

**MPS Interactive Systems Limited**  
**Balance Sheet as at 31 March 2020**

		INR in Lacs	
	Note	As at 31 March 2020	As at 31 March 2019
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property, plant and equipment	3.1	249.39	300.30
Capital work in progress	3.1	2.69	18.38
Right-of-use assets	3.2	537.18	-
Goodwill	4	3,959.72	3,959.72
Other intangible assets	4	584.59	827.12
<b>Financial assets</b>			
Loans	6 (i)	77.78	70.76
Other financial assets	7 (i)	24.46	-
Income tax assets (net)	8	450.09	345.74
Deferred tax assets (net)	12	-	50.46
Other non-current assets	9 (i)	120.68	185.50
<b>Total non-current assets</b>		<b>6,006.58</b>	<b>5,757.98</b>
<b>Current assets</b>			
<b>Financial assets</b>			
Investments	5	2,998.48	4,433.23
Trade receivables	10	1,499.17	876.22
Cash and cash equivalents	11 (i)	973.40	1,027.77
Other bank balance	11 (ii)	411.10	135.51
Loans	6 (ii)	1.35	8.28
Other financial assets	7	60.50	126.01
Other current assets	9 (ii)	991.47	707.33
<b>Total current assets</b>		<b>6,935.47</b>	<b>7,314.35</b>
<b>TOTAL ASSETS</b>		<b>12,942.05</b>	<b>13,072.33</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
Equity share capital	13	6,200.00	6,200.00
Other equity		421.40	89.05
<b>Total equity</b>		<b>6,621.40</b>	<b>6,289.05</b>
<b>Liabilities</b>			
<b>Non-current liabilities</b>			
<b>Financial liabilities</b>			
Borrowings and Lease liabilities	14 (i)	3,771.50	4,000.85
Provisions	18 (i)	57.13	47.02
Deferred tax liabilities (net)	12	109.68	-
<b>Total non-current liabilities</b>		<b>3,938.31</b>	<b>4,047.87</b>
<b>Current liabilities</b>			
<b>Financial liabilities</b>			
Borrowings and lease liabilities	14 (ii)	265.89	-
Trade payables	15	-	-
Due to Others		276.10	465.27
Other financial liabilities	16	677.06	462.22
Other current liabilities	17	1,140.10	1,795.37
Provisions	18 (ii)	23.19	12.55
Income tax liabilities (net)	-	-	-
<b>Total current liabilities</b>		<b>2,382.34</b>	<b>2,735.41</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>12,942.05</b>	<b>13,072.33</b>
Significant accounting policies	2		
Notes to financial statements	3-38		

The accompanying notes form an integral part of financial statements.

As per our report of even date attached

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

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

**Shashank Agarwal**  
Partner  
Membership Number: 095109

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

**Ajay Mankotia**  
Director  
DIN: 03123827

**Sunit Malhotra**  
Chief Financial Officer &  
Company Secretary

Place : Gurugram  
Date : 15 May 2020

Place : Gurugram  
Date : 15 May 2020

**MPS Interactive Systems Limited**  
**Statement of Profit & Loss for the year ended 31 March 2020**

INR in Lacs

	Note	For the year ended 31 March 2020	For the period from 10 May 2018 to 31 March 2019
Revenue from operations	19	6,432.46	6,302.57
Other income	20	461.11	76.92
<b>Total income</b>		<b>6,893.57</b>	<b>6,379.49</b>
<b>Expenses</b>			
Employee benefits expense	21	3,753.60	4,133.09
Finance costs	22	505.56	328.79
Depreciation and amortization expense	23	503.42	335.86
Other expenses	24	1,644.76	2,063.13
<b>Total expenses</b>		<b>6,407.34</b>	<b>6,860.87</b>
<b>Profit/(loss) before tax</b>		<b>486.23</b>	<b>(481.38)</b>
<b>Tax expense:</b>			
Current tax	25	4.80	10.14
Deferred tax		174.94	(82.39)
<b>Total tax expenses</b>		<b>179.74</b>	<b>(72.25)</b>
<b>Profit/(loss) for the year/period</b>		<b>306.49</b>	<b>(409.13)</b>
<b>Other comprehensive income</b>			
Remeasurement of net defined benefit liability/assets		(32.10)	102.35
Income tax relating to items that will not be reclassified to profit or loss		8.08	(31.93)
<b>Total other comprehensive income for the period, net of tax</b>		<b>(24.02)</b>	<b>70.42</b>
<b>Total comprehensive income/(loss) for the year/period</b>		<b>282.47</b>	<b>(338.71)</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)	26	0.49	(1.65)
Significant accounting policies	2		
Notes to financial statements	3-38		
The accompanying notes form an integral part of financial statements.			

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Chartered Accountants

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Chief Financial Officer &

Company Secretary

Place : Gurugram

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**MPS Interactive Systems Limited**  
**Statement of change in equity for the year ended 31 March 2020**

INR in Lacs

	For the year ended 31 March 2020	For the period from 10 May 2018 to 31 March 2019
<b>A. Equity share capital</b>		
<b>Balance as at the beginning of the year/period</b>	6,200.00	-
Changes in equity share capital during the year/period	-	6,200.00
<b>Balance as at the end of the year/period</b>	6,200.00	6,200.00

Particulars	INR in Lacs		
	Capital Reserve	Reserve and Surplus Retained earnings	Total
<b>Balance as at the beginning of the period</b>	-	-	-
Loss for the year/period	-	(409.13)	(409.13)
Other comprehensive income	-	70.42	70.42
<b>Total comprehensive income for the year</b>	-	(338.71)	(338.71)
8% Non-Cumulative Redeemable Preference Shares (equity portion)	427.76	-	427.76
<b>Balance as at 31 March 2019</b>	427.76	(338.71)	89.05
Transition impact of Ind AS 116 (refer note 35 b)		(14.83)	(14.83)
<b>Restated balance as at 1 April 2019</b>	427.76	(353.54)	74.22
<b>Profit for the year</b>	-	306.49	306.49
Other comprehensive income	-	(24.02)	(24.02)
<b>Total comprehensive income/(loss) for the year</b>	427.76	(71.07)	356.69
8% Non-Cumulative Redeemable Preference Shares (equity portion) ( transaction with shareholder - refer note 14)	64.70	-	64.70
<b>Balance as at 31 March 2020</b>	492.46	(71.07)	421.40

**Notes:**

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

**Reserve and Surplus:** This represents the cumulative loss of the company.

The accompanying notes form an integral part of financial statements.

As per our report of even date attached  
**For B S R & Co. LLP**  
Chartered Accountants  
ICAI Firm Registration Number: 101248W/W-100022

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

**Shashank Agarwal**  
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**Sunit Malhotra**  
Chief Financial  
Officer & Company  
Secretary

Place : Gurugram  
Date : 15 May 2020

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**MPS Interactive Systems Limited**  
**Cash Flows Statement for the year ended 31 March 2020**

Particulars	For the year ended 31 March 2020	For the period from 10 May 2018 to 31 March 2019
<b>A. Cash flows from operating activities</b>		
<b>Profit/(loss) before tax</b>	<b>486.23</b>	<b>(481.38)</b>
Adjustments:		
Depreciation and amortisation expense	503.42	335.86
Interest income	(15.31)	(4.07)
Net gain on sale of current investment	(9.30)	-
Finance costs	505.56	328.79
(Gain)/loss on sale/disposal/discard of property, plant and equipment(net)	(6.32)	17.71
(Gain) on investment carried at fair value through profit or loss	(240.95)	(33.23)
Liabilities/provisions no longer required written back	(56.16)	(14.34)
Impairment of financial assets instrument	-	2.40
Allowances for expected credit loss	65.31	-
Bad debts written off	3.88	-
Unrealised foreign exchange loss (net)	16.49	70.23
<b>Operating cash flows before working capital changes</b>	<b>1,252.86</b>	<b>221.97</b>
(Increase) in trade receivables	(711.33)	(71.83)
(Increase) / decrease in loans	(0.10)	254.31
Decrease / (increase) in other financial assets	69.65	(124.08)
(Increase) / decrease in other current assets	(284.13)	85.02
Decrease in other non current assets	64.82	38.74
(Decrease)/increase in trade payables	(185.35)	68.59
(Decrease) in other financial liabilities	(64.55)	(22.39)
(Decrease)/increase in other current liabilities	(577.71)	695.12
(Decrease) in provisions	(11.35)	(69.59)
<b>Cash (used in) / generated from operations</b>	<b>(447.20)</b>	<b>1,075.86</b>
Income tax paid (net of refunds)	(109.16)	(355.88)
<b>Net cash (used in) / generated from operating activities (A)</b>	<b>(556.36)</b>	<b>719.98</b>
<b>B. Cash flows from investing activities</b>		
Purchase of property, plant and equipment (including capital work-in-progress)	(58.06)	(135.82)
Purchase of other intangible assets	(3.74)	(12.79)
Proceeds from sale of property, plant and equipment	21.19	81.06
Acquisition of business (refer note 37)	-	(5,682.25)
Proceeds from sale of current investments	4,099.00	-
Purchase of current investments	(2,414.00)	(4,400.00)
Investment in Fixed Deposit	(442.20)	(135.51)
Redemption of Fixed Deposit	142.15	-
Interest received	11.17	2.14
<b>Net cash generated from/(used in) investing activities (B)</b>	<b>1,355.50</b>	<b>(10,283.17)</b>
<b>C. Cash flows from financing activities</b>		
Proceeds from issue of equity share capital	-	6,200.00
Proceeds from issue of preference shares	-	2,200.00
Repayment of rent lease Liability along with interest	(198.93)	-
Proceeds / (repayment) from intercorporate deposit	(247.40)	2,300.00
Interest paid	(195.00)	(109.04)
Dividend paid on preference share	(176.00)	-
Tax on dividend	(36.19)	-
<b>Net cash (used in)/generated from financing activities (C)</b>	<b>(853.52)</b>	<b>10,590.96</b>
<b>Net (decrease) / increase in cash and cash equivalents (A+B+C)</b>	<b>(54.37)</b>	<b>1,027.77</b>
Cash and cash equivalents at the beginning of the year	1,027.77	-
<b>Cash and cash equivalents at the end of year (see below)</b>	<b>973.40</b>	<b>1,027.77</b>
<b>Components of cash and cash equivalents:</b>		
<b>Cash on hand</b>	0.21	-
<b>Balances with banks</b>		
- Current accounts	164.36	681.05
- EEFC accounts	309.83	346.72
- Demand deposit accounts (demand deposits and deposits having original maturity of 3 months or less)	499.00	-
	<b>973.40</b>	<b>1,027.77</b>

**Notes:**

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

As per our report of even date attached

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

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

**Shashank Agarwal**  
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Membership Number: 095109

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Chief Financial Officer &  
Company Secretary

Place : Gurugram  
Date : 15 May 2020

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Date : 15 May 2020



**MPS Interactive Systems Limited**  
**Notes forming part of the Financial Statements**

*All amount in INR Lacs, unless otherwise stated*

**1. Corporate Information**

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

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

**2. Significant accounting policies**

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

**2.1 Basis of preparation of financial statements**

**a) Statement of compliance**

These Ind AS Financial Statements (“financial statements”) have been prepared in accordance with Indian Accounting Standards (Ind AS) as per the Companies (Indian Accounting Standards) Rules, 2015 notified under Section 133 of Companies Act, 2013, (“the Act”) and other relevant provisions of the Act.

The financial statements of the Company for the year ended 31 March 2020 were approved for issue in accordance with the resolution of the Board of Directors on 15 May 2020.

**b) Basis of measurement**

These financial statements have been prepared on a historical cost convention and on an accrual basis, except for the following material items which have been measured at fair value as required by relevant Ind AS

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

**c) Critical estimates and judgements**

The preparation of Financial Statements requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected. In particular, information about significant areas of estimation uncertainty and critical judgments in applying accounting policies that have the most significant effect on the amounts recognised in the financial statements is included in the following notes.

**MPS Interactive Systems Limited**  
**Notes forming part of the Financial Statements**

*All amount in INR Lacs, unless otherwise stated*

- Assessment of useful life of property, plant and equipment and intangible asset – refer note 2.3
- Estimated impairment of financial assets and non-financial assets – refer note 2.5 and 2.6
- Recognition and estimation of tax expense including deferred tax– refer note 13
- Estimation of obligations relating to employee benefits – refer note 28
- Fair value measurement – refer note 29
- Provisions and contingencies : key assumptions about the likelihood and magnitude of an outflow of resources – refer note 34
- Measurement of consideration and assets acquired as part of business combination – refer note 37
- Assessment of revenue based on the progress of project using percentage of completion method, measured on the basis of effort involved which is akin to output to customer. – refer note 2.8

**2.2 Current–non-current classification**

The Company presents assets and liabilities in the Balance Sheet based on current/ non-current classification.

**Assets**

An asset is classified as current when it satisfies any of the following criteria:

- It is expected to be realised in, or is intended for sale or consumption in, the company’s normal operating cycle;
- It is held primarily for the purpose of being traded;
- It is cash or cash equivalent unless it is restricted from being exchanged or used to settle a liability for at least 12 months after the reporting date.

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

**Liabilities**

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

- It is expected to be settled in the company’s normal operating cycle;
- It is held primarily for the purpose of being traded;
- The company does not have an unconditional right to defer settlement of the liability for at least 12 months after the reporting date. Terms of a liability that could, at the option of the counterparty, result in its settlement by the issue of equity instruments do not affect its classification.

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

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

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

**MPS Interactive Systems Limited**  
**Notes forming part of the Financial Statements**

*All amount in INR Lacs, unless otherwise stated*

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

**a) Property, plant and equipment**

Property, plant and equipment are stated at acquisition cost net of accumulated depreciation and accumulated impairment losses, if any. The cost of property, plant and equipment comprises its purchase price net of any trade discounts and rebates, any import duties and other taxes (other than those subsequently recoverable from the tax authorities), any directly attributable expenditure on making the asset ready for its intended use, other incidental expenses and interest on borrowings attributable to acquisition of qualifying property, plant and equipment up to the date the asset is ready for its intended use. Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. All other repairs and maintenance are charged to the Statement of Profit and Loss during the period in which they are incurred.

Items of Property, plant and equipment which are not ready for intended use as on the date of Balance Sheet are disclosed as "Capital work-in-progress".

**b) Intangible assets**

Separately purchased intangible assets are initially measured at cost. Intangible assets acquired in a business combination are recognised at fair value at the acquisition date. Subsequently, intangible assets are carried at cost less any accumulated amortisation and accumulated impairment losses, if any.

Goodwill is initially recognised based on the accounting policy for business combinations (refer note 2.4). Goodwill is not amortised but is tested for impairment annually.

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

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

Intangible assets are amortised on a pro-rata basis on a straight-line basis over the period of their expected useful lives. Estimated useful lives by major class of intangible assets are as follows:

- Software – 2 to 5 years
- Customer relationship- 5 years
- Order Book – 3 years

Assets acquired through business combination are recorded in books at fair value as per IND AS 103. The useful life of these assets is considered based on internal technical assessment of the management which are as follows:

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

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

**MPS Interactive Systems Limited**  
**Notes forming part of the Financial Statements**

*All amount in INR Lacs, unless otherwise stated*

**d) Derecognition**

A property, plant and equipment and intangible assets is derecognised on disposal or when no future economic benefits are expected from its use and disposal. Losses arising from retirement and gains or losses arising from disposal of a tangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the Statement of Profit and Loss.

**2.4 Business Combination:**

Business combinations are accounted for using the acquisition accounting method as at the date of the acquisition, which is the date at which control is transferred to the Company. The consideration transferred in the acquisition and the identifiable assets acquired and liabilities assumed are recognised at fair values on their acquisition date. Goodwill is initially measured at cost, being the excess of the aggregate of the consideration transferred over the net identifiable assets acquired and liabilities assumed.

Transaction costs are expensed as incurred, other than those incurred in relation to the issue of debt or equity securities. Any contingent consideration payable is measured at fair value at the acquisition date. Subsequent changes in the fair value of contingent consideration are recognised in the Statement of Profit and Loss.

**2.5 Impairment of non-financial assets**

The Company's non-financial assets, other than deferred tax are reviewed at each reporting date to determine whether there is any such indication. If any such indication exists, then the asset's recoverable amount is estimated. Goodwill is tested annually for impairment.

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

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

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

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

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

**MPS Interactive Systems Limited**  
**Notes forming part of the Financial Statements**

*All amount in INR Lacs, unless otherwise stated*

**2.6 Financial instrument**

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

**Financial assets**

**Initial recognition and measurement**

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

**Subsequent measurement**

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

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

**Debt instruments at amortised cost**

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

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

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

**Debt instrument at FVOCI**

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

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

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

**MPS Interactive Systems Limited**  
**Notes forming part of the Financial Statements**

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**Debt instrument at FVPL**

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

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

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

**Impairment of financial instruments**

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

**Derecognition**

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

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

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

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**Financial liabilities**

Financial liabilities are classified as measured at amortised cost or FVPL. A financial liability is classified as at FVPL if it is classified as held-for-trading, or it is a derivative or it is designated as such on initial recognition.

Financial liabilities at FVPL are measured at fair value and net gains and losses, including any interest expense, are recognised in Statement of Profit and Loss. Other financial liabilities are subsequently measured at amortised cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognised in Statement of Profit and Loss. Any gain or loss on derecognition is also recognised in Statement of Profit and Loss.

**Derecognition**

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

**Offsetting**

Financial assets and financial liabilities are offset and the net amount presented in the Balance Sheet when, and only when, the Company currently has a legally enforceable right to set off the amounts and it intends either to settle them on a net basis or to realise the asset and settle the liability simultaneously.

**2.7 Provisions and Contingent Liabilities**

**Provision**

A provision is recognized if, as a result of a past event, the Company has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. If the effect of the time value of money is material, provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. Where discounting is used, the increase in the provision due to the passage of time is recognized as a finance cost.

The amount recognized as a provision is the best estimate of the consideration required to settle the present obligation at reporting date, taking into account the risks and uncertainties surrounding the obligation. When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, the receivable is recognized as an asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.

**Contingent Liabilities**

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

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

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**2.8 Revenue recognition**

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

Revenue is recognised upon transfer of control of promised products or services to customers in an amount that reflects the consideration which the Company expects to receive in exchange for those products or services.

- Revenue related to fixed-price contracts is recognised using percentage-of-completion method ('POC method') of accounting with efforts incurred determining the degree of completion of the performance obligation.
- Revenue from time and material and job contracts is recognised on output basis measured by units delivered, efforts expended, number of transactions processed, etc.
- Revenue related to fixed price maintenance is recognized based on time elapsed mode and revenue is straight lined over the period of performance.

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

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

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

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

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

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

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

The Company disaggregates revenue from contracts with customer's geography and nature of services.

Use of significant judgements in revenue recognition

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



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- Judgement is also required to determine the transaction price for the contract. The transaction price could be either a fixed amount of customer consideration or variable consideration with elements such as volume discounts, service level credits, performance bonuses, price concessions and incentives. The transaction price is also adjusted for the effects of the time value of money if the contract includes a significant financing component. Any consideration payable to the customer is adjusted to the transaction price, unless it is a payment for a distinct product or service from the customer. The estimated amount of variable consideration is adjusted in the transaction price only to the extent that it is highly probable that a significant reversal in the amount of cumulative revenue recognised will not occur and is reassessed at the end of each reporting period. The Company allocates the elements of variable considerations to all the performance obligations of the contract unless there is observable evidence that they pertain to one or more distinct performance obligations.
- The Company uses judgement to determine an appropriate standalone selling price for a performance obligation. The Company allocates the transaction price to each performance obligation on the basis of the relative standalone selling price of each distinct product or service promised in the contract. Where standalone selling price is not observable, the Company uses the expected cost plus margin approach to allocate the transaction price to each distinct performance obligation.
- The Company exercises judgement in determining whether the performance obligation is satisfied at a point in time or over a ss of time. The Company considers indicators such as how customer consumes benefits as services are rendered or who controls the asset as it is being created or existence of enforceable right to payment for performance to date and alternate use of such product or service, transfer of significant risks and rewards to the customer, acceptance of delivery by the customer, etc.
- Revenue for fixed-price contract is recognised using percentage-of-completion method. The Company uses judgement to estimate the efforts incurred which is used to determine the degree of completion of the performance obligation.

## **2.9 Recognition of dividend income and interest income**

Dividend income is accounted for when the right to receive it is established.

Interest income is recognised on a time proportion basis taking into account the amount outstanding and the interest rate applicable.

Rental income from operating leases is recognised on time proportionate basis over the period of rent.

## **2.10 Employee benefits**

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

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

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

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

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

**d) Termination benefits:**

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

**Actuarial valuation**

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

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Gains or losses on the curtailment or settlement of any defined benefit plan are recognised when the curtailment or settlement occurs. Any differential between the plan assets (for a funded defined benefit plan) and the defined benefit obligation as per actuarial valuation is recognised as a liability if it is a deficit or as an asset if it is a surplus (to the extent of the lower of present value of any economic benefits available in the form of refunds from the plan or reduction in future contribution to the plan).

**2.11 Tax Expense**

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

**a) Current tax:**

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

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

**b) Deferred tax:**

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

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

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

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

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

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**2.12 Dividend Distributions**

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

**2.13 Foreign currency transactions and translations**

**a) Functional and presentation currency**

The financial statements are presented in INR, the functional currency of the Company. Items included in the financial statements of the Company are recorded using the currency of the primary economic environment in which the Company operates (the 'functional currency'). All the amounts have been rounded-off to the nearest lakhs, unless otherwise stated.

**b) Transactions and balances**

Foreign currency transactions are translated into the functional currency using exchange rates at the date of the transaction or at rates that closely approximate the rate at the date of the transaction. At the end of each reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at that date.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value is determined.

Foreign exchange gains and losses from settlement of these transactions and from translation of monetary assets and liabilities at the reporting date exchange rates are recognised in the Statement of Profit and Loss.

**2.14 Leases**

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

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

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

**2.15 Earnings per share**

Basic earnings/ (loss) per share is calculated by dividing the net profit or loss for the year attributable to equity shareholders by the weighted average number of equity shares outstanding during the year. The weighted average number of equity shares outstanding during the year is adjusted for events such as bonus issue, bonus element in a rights issue, share split, and reverse share split (consolidation of shares) that have changed the number of equity shares outstanding, without a corresponding change in resources.

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

**2.16 Cash Flow Statement**

Cash flows are reported using the indirect method, whereby profit for the year is adjusted for the effects of transactions of a non-cash nature, any deferrals or accruals of past or future operating cash receipts or payments and item of income or expenses associated with investing or financing cash flows. The cash flows from operating, investing and financing activities of the Company are segregated.

**2.17 Measurement of fair values**

A number of the accounting policies and disclosures require measurement of fair values, for both financial and non-financial assets and liabilities.

Fair values are categorised into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows:

Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities.

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

Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

The Company has an established control framework with respect to the measurement of fair values. This includes a finance team that has overall responsibility for overseeing all significant fair value measurements, including Level 3 fair values. The finance team regularly reviews significant unobservable inputs and valuation adjustments. If third party information is used to measure fair values, then the finance team assesses the evidence obtained from the third parties to support the conclusion that these valuations meet the requirements of Ind AS, including the level in the fair value hierarchy in which the valuations should be classified.

When measuring the fair value of an asset or a liability, the Company uses observable market data as far as possible. If the inputs used to measure the fair value of an asset or a liability fall into different levels of the fair value hierarchy, then the fair value measurement is categorised in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.

The Company recognises transfers between levels of the fair value hierarchy at the end of the reporting year during which the change has occurred. Further information about the assumptions made in measuring fair values used in preparing these financial statements is included in the respective notes.

**2.18 New standards and interpretations not yet adopted**

Ministry of Corporate Affairs ("MCA") notifies new standard or amendments to the existing standards. There is no such notification which would have been applicable from April 1, 2020.

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

INR in Lacs

Particulars	Plant & equipment	Furniture & Fixtures	Vehicles	Leasehold improvements	Capital Work-in-Progress	Total
<b>Gross carrying value</b>						
<b>As at 10 May 2018</b>	-	-	-	-	-	-
Acquisitions through business combinations	199.57	138.10	13.70	23.60	19.47	394.44
Additions	76.30	51.87	-	7.65	-	135.83
Disposals/adjustments	(2.56)	(91.56)	(8.39)	-	(1.09)	(103.61)
<b>As at 31 March 2019</b>	<b>273.31</b>	<b>98.41</b>	<b>5.31</b>	<b>31.25</b>	<b>18.38</b>	<b>426.66</b>
Additions	41.47	8.20	6.06	-	2.34	58.07
Disposals/adjustments	(10.21)	(12.79)	(6.06)	-	(18.03)	(47.09)
<b>As at 31 March 2020</b>	<b>304.57</b>	<b>93.82</b>	<b>5.31</b>	<b>31.25</b>	<b>2.69</b>	<b>437.64</b>
<b>Accumulated depreciation</b>						
<b>As at 10 May 2018</b>						-
Depreciation charge for the period	64.72	21.72	2.50	23.86	-	112.80
Disposals/adjustments	(0.25)	(3.62)	(0.95)	-	-	(4.82)
<b>As at 31 March 2019</b>	<b>64.47</b>	<b>18.10</b>	<b>1.55</b>	<b>23.86</b>	-	<b>107.98</b>
Depreciation charge for the year	64.15	19.46	1.88	6.28	-	91.77
Disposals/adjustments	(3.87)	(6.64)	(0.57)	(3.11)	-	(14.19)
<b>As at 31 March 2020</b>	<b>124.74</b>	<b>30.92</b>	<b>2.87</b>	<b>27.02</b>	-	<b>185.56</b>

Net carrying value	Plant & equipment	Furniture & Fixtures	Vehicles	Leasehold improvements	Capital Work-in-Progress	Total
As at 31 March 2020	179.83	62.90	2.44	4.22	2.69	252.08
As at 31 March 2019	208.84	80.31	3.76	7.39	18.38	318.68
<b>Net carrying value</b>	<b>As at</b>	<b>As at</b>				
	<b>31 March 2020</b>	<b>31 March 2019</b>				
Property, plant and equipment	249.39	300.30				
Capital work in progress	2.69	18.38				

**MPS Interactive Systems Limited****Notes forming part of Financial Statements for the year ended 31 March 2020****(INR in Lacs, except share and per share data, unless otherwise stated)**

<b>3.2 Right-of-use asset</b>		<b>INR in Lacs</b>
<b>Particulars</b>	<b>Buildings</b> <b>(refer note 35 b)</b>	<b>Total</b>
<b>Gross carrying value</b>		
<b>As at 1 April 2019</b>	702.56	702.56
Additions	-	-
Disposals/adjustments	-	-
Depreciation charge for the year	165.38	165.38
<b>As at 31 March 2020</b>	<b>537.18</b>	<b>537.18</b>
<b>Net carrying value</b>		
	<b>Buildings</b> <b>(refer note 35 b)</b>	<b>Total</b>
As at 31 March 2020	537.18	537.18
<b>Amount recognised in profit or loss for Right-of-use asset</b>		<b>As at</b> <b>31 March 2020</b>
Depreciation for the year		165.38
Interest on lease liabilities		68.79

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<b>4. Intangible assets</b>					<b>INR in Lacs</b>
<b>Particulars</b>	<b>Goodwill</b>	<b>Other intangible assets</b>			<b>Total</b>
		<b>Customer relationship</b>	<b>Order Book</b>	<b>Computer software (acquired)</b>	
<b>Gross carrying value</b>					
<b>As at 10 May 2018</b>					-
Acquisitions through business combinations	3,959.72	671.60	151.62	214.17	4,997.11
Additions	-	-	-	12.79	12.79
Disposals/adjustments	-	-	-	-	-
<b>As at 31 March 2019</b>	<b>3,959.72</b>	<b>671.60</b>	<b>151.62</b>	<b>226.96</b>	<b>5,009.90</b>
Additions	-	-	-	3.74	3.74
Disposals/adjustments	-	-	-	-	-
<b>As at 31 March 2020</b>	<b>3,959.72</b>	<b>671.60</b>	<b>151.62</b>	<b>230.70</b>	<b>5,013.64</b>
<b>Accumulated depreciation/amortisation</b>					
<b>As at 10 May 2018</b>					-
Amortisation expense for the period	-	111.96	42.65	68.45	223.06
Disposals/adjustments	-	-	-	-	-
<b>As at 31 March 2019</b>	<b>-</b>	<b>111.96</b>	<b>42.65</b>	<b>68.45</b>	<b>223.06</b>
Amortisation expense for the year	-	134.23	49.98	62.06	246.27
Disposals/adjustments	-	-	-	-	-
<b>As at 31 March 2020</b>	<b>-</b>	<b>246.19</b>	<b>92.64</b>	<b>130.51</b>	<b>469.33</b>

<b>Net carrying value</b>	<b>Goodwill</b>	<b>Customer relationship</b>	<b>Order Book</b>	<b>Computer software (acquired)</b>	<b>Total</b>
As at 31 March 2020	3,959.72	425.41	58.99	100.19	4,544.31
As at 31 March 2019	3,959.72	559.64	108.97	158.51	4,786.84

<b>Net carrying value</b>	<b>As at 31 March 2020</b>	<b>As at 31 March 2019</b>
Goodwill	3,959.72	3,959.72
Other Intangible assets	584.59	827.12

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

For the purpose of impairment testing, goodwill is allocated to the Cash Generating Units (CGUs) which represents the lowest level at which the goodwill is monitored for internal management purposes, which is not higher than the Company's operating reportable segments.

The aggregate carrying amounts of goodwill allocated to eLearning and platform segment is as follows:

<b>Particulars</b>	<b>INR in Lacs</b>	
	<b>As at 31 March 2020</b>	<b>As at 31 March 2019</b>
eLearning	3,869.64	3,869.64
Platform	90.08	90.08
	<b>3,959.72</b>	<b>3,959.72</b>

For the purpose of impairment testing, goodwill is allocated to the Cash Generating Units (CGU) which represents the recoverable amount of the above cash generating units based on its value in use. The value in use of this unit was determined to be higher than the carrying amount and an analysis of the calculation's sensitivity towards change in key assumptions including the cash flow projections 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:

- i. The anticipated annual revenue growth and margin included in the cash flow projections, actual operating results and the 5 year approved business plan in all periods presented.
- ii. The terminal growth rate 4% for the year ended 31 March 2020 (31 March 2019: 4%) representing management view on the future long-term growth rate.
- iii. Discount rate of 19% for the year ended 31 March 2020 (31 March 2019: 18%) was applied in determining the recoverable amount of the CGUs. The discount rate was estimated based on historical industry average and weighted-average cost of capital.

The values assigned to the key assumptions represent the management's assessment of future trends in the industry and based on both internal and external sources.



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<b>5 Current investments</b>				
<b>Particulars</b>	<b>As at</b>		<b>As at</b>	
	<b>31 March 2020</b>		<b>31 March 2019</b>	
	<b>Units in '000</b>	<b>INR in Lacs</b>	<b>Units in '000</b>	<b>INR in Lacs</b>
<b>Investment in mutual funds carried at fair value through profit or loss (unquoted, fully paid up)</b>				
HDFC Overnight Fund - Direct Plan - Growth Option	22.21	659.32	51.71	1,459.39
ICICI Prudential Liquid Fund - Direct Plan - Growth	0.10	0.29	538.00	1,487.12
Kotak Liquid Direct Plan Growth	10.40	417.54	39.29	1,486.72
Axis Liquid Direct Plan Growth	16.88	372.01	-	-
ICICI Prudential Overnight Fund - Direct Plan - Growth	830.29	894.62	-	-
Kotak Overnight Direct Plan Growth	42.49	452.87	-	-
ABSL Liquid Fund - Direct Plan - Growth Option	63.16	201.83	-	-
<b>Total</b>	<b>985.51</b>	<b>2,998.48</b>	<b>629.00</b>	<b>4,433.23</b>
<b>Aggregate market value of unquoted investments</b>		<b>2,998.48</b>		<b>4,433.23</b>
<b>6 Loans</b>				
<b>Particulars</b>	<b>As at</b>		<b>As at</b>	
	<b>31 March 2020</b>		<b>31 March 2019</b>	
<b>(i) Non Current (unsecured, considered good)</b>				
Security deposits		77.78		70.76
		<b>77.78</b>		<b>70.76</b>
<b>(ii) Current (unsecured, considered good)</b>				
Security deposits		1.35		8.28
		<b>1.35</b>		<b>8.28</b>
<b>7 Other financial assets</b>				
<b>Particulars</b>	<b>As at</b>		<b>As at</b>	
	<b>31 March 2020</b>		<b>31 March 2019</b>	
<b>(i) Non Current (unsecured, considered good)</b>				
Bank deposits due to mature after 12 months of the reporting date		24.46		-
		<b>24.46</b>		<b>-</b>
<b>(ii) Current (unsecured, considered good)</b>				
Interest accrued on deposits		6.07		1.93
Others advances		-		12.09
- Recoverable from related party		54.43		111.99
- Other recoverable		-		-
		<b>60.50</b>		<b>126.01</b>
<b>8 Income taxes</b>				
<b>Particulars</b>	<b>As at</b>		<b>As at</b>	
	<b>31 March 2020</b>		<b>31 March 2019</b>	
Advance income tax (net of provision of INR 5.59 lacs (31 March 2019: INR 10.14 lacs)		450.09		345.74
		<b>450.09</b>		<b>345.74</b>

**MPS Interactive Systems Limited**  
**Notes forming part of Financial Statements for the year ended 31 March 2020**  
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<b>9 Other assets</b>		
<b>Particulars</b>	<b>As at 31 March 2020</b>	<b>As at 31 March 2019</b>
<b>(i) Other non-current assets (unsecured, considered good)</b>		
Security deposits	1.60	-
Prepaid expenses	-	0.06
Balances with government authorities		
-Service tax credit receivable	105.88	105.88
Prepayment rent	13.19	18.46
Excess of plan asset over gratuity liability (refer note 28)	-	57.01
Advances to employees	-	4.09
	<b>120.68</b>	<b>185.50</b>
<b>(ii) Other non-current assets (unsecured, considered good)</b>		
Advances to employees		
Considered good	17.76	28.17
	17.76	28.17
Contract assets	741.20	531.66
Advance to suppliers	12.73	0.25
Prepaid expenses	103.71	83.43
Balances with government authorities		
-GST receivable	110.13	56.64
-Others	-	1.90
Prepayments rent	5.28	5.28
Others	0.66	-
	<b>991.47</b>	<b>707.33</b>

MPS Interactive Systems Limited  
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<b>10 Trade receivables</b>		
<b>Particulars</b>	<b>As at 31 March 2020</b>	<b>As at 31 March 2019</b>
<b>Current</b>		
Trade receivables	1,491.68	867.24
Receivables from fellow subsidiary (refer note 32)	7.49	8.98
	<b>1,499.17</b>	<b>876.22</b>
<b>Break-up for details:</b>		
<b>Trade receivables (unsecured)</b>		
Considered good	1,580.13	892.87
Less: Expected credit loss allowance (refer note 30)	80.96	16.65
	<b>1,499.17</b>	<b>876.22</b>
Trade receivables which have significant increase in credit risk	-	-
Trade receivables - credit impaired	-	-
Less: expected credit loss allowance (refer note 30)	-	-
	<b>-</b>	<b>-</b>
<b>Total trade receivables</b>	<b>1,499.17</b>	<b>876.22</b>
<b>11 Cash and Bank balances</b>		
<b>Particulars</b>	<b>As at 31 March 2020</b>	<b>As at 31 March 2019</b>
<b>(i) Cash and cash equivalents</b>		
Balances with banks		
-In Current accounts	164.36	681.05
-In EEFC accounts	309.83	346.72
-In demand deposit accounts (demand deposits and deposits having original maturity of 3 months and less)	499.00	-
Cash on hand	0.21	-
	<b>973.40</b>	<b>1,027.77</b>
<b>(ii) Other Bank Balance</b>		
Bank deposits due to mature within 12 months of the reporting date	411.10	135.51
	<b>411.10</b>	<b>135.51</b>
<b>Details of bank balances/deposits</b>		
Bank balances available on demand/deposits with original maturity of 3 months or less included under 'Cash and cash equivalents'	499.00	-
Bank deposits due to mature within 12 months of the reporting date included under 'Other balances with banks'	411.10	135.51
Bank deposits due to mature after 12 months of the reporting date included under 'Other non-current financial assets'	24.46	-
	<b>934.56</b>	<b>135.51</b>

**MPS Interactive Systems Limited**  
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**12 Deferred tax**

Deferred income tax reflect the net tax effects of temporary difference between the carrying amount of asset and liabilities for financial reporting purposes and the amounts used for income tax purposes. Significant component of the Company's net deferred income tax are as follows:

<b>Deferred tax assets:</b>	<b>Expected credit loss allowance</b>	<b>Expenses allowable for tax purposes when paid</b>	<b>Tax losses carry forward</b>	<b>Lease assets net of lease liabilities</b>	<b>Others</b>	<b>Total</b>
<b>As at 10 May 2018</b>	-	-	-	-	-	-
(Charged)/credited						
- to statement of profit and Loss	5.19	34.85	363.64	-	17.17	420.85
- to other comprehensive income	-	(31.93)	-	-	-	(31.93)
<b>As at 31 March 2019</b>	<b>5.19</b>	<b>2.92</b>	<b>363.64</b>	<b>-</b>	<b>17.17</b>	<b>388.92</b>
(Charged)/credited						
-Addition on account of IND AS 116	-	-	-	6.72	-	6.72
- to statement of profit and Loss	15.19	16.26	(70.15)	7.57	(17.05)	(48.19)
- to other comprehensive income	-	8.08	-	-	-	8.08
<b>As at 31 March 2020</b>	<b>20.38</b>	<b>27.26</b>	<b>293.49</b>	<b>14.29</b>	<b>0.12</b>	<b>355.53</b>

<b>Deferred tax liabilities:</b>	<b>Difference between book balance and tax balance of property, plant and equipment/Investment property/ Other intangible assets</b>	<b>Others</b>	<b>Gains on investment carried at fair value through profit or loss</b>	<b>Total</b>
<b>As at 10 May 2018</b>	-	-	-	-
(Charged)/credited				
- to statement of profit and Loss	(328.09)	-	(10.37)	(338.46)
- to other comprehensive income	-	-	-	-
<b>As at 31 March 2019</b>	<b>(328.09)</b>	<b>-</b>	<b>(10.37)</b>	<b>(338.46)</b>
(Charged)/credited				
- to statement of profit and Loss	(116.19)	-	(10.57)	(126.75)
- to other comprehensive income	-	-	-	-
<b>As at 31 March 2020</b>	<b>(444.28)</b>	<b>-</b>	<b>(20.94)</b>	<b>(465.21)</b>

**Reflected in the Balance Sheet as follows:**

	<b>As at 31 March 2020</b>	<b>As at 31 March 2019</b>
Deferred tax assets	355.53	388.92
Deferred tax liabilities	(465.21)	(338.46)
<b>Deferred tax (liability) / assets -net</b>	<b>(109.68)</b>	<b>50.46</b>

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

	<b>As at 31 March 2020</b>	<b>As at 31 March 2019</b>
<b>Balance as at the commencement of the period</b>	50.46	-
Credit during the year/period recognised in Statement of profit and loss	174.94	(82.39)
Expense during the year/period recognised in other comprehensive income	(8.08)	31.93
Addition on account of IND AS 116	6.72	-
<b>Balance as at 31 March 2020</b>	<b>(109.68)</b>	<b>50.46</b>

MPS Interactive Systems Limited  
Notes forming part of Financial Statements for the year ended 31 March 2020  
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**13 Share capital**

(i) Particulars	As at	
	31 March 2020	31 March 2019
<b>Authorised</b>		
6,50,00,000 equity shares of INR 10 each fully paid up with voting rights	6,500.00	6,500.00
2,50,00,000 preference shares of INR 10 each fully paid up with voting rights as per Section 47(2) of the Companies Act, 2013	2,500.00	2,500.00
	<b>9,000.00</b>	<b>9,000.00</b>
<b>Issued, Subscribed &amp; Paid-Up</b>		
6,20,00,000 equity shares of INR 10 each fully paid up with voting rights	6,200.00	6,200.00
	<b>6,200.00</b>	<b>6,200.00</b>

**(ii) Reconciliation of the equity share outstanding at beginning and for the year ended 31 March 2020**

Particulars	As at		As at	
	31 March 2020		31 March 2019	
	Number	INR in Lacs	Number	INR in Lacs
Equity shares (with voting rights) outstanding at the beginning of the year	6,20,00,000	6,200.00	-	-
Issued during the year/period	-	-	6,20,00,000	6,200.00
Outstanding at the end of the year	<b>6,20,00,000</b>	<b>6,200.00</b>	<b>6,20,00,000</b>	<b>6,200.00</b>

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

**Equity Shares :** The company has only one class of equity shares having a par value of INR 10 per share. Each holder of equity shares is entitled to one vote per share. The equity shareholders are entitled to receive dividend as declared from time to time. In the event of liquidation of the Company, the holders of equity shares will be entitled to receive the remaining assets of the company, after distribution of all preferential amount, if any. The distribution will be in proportion to number of equity shares held by shareholders.

**Preference Shares :** The Company has only one class of preference shares, i.e., non-cumulative redeemable preference shares having a par value of INR 10 per share. Each holder of preference shares is entitled to vote as per Section 47(2) of the Companies Act, 2013. Each holder of preference shares carry a preferential right with respect to payment of dividend and repayment, in the case of a winding up or repayment of capital vis-a-vis equity shares. Preference shares will be redeemed in two equal instalments upon the expiry of 5 and 6 years respectively from the date of allotment.

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

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

MPS Interactive Systems Limited  
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13 Share capital

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

Particulars	As at 31 March 2020		As at 31 March 2019	
	Number	INR in Lacs	Number	INR in Lacs
<b>Equity shares of INR 10 each fully paid up and held by</b>				
MPS Limited	6,19,99,994	6,200	6,19,99,994	6,200
<b>Preference shares of INR 10 each fully paid up and held by</b>				
MPS Limited	2,20,00,000	2,200	2,20,00,000	2,200

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

Class of shares / Name of shareholder	As at 31 March 2020		As at 31 March 2019	
	Number	% holding in that class of shares	Number	% holding in that class of shares
<b>Equity shares of INR 10 each fully paid up and held by</b>				
MPS Limited	6,19,99,994	99.99%	6,19,99,994	99.99%
<b>Preference shares of INR 10 each fully paid up and held by</b>				
MPS Limited	2,20,00,000	100.00%	2,20,00,000	100.00%

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

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

**MPS Interactive Systems Limited**  
**Notes forming part of Financial Statements for the year ended 31 March 2020**  
**(INR in Lacs, except share and per share data, unless otherwise stated)**

**14 Borrowings and Lease liabilities**

Particulars	As at	As at
	31 March 2020	31 March 2019
<b>(i) Non-current borrowings</b>		
Lease liabilities	328.08	-
Loan * (refer note 32)	2,052.60	2,300.00
Less: Amount included under 'Other financial Liabilities'	(526.79)	(247.40)
	<b>1,853.89</b>	<b>2,052.60</b>
Liability Component of Non Cumulative Redeemable Preference Shares**	1,883.55	1,948.25
Add: Interest Accrued on Preference share capital (net of dividend & dividend distribution tax payment)	34.07	-
	<b>1,917.61</b>	<b>1,948.25</b>
	<b>3,771.50</b>	<b>4,000.85</b>
<b>(ii) Current borrowings</b>		
Lease liabilities	265.89	-
	<b>265.89</b>	-

**Note:**

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

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

\*\* The Company had issued 2,20,00,000, 8% non-cumulative redeemable preference shares of face value of INR.10/- (INR Ten Only) per share as on 15 June 2018 aggregating to INR 2200 Lacs to be redeemed in two equal instalments upon the expiry of 5 and 6 years respectively from the date of allotment.

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

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

Consequent to modification of terms, the financial liability on the date of modification is recalculated considering the effective interest rate on 23 July 2019. Loss on difference between carrying value of existing financial liability and new financial liability calculated on the date of modification has been recorded as an adjustment to capital reserve as the transaction is with holding company.

**15 Trade payables**

Particulars	As at	As at
	31 March 2020	31 March 2019
Trade payables		
Due to micro and small enterprises (refer note 27)	-	-
Due to others	240.42	465.27
Trade payables to related parties (refer note 32)	35.68	-
	<b>276.10</b>	<b>465.27</b>

**16 Other financial liabilities (Current)**

Particulars	As at	As at
	31 March 2020	31 March 2019
Borrowings	526.79	247.40
Employee payable	150.27	209.86
Others	0.00	4.96
	<b>677.06</b>	<b>462.22</b>

**17 Other current liabilities**

Particulars	As at	As at
	31 March 2020	31 March 2019
Income received in advance (unearned revenue)	987.76	1,513.16
Interest accrued but not due (refer note 32)	39.26	43.74
Statutory remittances*	113.08	127.79
Others	-	110.68
	<b>1,140.10</b>	<b>1,795.37</b>

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

**18 Provisions**

<b>Particulars</b>	<b>As at 31 March 2020</b>	<b>As at 31 March 2019</b>
<b>(i) Non Current</b>		
Provision for compensated absences	57.13	47.02
	<b>57.13</b>	<b>47.02</b>
<b>(ii) Current</b>		
Provision for compensated absences	13.57	12.55
Provision for gratuity	9.62	-
	<b>23.19</b>	<b>12.55</b>



**MPS Interactive Systems Limited****Notes forming part of Financial Statements for the year ended 31 March 2020****(INR in Lacs, except share and per share data, unless otherwise stated)****19 Revenue from operations**

<b>Particulars</b>	<b>For the year ended 31 March 2020</b>	<b>For the period from 10 May 2018 to 31 March 2019</b>
<b>Sale of services</b>		
Exports (earnings in foreign currency)	5,316.09	4,451.97
Domestic	1,116.37	1,850.60
	<b>6,432.46</b>	<b>6,302.57</b>

**20 Other income**

<b>Particulars</b>	<b>For the year ended 31 March 2020</b>	<b>For the period from 10 May 2018 to 31 March 2019</b>
Interest income on:		
Deposits with banks	15.31	4.07
Net gain on sale of current investment carried at fair value through profit	9.30	-
Net gain on foreign currency transactions	54.84	18.12
Other non-operating income (refer note (i) below)	381.66	54.73
	<b>461.11</b>	<b>76.92</b>

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

<b>Particulars</b>	<b>For the year ended 31 March 2020</b>	<b>For the period from 10 May 2018 to 31 March 2019</b>
Gain on sale/disposal/discard of property, plant and equipment (net)	6.32	-
Gain on investment carried at fair value through profit or loss	240.95	33.23
Liabilities no longer required written back	56.16	14.34
Miscellaneous income	78.23	7.16

**MPS Interactive Systems Limited****Notes forming part of Financial Statements for the year ended 31 March 2020****(INR in Lacs, except share and per share data, unless otherwise stated)****21 Employee benefits expense**

<b>Particulars</b>	<b>For the year ended 31 March 2020</b>	<b>For the period from 10 May 2018 to 31 March 2019</b>
Salaries and wages (refer note 28)	3,513.17	3,814.09
Contribution to provident and other funds (refer note 28)	171.00	172.69
Staff welfare expenses	69.43	146.31
	<b>3,753.60</b>	<b>4,133.09</b>

**22 Finance costs**

<b>Particulars</b>	<b>For the year ended 31 March 2020</b>	<b>For the period from 10 May 2018 to 31 March 2019</b>
Interest on lease liabilities	68.79	-
Interest expense on inter corporate deposits & preference share	436.77	328.79
	<b>505.56</b>	<b>328.79</b>

**23 Depreciation and amortization expense**

<b>Particulars</b>	<b>For the year ended 31 March 2020</b>	<b>For the period from 10 May 2018 to 31 March 2019</b>
Depreciation on property, plant and equipment (refer note 3.1)	91.77	112.80
Depreciation on right of use assets (refer note 3.2)	165.38	-
Amortization on intangible assets (refer note 4)	246.27	223.06
	<b>503.42</b>	<b>335.86</b>

**MPS Interactive Systems Limited**  
**Notes forming part of Financial Statements for the year ended 31 March 2020**  
**(INR in Lacs, except share and per share data, unless otherwise stated)**

**24 Other expenses**

<b>Particulars</b>	<b>For the year ended 31 March 2020</b>	<b>For the period from 10 May 2018 to 31 March 2019</b>
Outsourcing cost	716.91	762.45
Power and fuel	90.36	70.64
Rent (refer note 35 b)	18.34	290.59
Repairs and maintenance - buildings	64.59	109.50
Repairs and maintenance - others	29.85	62.36
Insurance	2.84	21.42
Rates and taxes	1.59	86.23
Communication	47.04	43.73
Travelling and conveyance	225.43	173.12
Legal and professional	64.88	91.40
Sales and marketing expense	69.17	51.84
Software expense	156.79	120.47
Directors sitting fees	5.00	5.00
Payments to auditors (refer note (i) below)	16.00	12.00
Bad debts written off	3.88	-
Impairment of financial assets instrument	-	2.40
Allowances for expected credit loss and doubtful advances	65.31	-
Loss on sale/disposal/discard of property, plant and equipment (net)	-	17.71
Miscellaneous expenses	66.78	142.27
	<b>1,644.76</b>	<b>2,063.13</b>

<b>(i) Payments to the auditors comprises (net of input credit, where applicable):</b>	<b>For the year ended 31 March 2020</b>	<b>For the period from 10 May 2018 to 31 March 2019</b>
To statutory auditors		
for statutory audit	12.00	10.50
for transfer pricing	2.50	-
for tax audit	1.50	1.50

**MPS Interactive Systems Limited**  
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**25 Income tax**

The major components of income tax expense for the year/period ended 31 March 2020 and 31 March 2019 are:

	For the year ended 31 March 2020	For the period from 10 May 2018 to 31 March 2019
<b>Current income tax:</b>		
Current income tax charge for the year/period	4.80	10.14
Adjustments in respect of current income tax of previous period	-	-
	<b>4.80</b>	<b>10.14</b>
<b>Deferred tax:</b>		
Deferred tax on profits for the year/period	174.94	(82.39)
Adjustments in respect of deferred tax of previous period	-	-
	<b>174.94</b>	<b>(82.39)</b>
Income tax expense reported in the Statement of Profit and Loss	<b>179.74</b>	<b>(72.25)</b>
<b>OCI section</b>		
Tax related to items that will not be reclassified to Profit and Loss	8.08	(31.93)
<b>Income tax charged to OCI</b>	<b>8.08</b>	<b>(31.93)</b>

**Reconciliation between average effective tax rate and applicable tax rate for the year/period ended 31 March 2020 and 31 March 2019:**

	For the year ended 31 March 2020	For the period from 10 May 2018 to 31 March 2019
Accounting profit (loss) before income tax	486.23	(481.38)
At India's statutory income tax rate	25.17%	31.20%
<b>Computed Tax Expense</b>	<b>122.37</b>	<b>(150.19)</b>
Change in tax rate	11.05	-
Non-deductible expenses	62.02	77.38
Additional allowances for tax purpose	(3.84)	-
Others	(11.86)	0.56
Income tax charged to Statement of Profit and Loss at effective rate of 36.97% ( 31 March 2019: 15.01 %)	<b>179.74</b>	<b>(72.25)</b>

- (a) Effective tax rate has been calculated on profit before tax.  
(b) Income tax rates had reduced from 30% to 22% effective 1 April 2019 for the domestic companies. Consequential deferred tax income of INR 11.05 Lacs has been appropriately adjusted in the tax expense for the year ended 31 March 2020.

**26 Earnings per equity share**

	For the year ended 31 March 2020	For the period from 10 May 2018 to 31 March 2019
Profit/(loss) for the year/period attributable to the owners of the Company	306.49	(409.13)
Weighted average number of equity shares outstanding	6,20,00,000	2,47,24,417
Face value per share (INR)	10	10
<b>Earnings / loss per share- basic &amp; diluted (INR)</b>	<b>0.49</b>	<b>(1.65)</b>

**MPS Interactive Systems Limited****Notes forming part of Financial Statements for the year ended 31 March 2020****(INR in Lacs, except share and per share data, unless otherwise stated)****27 Micro, small and medium enterprises**

There are no Micro, Small and Medium Enterprises, to whom the company owes dues, which are outstanding for more than 45 days as at the end of period. The information as required to be disclosed in relation to Micro, Small and Medium Enterprises has been determined to the extent such parties have been identified on the basis of information available with the Company.

<b>Particulars</b>	<b>As at 31 March 2020</b>	<b>As at 31 March 2019</b>
(i) The principal amount remaining unpaid to any supplier as at Balance Sheet date	-	-
(ii) The interest due on principal amount remaining unpaid to any supplier as at Balance Sheet date	-	-
(iii) The amount of interest paid by the Company in terms of section 16 of the Micro, Small and Medium Enterprises Development Act, 2006 (MSMED Act), along with the amount of the payment made to the supplier beyond the appointed day during the period	-	-
(iv) The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under the MSMED Act	-	-
(v) The amount of interest accrued and remaining unpaid as at Balance Sheet date	-	-
(vi) The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise, for the purpose of disallowance as a deductible expenditure under the MSMED Act	-	-

**MPS Interactive Systems Limited**  
**Notes forming part of Financial Statements for the year ended 31 March 2020**  
**(INR in Lacs, except share and per share data, unless otherwise stated)**

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

**(A) Defined Contribution Plans**

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

Particulars	For the year ended 31 March 2020	For the period from 10 May 2018 to 31 March 2019
Employer's contribution to provident fund	135.64	131.42
Employer's contribution to Canada pension plan	-	3.93
Employer's contribution to superannuation fund	34.86	37.26
Employer's contribution to employee state insurance	0.48	0.06
Employer's contribution to labour welfare fund	0.02	0.02
	<b>171.00</b>	<b>172.69</b>

**(B) Defined Benefit Plans**

**i. Gratuity**

In accordance with Ind AS 19 "Employee Benefits", an actuarial valuation has been carried out in respect of gratuity. The discount rate assumed is 6.24% (Previous year: 7.07%) p.a. which is determined by reference to market yield at the Balance Sheet date on Government bonds.

The retirement age has been considered at 60 years and mortality table is as per IALM (2006-08).

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

The plans assets are maintained with Life Insurance Corporation of India in respect of gratuity scheme for employees of the Company. The expected rate of return on plan assets is 6.24% ( Previous year: 7.07%) p.a.

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

Particulars	As at 31 March 2020	As at 31 March 2019
Present value of obligation at the beginning of the year/period	664.71	-
Current service cost	40.81	46.40
Interest cost	46.99	65.77
Liability transferred on acquisition	5.14	1,004.18
Actuarial (gains)/ loss	22.31	(136.57)
Benefits paid	(182.92)	(315.07)
<b>Present value of obligation</b>	<b>597.04</b>	<b>664.71</b>

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

Particulars	As at 31 March 2020	As at 31 March 2019
Present value of obligation	597.04	664.71
Fair value of plan assets	(587.42)	(721.72)
<b>Net liabilities / (Assets) recognised in the Balance Sheet</b>	<b>9.62</b>	<b>(57.01)</b>

**MPS Interactive Systems Limited**  
**Notes forming part of Financial Statements for the year ended 31 March 2020**  
**(INR in Lacs, except share and per share data, unless otherwise stated)**

**28 Employee benefits in respect of the Company have been calculated as under:**  
**Fair Value of Plan Assets**

Particulars	As at	As at
	31 March 2020	31 March 2019
Plan assets at the beginning of the year/period	721.72	-
Expected return on plan assets	41.23	65.84
Assets transferred on acquisitions	5.14	1,005.17
Actual benefits paid	(182.92)	(315.07)
Actuarial gain/ (loss)	-	(34.22)
Contributions by the employer	2.25	-
<b>Plan assets</b>	<b>587.42</b>	<b>721.72</b>

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

**Composition of the plan assets is as follows:**

Particulars	As at	As at
	31 March 2020	31 March 2019
Central government securities	19.35%	18.75%
State government securities	56.02%	49.70%
Government guaranteed securities	0.01%	0.00%
Debentures and bonds	20.94%	22.71%
Equity Shares	3.67%	3.92%
C.B.L.O. and bank balance	0.00%	4.92%

The above composition of plan assets are based on details received for 31 March 2019 (for previous year composition of plan assets are based on details received for 31 March 2018). Details for 31 March 2020 are awaited from LIC.

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

Particulars	For the year ended	For the period from
	31 March 2020	10 May 2018 to 31 March 2019
Current service cost	40.81	46.40
Interest cost	(4.03)	(0.07)
<b>Expense recognised in the Statement of Profit and Loss</b>	<b>36.78</b>	<b>46.33</b>

**Amount recognised in the other comprehensive income:**

Particulars	For the year ended	For the period from
	31 March 2020	10 May 2018 to 31 March 2019
Actuarial loss/(gain) due to demographic assumption change	-	2.45
Actuarial loss/(gain) due to financial assumption change	23.64	(37.09)
Actuarial loss/(gain) due to experience adjustment	(1.33)	(101.93)
Actuarial (gain)/loss on plan assets	9.79	34.22
<b>Amount recognised in the other comprehensive income</b>	<b>32.10</b>	<b>(102.35)</b>

MPS Interactive Systems Limited  
Notes forming part of Financial Statements for the year ended 31 March 2020  
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28 Employee benefits in respect of the Company have been calculated as under:  
Sensitivity analysis

	As at 31 March 2020	As at 31 March 2019
<b>Assumptions -discount rate</b>		
Sensitivity Level (a hypothetical increase / (decrease) by)	0.50%	0.50%
Impact on defined benefit obligation -increase of sensitivity level	(14.28)	(14.64)
Impact on defined benefit obligation -decrease of sensitivity level	15.00	15.36
<b>Assumptions -Future salary rate</b>		
Sensitivity level (a hypothetical increase / (decrease) by)	0.50%	0.50%
Impact on defined benefit obligation-increase of sensitivity level	14.97	15.47
Impact on defined benefit obligation-decrease of sensitivity level	(14.14)	(14.53)

The sensitivity analysis above have been determined based on reasonably possible changes of the respective assumptions occurring at the end of the period and may not be representative of the actual change. It is based on a change in the key assumption while holding all other assumptions constant.

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

Particulars	As at 31 March 2020	As at 31 March 2019
(C) Present value of obligation	70.70	59.57



**MPS Interactive Systems Limited**  
**Notes forming part of Financial Statements for the year ended 31 March 2020**  
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**29 Fair value measurements**

Particulars	Note	Level of hierarchy	As at 31 March 2020			As at 31 March 2019		
			FVPL	FVOCI	Amortised cost	FVPL	FVOCI	Amortised cost
<b>Financial assets</b>								
Investments in mutual fund	(c)	2	2,998.48	-	-	4,433.23	-	-
Trade receivables	(a)		-	-	1,499.17	-	-	876.22
Loans	(a, b)		-	-	79.13	-	-	79.04
Cash and bank balances	(a)		-	-	411.10	-	-	135.51
Other financial assets	(a, b)		-	-	84.96	-	-	126.01
<b>Total financial assets</b>			<b>2,998.48</b>	<b>-</b>	<b>2,074.36</b>	<b>4,433.23</b>	<b>-</b>	<b>1,216.78</b>
<b>Financial liabilities</b>								
Trade payables	(a)		-	-	276.10	-	-	465.27
Borrowings	(d)	3	-	-	3,970.21	-	-	4,248.25
Lease liabilities	(a)		-	-	593.97	-	-	-
Other financial liabilities	(a)		-	-	150.27	-	-	462.22
<b>Total financial liabilities</b>			<b>-</b>	<b>-</b>	<b>4,990.55</b>	<b>-</b>	<b>-</b>	<b>5,175.74</b>

**Note:**

- (a) Fair valuation of financial assets and liabilities with short term maturities is considered as approximate to respective carrying amount due to the short term maturity of these instruments.  
(b) Fair value of non-current financial assets has not been disclosed as there is no significant differences between carrying value and fair value.  
(c) The fair value of the mutual funds are based on net assets value of the funds as at reporting date.  
(d) The fair value of borrowing is INR 3989.47 (31 March 2019:INR 4,176.45 lacs) based upon a discounted cash flow analysis that uses the aggregate cash flows from principal and finance costs over the life of the debt and current market interest rates.

**Financial instruments not measured at fair value**

Type	Valuation technique	As at 31 March 2020		As at 31 March 2019	
		Significant unobservable inputs	Inter-relationship between key unobservable inputs and fair value measurement	Significant unobservable inputs	Inter-relationship between key unobservable inputs and fair value measurement
Intercompany loan	Discounted cash flows: The valuation model considers the present value of expected receipts discounted using an adjusted discount rate.	Adjusted discount rate 9.4%	The estimated fair value would increase by INR 31.93 lacs / decrease by 30.55 lacs if the adjusted discount rate was lower by 1% / higher by 1%.	Adjusted discount rate 9.4%	The estimated fair value would increase by INR 55.20 lacs / decrease by 53.32 lacs if the adjusted discount rate was lower by 1% / higher by 1%.
Non-cumulative redeemable preference shares	Discounted cash flows: The valuation model considers the present value of expected receipts discounted using an adjusted discount rate.	Adjusted discount rate 13.5%	The estimated fair value would increase by INR 70.95 lacs / decrease by 67.21 lacs if the adjusted discount rate was lower by 1% / higher by 1%.	Adjusted discount rate 12.5%	The estimated fair value would increase by INR 77.87 lacs / decrease by 73.74 lacs if the adjusted discount rate was lower by 1% / higher by 1%.

- (e) 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.

**MPS Interactive Systems Limited**  
**Notes forming part of Financial Statements for the year ended 31 March 2020**  
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**30 Financial risk management**

**Risk management framework**

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

**i Market risk**

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

**Currency risk**

The Company is exposed to currency risk to the extent that there is a mismatch between the currencies in which revenue and expense are denominated and the functional currency of the Company. The currencies in which the Company is exposed to risk are USD, CAD, GBP and others.

**Exposure to currency risk**

The summary quantitative data about the Company's exposure to currency risk as reported to the management of the Company is as follows:

	As at 31 March 2020				As at 31 March 2019			
	USD	CAD	GBP	Others	USD	CAD	GBP	Others
Cash and cash equivalents	189.10	95.26	-	61.15	461.98	36.10	-	12.75
Trade receivables	578.61	184.87	4.92	200.12	417.32	126.91	4.87	28.32
Other financial assets	7.02	18.18	-	-	235.54	27.65	-	59.56
Trade payables	(63.90)	(10.33)	(10.05)	(35.69)	(141.80)	(30.53)	(11.79)	(19.88)
Other financial liabilities	(28.02)	-	-	-	(27.61)	-	-	-
<b>Net statement of financial position exposure</b>	<b>682.81</b>	<b>287.98</b>	<b>(5.13)</b>	<b>225.58</b>	<b>945.43</b>	<b>160.13</b>	<b>(6.92)</b>	<b>80.75</b>

**Sensitivity analysis**

A reasonably possible strengthening (weakening) of the USD, CAD and GBP against INR at 31 March would have affected the measurement of financial exposure denominated in a foreign currency and affected equity and profit or loss by the amounts shown below. This analysis assumes that all other variables, in particular interest rates, remain constant and ignores any impact on forecast revenue and expenses.

	Profit or Loss (before tax)			
	For the year ended 31 March 2020		For the period from 10 May 2018 to 31 March 2019	
	Strengthening	Weakening	Strengthening	Weakening
USD (1% movement)	6.83	(6.83)	9.45	(9.45)
CAD (1% movement)	2.88	(2.88)	1.60	(1.60)
GBP (1% movement)	-0.05	0.05	(0.07)	0.07
Others (1% movement)	2.26	(2.26)	0.81	(0.81)

**Pricing risk:**

Pricing pressure is a constant risk due to increased competition. The Company strives to mitigate this risk with existing and customers by a trade-off for volumes. Thereon, it is the Company's endeavor to reduce the impact by taking advantage of economies of scale and increasing productivity, as well increasing automation within all the processes.

**Interest rate risk**

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company's borrowings are at fixed rate of interest. Hence the Company is not significantly exposed to interest rate risk.

**MPS Interactive Systems Limited**  
**Notes forming part of Financial Statements for the year ended 31 March 2020**  
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**30 Financial risk management**  
**ii Credit risk**

**Trade receivables**

The Company's exposure to credit risk is influenced mainly by the individual characteristics of each customer and if a customer fails to meet its contractual obligations. The demographics of the customer, including the default risk of the industry and country in which the customer operates, also has an influence on credit risk assessment. Details of concentration of revenue are as follows:

Particulars	For the year ended 31 March 2020	For the period from 10 May 2018 to 31 March 2019
Revenue from top 2 customers (more than 10% revenue individually)	1,779.79	1,469.49
Revenue from top 15 customers	4,709.14	4,783.62

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

**Expected credit loss for trade receivables:**

Trade receivables of INR 1,499.17 Lacs as at 31 March 2020 forms a significant part of the financial assets carried at amortised cost, which is valued considering provision for allowance using expected credit loss method. In addition to the historical pattern of credit loss, we have considered the likelihood of increased credit risk and consequential default considering emerging situations due to COVID-19. This assessment is not based on any mathematical model but an assessment considering the nature of segment, impact immediately seen in the demand outlook of these segments and the financial strength of the customers in respect of whom amounts are receivable.

The Company based on internal assessment which is driven by the historical experience/ current facts available in relation to default and delays in collection thereof, the credit risk for trade receivables is considered low. The Company estimates its allowance for trade receivable using lifetime expected credit loss.

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

Particulars	As at 31 March 2020	As at 31 March 2019
Balance at the beginning of the year/period	16.65	14.25
Add: Provided during the year/period (net of reversal)	64.31	2.40
Less: Amount written off	-	-
<b>Balance for the year ended 31 March 2020</b>	<b>80.96</b>	<b>16.65</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 expected credit loss has been provided on these financial assets. Break up of financial assets other than trade receivables have been disclosed on balance sheet.

**Investments**

The Company limits its exposure to credit risk by investing in liquid securities and fixed deposit. The Company invests as per the guidelines approved by the Board to mitigate this risk.

**MPS Interactive Systems Limited**  
**Notes forming part of Financial Statements for the year ended 31 March 2020**  
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**30 Financial risk management**

**iii Liquidity risk**

Liquidity risk is the risk that the Company will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Company's approach to managing liquidity is to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when they are due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation.

The Company's treasury department is responsible for managing the short term and long term liquidity requirements. Liquidity situation is reviewed regularly by the management.

**Exposure to liquidity risk**

The following are the details of contractual maturities of financial liabilities at the reporting date:

Particulars	Contractual Cash flows			Contractual Cash flows		
	As at 31 March 2020			As at 31 March 2019		
	Carrying Amount	Within 1 year	More than 1 Year	Carrying Amount	Within 1 year	More than 1 Year
<b>Non-derivative financial liabilities</b>						
Trade payables	276.10	276.10	-	465.27	465.27	-
Borrowings	3,970.21	526.79	3,443.42	4,000.85	247.40	3,753.46
Lease liabilities	593.97	265.89	328.08	-	-	-
Other financial liabilities	150.27	150.27	-	462.23	462.23	-

**31 Capital management**

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

The company is financed through equity share capital, preference share capital, and intercorporate deposit from holding company. Further, the Company has been a net cash company with cash and bank balances along with investment which is predominantly investment in liquid and short term mutual funds.

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

Particulars	As at	As at
	31 March 2020	31 March 2019
Long term borrowing	3,443.42	4,000.85
Current portion of long term borrowing	526.79	247.40
<b>Total borrowing</b>	<b>3,970.21</b>	<b>4,248.25</b>
Less :		
Cash and cash equivalents	973.40	1,027.77
Other bank balance	411.10	135.51
<b>Net debt</b>	<b>2,585.71</b>	<b>3,084.97</b>
Total equity	6,621.40	6,289.05
<b>Gearing ratio</b>	<b>0.39</b>	<b>0.49</b>

**MPS Interactive Systems Limited**  
**Notes forming part of Financial Statements for the year ended 31 March 2020**  
**(INR in Laacs, except share and per share data, unless otherwise stated)**

**32 Related party transactions**

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

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

S.No.	Description of relationship	Names of related parties
1	Ultimate holding company	ADI BPO Services Limited
2	Holding company	MPS Limited
3	Fellow subsidiary companies	MPS North America LLC MPS Europa AG TOPSIM GmbH
4	Company under common control	ADI Media Private Limited Nishith Arora Family Trust (w.e.f. 27 February 2020) Neha Family Trust (w.e.f. 27 February 2020)
5	Key management personnel (KMP)	Mr. Nishith Arora, Non-Executive Chairman Mr. Rahul Arora, Chief Executive Officer and Whole Time Director Mr. Ajay Mankotia, Non-Executive Director (appointed w.e.f. from 21st Feb 2020) Mr. Vijay Sood, Non-Executive Director (resigned w.e.f. 25th Jan 2020) Mr. Sunit Malhotra, CFO & Company Secretary

**B Transactions during the year/period**

Description of transactions	Name of related party	Relationship	For the year ended 31 March 2020	For the period from 10 May 2018 to 31 March 2019
1 Finance costs	MPS Limited	Holding Company	190.51	328.79
2 Dividend paid on preference shares	MPS Limited	Holding Company	176.00	-
3 Outsourcing cost	TOPSIM GmbH	Fellow Subsidiary Company	48.07	39.28
4 Rendering of services	MPS North America LLC	Fellow Subsidiary Company	7.47	5.58
	MPS Europa AG	Fellow Subsidiary Company	19.89	36.20
5 Fixed assets sale	MPS Limited	Holding Company	6.51	22.74
6 Issue of equity share capital	MPS Limited	Holding Company	-	6,200.00
7 Issue of preference share capital	MPS Limited	Holding Company	-	2,200.00
8 Intercorporate loan	MPS Limited	Holding Company	-	2,300.00
9 Repayment of loan	MPS Limited	Holding Company	247.40	-
10 Reimbursement of expenses	MPS Limited	Holding Company	-	2.92
11 Expenses incurred during the year on behalf of the Company	MPS Limited	Holding Company	38.05	-
	MPS North America LLC	Fellow Subsidiary Company	19.90	-
12 Director sitting fees	Mr. Vijay Sood	KMP	5.00	5.00

**MPS Interactive Systems Limited**  
**Notes forming part of Financial Statements for the year ended 31 March 2020**  
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**32 Related party transactions**

**C Outstanding balance as at 31 March 2020**

Particulars	Name of related party	Relationship	As at	
			31 March 2020	31 March 2019
1 Intercorporate loan	MPS Limited	Holding Company	2,052.60	2,300.00
2 Trade receivables	MPS Europa AG	Fellow Subsidiary Company	-	8.66
	MPS Limited	Holding Company	-	0.32
3 Trade payables	MPS North America LLC	Fellow Subsidiary Company	7.49	-
	TOPSIM GmbH	Fellow Subsidiary Company	35.68	22.09
	MPS Limited	Holding Company	-	43.74
4 Interest accrued but not due	MPS Limited	Holding Company	39.26	-
5 Other Financial assets	MPS Limited	Holding Company	-	12.09
6 Other Financial liability	MPS North America LLC	Fellow Subsidiary Company	-	4.96

**Notes:**

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

**MPS Interactive Systems Limited**  
**Notes forming part of Financial Statements for the year ended 31 March 2020**  
**(INR in Lacs, except share and per share data, unless otherwise stated)**

**33 Revenue**

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

Revenues for the year/period ended 31 March 2020 & 31 March 2019 are as follows:

Particulars	For the year ended 31 March 2020	For the period from 10 May 2018 to 31 March 2019
eLearning	6,319.74	6,159.19
Platform solutions	112.72	143.38
	<b>6,432.46</b>	<b>6,302.57</b>

**(ii) Disaggregation of revenue from contracts with customers**

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

Revenue by geographical markets	For the year ended 31 March 2020			For the period from 10 May 2018 to 31 March 2019		
	eLearning	Platform solutions	Total	eLearning	Platform solutions	Total
India (country of domicile)	1,003.65	112.72	1,116.37	1,708.68	141.92	1,850.60
Europe	209.68	-	209.68	100.45	0.05	100.50
USA	4,187.86	-	4,187.86	2,968.74	1.41	2,970.15
Rest of the World	918.55	-	918.55	1,381.32	-	1,381.32
<b>Total</b>	<b>6,319.74</b>	<b>112.72</b>	<b>6,432.46</b>	<b>6,159.19</b>	<b>143.38</b>	<b>6,302.57</b>

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

**(iii) Contract balances**

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

Particulars	As at 31 March 2020	As at 31 March 2019
Receivables, which are included in 'Trade and other receivables' (refer note no. 10)	1,499.17	876.22
Contract assets (refer note no. 9 (ii))	741.20	531.66
Contract liabilities (refer note no. 17)	987.76	1,513.16

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

Revenues in excess of invoicing are classified as contract assets (which we refer as unbilled revenue) while invoicing in excess of revenues are classified as contract liabilities (which we refer to as unearned revenue).

Significant changes in the contract assets and the contract liabilities balances for the year/period ended 31 March 2020 and 31 March 2019 are as follows

Particulars	For the year ended 31 March 2020		For the period from 10 May 2018 to 31 March 2019	
	Contract Assets	Contract Liabilities	Contract Assets	Contract Liabilities
<b>Balance as on the transition date</b>	531.66	1,513.16	-	-
Business combination (refer note no. 37)			595.16	850.20
Revenue recognised that was included in the contract liability balance at the time of business combination	-	-	-	(741.75)
Increases due to cash received, excluding amounts recognised as revenue during the period	-	828.72	-	1,404.71
Revenue recognised that was included in the contract liability balance	-	(1,339.59)	-	-
Reversal of Contract liability	-	(14.53)	-	-
Transfers from contract assets recognised at the time of business combination to receive:	-	-	(558.33)	-
Increases as a result of changes in the measure of progress	732.75	-	-	-
Transfers from contract assets to receivables	(486.97)	-	-	-
Increases as a result of changes in the measure of progress	(36.24)	-	494.83	-
<b>Balance at the end of the year</b>	<b>741.20</b>	<b>987.76</b>	<b>531.66</b>	<b>1,513.16</b>

(iv) Transaction price allocated to the remaining performance obligations

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

Particulars	As at 31 March 2020				
	Year ended 31 March 2021	Year ended 31 March 2022	Year ended 31 March 2023	Year ended 31 March 2024	Total
eLearning solutions	2,558.04	636.88	369.98	245.47	3,810.36
Platform solutions	150.85	38.97	9.23	-	199.05
	<b>2,708.89</b>	<b>675.85</b>	<b>379.21</b>	<b>245.47</b>	<b>4,009.41</b>

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



**MPS Interactive Systems Limited**  
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**34 Contingent liabilities to the extent not provided for:**

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

	As at 31 March 2020	As at 31 March 2019
(a) Service tax	100.68	100.68
(b) Income tax	Nil	Nil
(c) Other (refer note below)	Nil	Nil

**Note:**

The honorable Supreme Court on 28 February 2019 has provided its judgment regarding inclusion of other allowances such as travel allowances, special allowances, etc., within the expression 'basic wages' for the purpose of computation of contribution of provident fund under the Employees' Provident Fund and Miscellaneous Provisions Act, 1952 ('EPF Act'). There are interpretive challenges on the application of the Supreme Court Judgment including the period from which judgment would apply, consequential implications on resigned employees, etc. Further, various stakeholders have also filed representations with PF authorities in this respect. All these factors raises significant uncertainty regarding the implementation of the Supreme Court Judgment. Owing to the aforesaid uncertainty and pending clarification from regulatory authorities in this regard, the Company has recognized provision for the PF contribution on the basis of above mentioned order with effect from the order date. Further, the management believes that impact of aforementioned uncertainties on the financial statements of the Company should not be material.

**35 Commitments for the year ended 31 March 2020**

a) Estimated amount of contracts remaining to be executed on capital account (net of advances) INR Nil

**b) Leases**

(i) The Company has adopted Ind AS 116 'Leases' with the date of initial application being 1 April 2019. Ind AS 116 replaces Ind AS 17 – Leases and related interpretation and guidance. The Company has applied Ind AS 116 using the modified retrospective approach, under which the cumulative effect of initial application is recognised in retained earnings at April 1, 2019. As a result, the comparative information has not been restated. In adopting Ind AS 116, the Company has applied the below practical expedients:

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

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

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

The Company has applied the practical expedient to grandfather the definition of a lease on transition. This means that it will apply Ind AS 116 to all contracts entered into before 1 April 2019 and identified as leases in accordance with Ind AS 17.

(ii) The Company has discounted lease payments using the applicable incremental borrowing rate as at 1 April 2019, which is 9.5% for measuring the lease liability.

**(iii) Impact of adoption of Ind AS 116 on the retained earnings**

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

**Reconciliation of lease liabilities (refer note 14)**

Particulars	As at 31 March 2020
<b>Opening as on 1 April 2019</b>	-
Impact of Ind AS 116	724.11
Interest on lease liabilities	68.79
Repayment of lease liabilities including interest expenses	198.93
Exchange difference on lease liabilities	-
<b>As at 31 March 2020</b>	<b>593.97</b>

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

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

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

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

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

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

Particulars	For the year ended 31 March 2020
Repayment of lease liabilities including interest expenses	198.93
<b>Impact on the statement of cash flows for the year</b>	<b>198.93</b>

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

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

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

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

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

**37 Business combination:**

The Company during the period ended 31 March 2019, had given purchase consideration of INR 5,988.16 Lacs in cash to acquire eLearning business from TATA Industries Limited vide Business transfer agreement dated 24 April 2018 which qualifies for business combination accounting. The customary condition for consummation of the said acquisition had been completed on 31 May 2018.

Following assets and liabilities have been recorded on fair value through business combination accounting by the Company :

Particulars	Note	INR in Lacs
		As at 31 March 2019
Property, plant and equipment	3.1	394.44
Other intangible assets	4	1,037.39
Non current financial assets		46.80
Other non-current assets		121.89
Trade receivables		867.99
Cash & cash equivalents		305.91
Loans		286.55
Other current assets*		792.35
Trade payables		(401.99)
Other financial liabilities		(237.22)
Other current liabilities**		(1,056.52)
Provisions		(129.15)
<b>Net assets</b>		<b>2,028.44</b>
Purchase consideration		5,988.16
<b>Goodwill on acquisition</b>	4	<b>3,959.72</b>

The goodwill of INR 3,959.72 Lacs comprises value of acquired workforce and expected synergies arising from the acquisition. Goodwill is deductible for income tax purposes.

The company incurred acquisition related cost of INR 3.96 Lacs on legal fees and due diligence costs. These cost have been included in legal and professional fees under the head "other expenses".

If the acquisition had occurred on 1 April 2018, management estimates that total revenue for the Company would have been higher by INR 1,515.30 Lacs and the loss after taxes would have been lower by INR 192.56 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.

\*Other Current assets Includes contract assets of INR 595.16 Lacs

\*\*Other Current liabilities Includes contract liability of INR 850.20 Lacs

**38 Segment information**

**Operating Segments**

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

- (a) **eLearning:** eLearning means development of client eLearning requirements through technology-enabled, futuristic, and highly scalable learning solutions which includes gamification, simulations, custom eLearning, augmented and virtual reality, animations, videos, micro-learning etc.
- (b) **Platform Solutions:** Platform solutions means developing and implanting various software and technology services programs.

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

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

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

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

(i) Particulars	INR in Laacs	
	For the year ended 31 March 2020	For the period from 10 May 2018 to 31 March 2019
<b>Segment revenue</b>		
eLearning	6,319.74	6,159.19
Platform solutions	112.72	143.38
<b>Total revenue from operations</b>	<b>6,432.46</b>	<b>6,302.57</b>
<b>Segment results</b>		
eLearning	559.47	(261.77)
Platform solutions	26.06	50.38
<b>Total</b>	<b>585.53</b>	<b>(211.39)</b>
Add: Interest income	15.31	4.07
Less: Finance cost	505.56	328.79
Less: Un-allocable expenditure (net of un-allocable income)	(390.95)	(54.73)
<b>Profit/(loss) before tax</b>	<b>486.23</b>	<b>(481.38)</b>
Tax expense	179.74	(72.25)
<b>Profit/(loss) for the year/period</b>	<b>306.49</b>	<b>(409.13)</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.

(c) **Geographical information's:**

The geographical information analysis the Company's revenue and non-current assets by the Company's country of domicile (i.e. India) and other countries. In presenting the geographical information segment revenue has been based on the geographical location of customers and segment assets which have been based on the geographical location of the assets.

(i) **Revenue by geographical markets**

Particular	INR in Laacs	
	For the year ended 31 March 2020	For the period from 10 May 2018 to 31 March 2019
India (country of domicile)	1,116.37	1,850.60
Europe	209.68	100.50
USA	4,187.86	2,970.15
Rest of the World	918.55	1,381.32
<b>Total</b>	<b>6,432.46</b>	<b>6,302.57</b>

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

Particular	INR in Laacs	
	As at 31 March 2020	As at 31 March 2019
India (country of domicile)	5,900.89	5,629.65
Europe	-	0.46
USA	2.87	5.69
Rest of the World	0.59	0.97
<b>Total</b>	<b>5,904.35</b>	<b>5,636.77</b>

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

As per our report of even date attached  
For **B S R & Co. LLP**  
Chartered Accountants  
ICAI Firm Registration Number: 101248W/W-100022

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

**Shashank Agarwal**  
Partner  
Membership Number: 095109

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

**Ajay Mankotia**  
Director  
DIN: 03123827

**Sunit Malhotra**  
Chief Financial Officer &  
Company Secretary

Place : Gurugram  
Date : 15 May 2020

Place : Gurugram  
Date : 15 May 2020