.nsd.com</a> either on a Personal Computer or on a mobile. Once the home page of e-Services is launched, click on the “Beneficial Owner” icon under “Login” which is available under ‘IDeAS’ section. A new screen will open. You will have to enter your User ID and Password. After successful authentication, you will be able to see e-Voting services. Click on “Access to e-Voting” under e-Voting services and you will be able to see e-Voting page. Click on company name or e-Voting service provider name and you will be re-directed to e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting &amp; voting during the meeting.</li> <li>2) If the user is not registered for IDeAS e-Services, option to register is available at <a href="https://eservices.nsd.com">https://eservices.nsd.com</a>. Select “Register Online for IDeAS” Portal or click on the following NSDL website link- <a href="https://eservices.nsd.com/SecureWeb/IdeasDirectReg.jsp">https://eservices.nsd.com/SecureWeb/IdeasDirectReg.jsp</a></li> </ol>

Type of shareholders	Login Method
Individual Shareholders (holding securities in demat mode) login through their Depository Participants	<p>3) Visit the e-Voting website of NSDL. Open web browser by typing the following URL: <a href="https://www.evoting.nsdl.com/">https://www.evoting.nsdl.com/</a> either on a Personal Computer or on a mobile. Once the home page of e-Voting system is launched, click on the icon "Login" which is available under 'Shareholder/Member' section. A new screen will open. You will have to enter your User ID (i.e. your sixteen digit demat account number hold with NSDL), Password/OTP and a Verification Code as shown on the screen. After successful authentication, you will be redirected to NSDL Depository site wherein you can see e-Voting page. Click on company name or e-Voting service provider name and you will be redirected to e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting &amp; voting during the meeting.</p> <p>You can also login using the login credentials of your demat account through your Depository Participant registered with NSDL/CDSL for e-Voting facility. After successful login, you will be able to see e-Voting option. Once you click on e-Voting option, you will be redirected to NSDL/CDSL Depository site after successful authentication, wherein you can see e-Voting feature. Click on company name or e-Voting service provider name and you will be redirected to e-Voting service provider's website for casting your vote during the remote e-Voting period or joining virtual meeting &amp; voting during the meeting.</p>

**Important note:** Members who are unable to retrieve User ID/ Password are advised to use Forget User ID and Forget Password option available at above mentioned website.

Helpdesk for Individual Shareholders holding securities in demat mode for any technical issues related to login through Depository i.e. CDSL and NSDL.

Login type	Helpdesk details
Individual Shareholders holding securities in Demat mode with CDSL	Members facing any technical issue in login can contact CDSL helpdesk by sending a request at <a href="mailto:helpdesk.evoting@cdslindia.com">helpdesk.evoting@cdslindia.com</a> or contact at 022- 23058738 and 22-23058542-43.
Individual Shareholders holding securities in Demat mode with NSDL	Members facing any technical issue in login can contact NSDL helpdesk by sending a request at <a href="mailto:evoting@nsdl.co.in">evoting@nsdl.co.in</a> or call at toll free no.: 1800 1020 990 and 1800 22 44 30

(v) Login method for e-Voting and joining virtual meeting for shareholders other than **individual shareholders & physical shareholders.**

- 1) The shareholders should log on to the e-voting website [www.evotingindia.com](http://www.evotingindia.com).
- 2) Click on "Shareholders" module.
- 3) Now enter your User ID
  - a. For CDSL: 16 digits beneficiary ID,

b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,

c. Shareholders holding shares in Physical Form should enter Folio Number registered with the Company.

4) Next enter the Image Verification as displayed and Click on Login.

5) If you are holding shares in demat form and had logged on to [www.evotingindia.com](http://www.evotingindia.com) and voted on an earlier e-voting of any company, then your existing password is to be used.

6) If you are a first-time user follow the steps given below:

For Shareholders holding shares in Demat Form other than individual and Physical Form	
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PAN	Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders)
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- Shareholders who have not updated their PAN with the Company/Depository Participant are requested to use the sequence number sent by Company/RTA or contact Company/RTA. #ensure the communication of sequence number.

**For Shareholders holding shares in Demat Form other than individual and Physical Form**

Dividend Bank Details OR Date of Birth (DOB) Enter the Dividend Bank Details or Date of Birth (in dd/mm/yyyy format) as recorded in your demat account or in the company records in order to login.

- If both the details are not recorded with the depository or company, please enter the member id / folio number in the Dividend Bank details field as mentioned in instruction (v).

- (vi) After entering these details appropriately, click on "SUBMIT" tab.
- (vii) Shareholders holding shares in physical form will then directly reach the Company selection screen. However, shareholders holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- (viii) For shareholders holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- (ix) Click on the EVSN for the relevant MPS Limited-220520006 on which you choose to vote.
- (x) On the voting page, you will see "RESOLUTION DESCRIPTION" and against the same the option "YES/NO" for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
- (xi) Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.
- (xii) After selecting the resolution, you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote.
- (xiii) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.

(xiv) You can also take a print of the votes cast by clicking on "Click here to print" option on the Voting page.

(xv) If a demat account holder has forgotten the login password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.

**(xvi) Facility for Non – Individual Shareholders and Custodians –Remote Voting**

- Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodians are required to log on to [www.evotingindia.com](http://www.evotingindia.com) and register themselves in the "Corporates" module.
- A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com).
- After receiving the login details a Compliance User should be created using the admin login and password. The Compliance User would be able to link the account(s) for which they wish to vote on.
- The list of accounts linked in the login should be mailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) and on approval of the accounts they would be able to cast their vote.
- A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.
- Corporate Members intending to send their authorised representatives to attend the AGM are requested to send a certified copy of the Board Resolution to the Company, authorising them to attend and vote on their behalf at the AGM. The said resolution/authorization shall be sent to the Scrutinizer by email through its registered email address to [rsaevoting@gmail.com](mailto:rsaevoting@gmail.com) with a copy marked to [investors@mpslimited.com](mailto:investors@mpslimited.com).

**C. INSTRUCTIONS FOR SHAREHOLDERS ATTENDING THE AGM THROUGH VC/OAVM & E-VOTING DURING MEETING ARE AS UNDER:**

1. The procedure for attending meeting & e-Voting on the day of the AGM is same as the instructions mentioned above for Remote e-voting.
2. The link for VC/OAVM to attend meeting will be available where the EVSN of Company will

be displayed after successful login as per the instructions mentioned above for Remote e-voting.

3. Shareholders who have voted through Remote e-Voting will be eligible to attend the meeting. However, they will not be eligible to vote at the AGM/EGM.
4. Shareholders are encouraged to join the Meeting through Laptops / IPads for better experience.
5. Further shareholders will be required to allow Camera and use Internet with a good speed to avoid any disturbance during the meeting.
6. 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.
7. 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 3(Three) days in advance prior to meeting mentioning their name, demat account number/folio number, email id, mobile number at [investors@mpslimited.com](mailto:investors@mpslimited.com) and [agm@cameoindia.com](mailto:agm@cameoindia.com). The shareholders who do not wish to speak during the AGM but have queries may send their queries 3(Three) days in advance prior to meeting mentioning their name, demat account number/folio number, email id, mobile number at [investors@mpslimited.com](mailto:investors@mpslimited.com) and [agm@cameoindia.com](mailto:agm@cameoindia.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 52nd AGM, depending upon the availability of time.
8. Those shareholders who have registered themselves as a speaker will only be allowed to express their views/ask questions during the meeting.
9. Only those shareholders, who are present in the AGM through VC/OAVM facility and have not casted their vote on the Resolutions through remote e-Voting and are otherwise not barred from doing so, shall be eligible to vote through e-Voting system available during the AGM.
10. If any Votes are cast by the shareholders through the e-voting available during the AGM and if the

same shareholders have not participated in the meeting through VC/OAVM facility, then the votes cast by such shareholders shall be considered invalid as the facility of e-voting during the meeting is available only to the shareholders attending the meeting.

**D. PROCESS FOR THOSE SHAREHOLDERS WHOSE EMAIL ADDRESSES ARE NOT REGISTERED WITH THE DEPOSITORIES AND FOR OBTAINING LOGIN CREDENTIALS FOR E-VOTING FOR THE RESOLUTIONS PROPOSED IN THIS NOTICE:**

- i. For Physical shareholders- please provide necessary details like Folio No., Name of shareholder, scanned copy of the share certificate (front and back), PAN (self-attested scanned copy of PAN card), AADHAR (self-attested scanned copy of Aadhar Card) by email to Company/RTA email id i.e. [agm@cameoindia.com](mailto:agm@cameoindia.com).
- ii. For Demat shareholders - Please update your email id & mobile no. with your respective Depository Participant (DP). For Individual Demat shareholders – Please update your email id & mobile no. with your respective Depository Participant (DP) which is mandatory while e-Voting & joining virtual meeting through Depository.

**If you have any queries or issues regarding attending AGM & e-Voting from the CDSL e-Voting System, you can write an email to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) or contact at 022- 23058738 and 022-23058542/43.**

**All grievances connected with the facility for voting by electronic means may be addressed to Mr. Rakesh Dalvi, Senior Manager, (CDSL,) Central Depository Services (India) Limited, A Wing, 25th Floor, Marathon Futurex, Mafatlal Mill Compounds, N M Joshi Marg, Lower Parel (East), Mumbai - 400013 or send an email to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) or call on 022-23058542/43.**

**OTHER GUIDELINES FOR MEMBERS:**

- a. The Register of Members and Share Transfer Books of the Company shall remain closed from **Tuesday, June 21, 2022 to Monday, June 27, 2022** (both days inclusive) for the purpose of the Annual General Meeting and Dividend.
- b. The Company has fixed Monday, June 20, 2022 as the 'Cut-off Date' for determining entitlement of members to final dividend for the financial year ended March 31, 2022, if approved at the AGM.
- c. If the final dividend, as recommended by the Board of Directors, is approved at the AGM, payment of such

dividend subject to deduction of tax at source will be made within five working days as under:

- To all Beneficial Owners in respect of shares held in dematerialized form as per the data as may be made available by the National Securities Depository Limited (“NSDL”) and the Central Depository Services (India) Limited (“CDSL”), collectively “Depositories”, as of end of day on Monday, June 20, 2022;
  - To all Members in respect of shares held in physical form after giving effect to valid transmission or transposition requests lodged with the Company as of the close of business hours on Monday, June 20, 2022.
- d. To prevent fraudulent transactions, Members are requested to exercise due diligence and immediately notify the RTA any change in their address and/or bank mandate in respect of shares held in physical form and to their DPs in respect of shares held in dematerialized form. Members are also advised not to leave their demat account(s) dormant for long. Periodic statement of holdings should be obtained from the concerned DP and holdings should be verified. The Securities and Exchange Board of India (‘SEBI’) has mandated the submission of Permanent Account Number (‘PAN’) by every participant in securities market. Members holding shares in electronic form are, therefore, requested to submit their PAN to their DPs with whom they are maintaining their demat accounts. Members holding shares in physical form can submit their PAN to the Company/ RTA.
- e. SEBI vide its Circular No. SEBI/HO/MIRSD/DOP1/CIR/P/2018/73 dated April 20, 2018 has directed all the listed companies to update Bank Account details and PAN of the Members holding shares in physical form. It has been observed that many of the Members holding physical shares have not updated the said information. Therefore, such Members are requested to send the following documents to the Company’s RTA:
- Self-attested copy of PAN card including that of joint Members; and
  - An original cancelled cheque of 1st Member (Name of 1st Member should be printed on cheque leaf). If name of 1st Member is not printed on cheque leaf, photocopy of passbook or bank statement duly attested by the banker along with cancelled cheque (Photocopy of cheque will not be accepted/ entertained).
- f. SEBI vide its notifications dated June 8, 2018 and November 30, 2018, mandated that securities of listed companies can be transferred only in dematerialized form w.e.f. April 1, 2019. Accordingly, the Company has stopped accepting any fresh lodgment of transfer of shares in physical form. In view of the above and to avail various benefits of dematerialization, Members are requested to dematerialize the shares held by them in physical form.
- g. Members holding shares in single name and physical form are advised to make nomination in respect of their shareholding in the Company by submitting Form No. SH- 13 in terms of Section 72 of the Act to the RTA. Members holding shares in electronic form may submit the same to their respective DP. The nomination form can be downloaded from the Company’s website [www.mpслиmited.com](http://www.mpслиmited.com), under the investor relations section. Members who require communication in physical form in addition to e-communication or have any other queries, may write to the RTA or Company at its Registered Office address.
- h. Non-Resident Indian Members are requested to inform RTA, immediately of:
- Change in their residential status on return to India for permanent settlement.
  - Particulars of their bank account maintained in India with complete name, branch, account number, account type and address of the Bank with pin code number.
- i. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential. Login to the e-Voting website will be disabled upon five unsuccessful attempts to key in the correct password. In such an event, you will need to go through the “Forgot User Details/Password?” or “Physical User Reset Password?” option available on [www.evotingindia.com](http://www.evotingindia.com) to reset the password.
- j. The voting rights of shareholders shall be in proportion to their share of the paid up equity share capital of the Company as on the **cut-off date i.e., Monday, June 20, 2022.**
- k. A person whose name is recorded in the register of members or in the register of beneficial owners maintained by the depositories as on the cut-off date shall only be entitled to avail the facility of remote e-voting or casting vote through e-voting system during the meeting.

- l. Any person, who acquires shares of the Company and becomes the member of the Company after the Company sends the Notice of the **AGM** and would be holding shares of the Company as on the cut-off date i.e. **Monday, June 20, 2022** may obtain the User ID and password by sending a request at [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) or [agm@cameoindia.com](mailto:agm@cameoindia.com). Alternatively, the shareholder can create their user name and password by entering the valid credentials, as mentioned in point no (viii) mentioned above in the remote e-voting instructions.
- m. Mr. R Sridharan, Practicing Company Secretary (Membership No. FCS 4775) of M/s. R Sridharan & Associates, Company Secretaries, Chennai, has been appointed as the Scrutinizer to scrutinize the remote e-Voting process and casting vote through the e-Voting system during the meeting in a fair and transparent manner.
- n. During the 52nd AGM, the Chairman shall, after response to the questions raised by the Members in advance or as a speaker at the 52nd AGM, formally propose to the Members participating through VC/OAVM Facility to vote on the resolutions as set out in the Notice of the 52nd AGM and announce the start of the casting of vote through the e-Voting system. After the Members participating through VC/OAVM Facility, eligible and interested to cast votes, have cast the votes, the e-voting will be closed with the formal announcement of closure of the 52nd AGM.
- o. The Scrutinizer shall after the conclusion of e-Voting at the 52nd AGM, first download the votes cast at the AGM and thereafter unblock the votes cast through remote e-Voting and shall make a consolidated scrutinizer's report of the total votes cast in favour or against, invalid votes, if any, and whether the resolution has been carried or not, and such Report shall then be sent to the Chairman or a person authorized by him, within two working days of the conclusion of the 52nd AGM, who shall then countersign and declare the result of the voting forthwith.
- p. The Results declared along with the Scrutinizer's Report shall be placed on the Company's website, [www.mpslimited.com](http://www.mpslimited.com) and on the website of CDSL immediately after the results are declared and communicated to the Stock Exchanges, where the shares of the Company are listed, viz. BSE Limited and National Stock Exchange of India Limited.
- q. Subject to receipt of requisite number of votes, the Resolutions shall be deemed to be passed on the date of AGM, i.e., Monday, June 27, 2022.
- r. SEBI Circular No. SEBI/HO/MIRSD/MIRSD\_RTAMB/P/CIR/2021/655, dated 03.11.2021 and SEBI/HO/MIRSD/MIRSD\_RTAMB/P/CIR/2021/687 dated 14.12.2021 has stated that it shall be mandatory for all holders of physical securities in listed companies to furnish PAN, KYC details and Nomination. SEBI has now simplified the norms for processing the investors service request by RTAs i.e. norms for dealing the minor mismatch of signatures, major mismatch of signatures, mismatch in name. Shareholders holding shares in physical form should now compulsory furnish PAN, KYC and nomination details, Postal address with PIN, Mobile number, E-mail address, Bank account details (bank name and branch, bank account number, IFS code) and specimen signatures. Upon receipt of the KYC document or updation of bank details, the RTA shall suo-moto, pay electronically, all the moneys of / payments to the holder that were previous unclaimed / unsuccessful. The folios wherein any one of the cited document / details is not available on or after April 01, 2023, shall be frozen by the RTA. The securities in the frozen folios shall be eligible to lodge grievance or avail service request from the RTA only after furnishing the complete documents / details as aforesaid.

The Physical shareholders are hereby requested to furnish the details as mentioned above on or before March 31, 2023 to avoid the frozen of the folios thereafter. The shareholder can reach out to [investors@mpslimited.com](mailto:investors@mpslimited.com) or [kyc@cameoindia.com](mailto:kyc@cameoindia.com) for any queries or assistance in this regard.

- s. Pursuant to the Finance Act, 2020, dividend income is taxable in the hands of shareholders w.e.f. April 1, 2020 and the Company is required to deduct tax at source from dividend paid to the shareholders at the prescribed rates and deposit with the tax authorities. For the prescribed rates for various categories, please refer to the Finance Act, 2020 and the amendments thereof. The shareholders are requested to update their PAN with the DPs (if shares held in dematerialized form) and the Company (if shares are held in physical form).

A Resident individual shareholder with PAN and who is not liable to pay income tax can submit a yearly declaration in Form no. 15G/15H, to avail the benefit of non-deduction of tax at source by email to [investor@cameoindia.com](mailto:investor@cameoindia.com) and [investors@mpslimited.com](mailto:investors@mpslimited.com) by 11:59 p.m. IST on 17th June, 2022. Shareholders are requested to note that in case their PAN is not registered, or having invalid PAN or specified persons under Section 206AB of the Income Tax Act, the tax will be deducted at a higher rate prescribed under Section 206AA or 206AB of the Act, as applicable.

Non-resident shareholders (including foreign Institutional Investors (FIIs)/Foreign Portfolio Investors (FPI) can avail beneficial rates under tax treaty between India and their country of tax residence, subject to providing necessary documents i.e. No permanent Establishment and Beneficial Ownership Declaration, Tax Residency Certificate, Form 10F, any other document which may be required to avail the tax treaty benefits. For this purpose, shareholders may submit the above documents to [investor@cameoindia.com](mailto:investor@cameoindia.com) and [investors@mpslimited.com](mailto:investors@mpslimited.com) by 11:59 p.m. IST on 17th June, 2022.

Please note that Shareholder holding shares in physical form can avail the ECS facility for remittance of dividend directly into your Bank Accounts. Please email to [investor@cameoindia.com](mailto:investor@cameoindia.com) and [investors@mpslimited.com](mailto:investors@mpslimited.com) for notifying us about any change in the particulars of your Bank Account. Kindly ensure that any such change should be notified at least one month before remittance of dividend through ECS.

**Annexure to the Notice  
(For Item No. 2)**

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

<b>Particulars</b>	<b>Ms. Yamini Tandon</b>
Date of Re-Appointment	August 12, 2020
Age	36 Years
Qualifications	Graduation in Political Science and Post Graduate Program in Management from Indian School of Business, Hyderabad.
Expertise in specific functional area	She has wide experience in developing strategies to grow sales and market share and enhance enterprise reputation.
Relationship with other Directors, Manager and other Key Managerial Personnel of the Company	Mr. Rahul Arora, Chairman and Managing Director is Spouse of Ms. Yamini Tandon
Number of Meetings of the Board attended during the year	5 Meetings
Directorships held in other Public Limited Companies in India	MPS Interactive Systems Limited
*Chairmanships / Memberships of Committees in other Public Limited Companies in India	Nil
Shareholding in the Company (No. of shares)	Nil

\*Committees considered for the purpose are those prescribed in Regulation 26 of the SEBI Listing Regulations, viz. Audit Committee and Stakeholders' Relationship Committee.