MPS Interactive Systems Limited
Balance Sheet as at 31 March 2021

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

The accompanying notes form an integral part of financial statements.

As per our report of even date attached

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

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

Shashank Agarwal
Partner
Membership Number: 095109

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

RAHUL ARORA

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

Ajay Mankotia

Ajay Mankotia
Director

DIN: 03123827

Sunit Malhotra

Sunit Malhotra
Chief Financial Officer &
Company Secretary

Place : Gurugram
Date : 24 May 2021

Place : Gurugram
Date : 24 May 2021

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

INR in Lacs

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

The accompanying notes form an integral part of financial statements.

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

SHASHANK AGARWAL
Digitally signed by SHASHANK AGARWAL
Date: 2021.05.24 23:43:27 +05'30'

Shashank Agarwal
Partner
Membership Number: 095109

Place : Gurugram
Date : 24 May 2021

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

RAHUL ARORA

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

Ajay Mankotia

Ajay Mankotia
Director
DIN: 03123827

Sunit Malhotra

Sunit Malhotra
Chief Financial Officer &
Company Secretary

Place : Gurugram
Date : 24 May 2021

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

INR in Lacs

		For the year ended 31 March 2021	For the year ended 31 March 2020
A.	**Equity share capital**		
	Balance as at the beginning of the year	**6,200.00**	**6,200.00**
	Changes in equity share capital during the year	-	
	Balance as at the end of the year	**6,200.00**	**6,200.00**

B. Other equity **INR in Lacs**

Particulars	Capital Reserve	Reserve and Surplus	Total
		Retained earnings	
Balance as at 31 March 2019	**427.76**	**(338.71)**	**89.05**
Transition impact of Ind AS 116 (refer note 35 b)		**(14.83)**	**(14.83)**
Restated balance as at 1 April 2019	**427.76**	**(353.54)**	**74.22**
Profit for the year	**-**	306.49	306.49
Other comprehensive income	**-**	(24.02)	(24.02)
Total comprehensive income/(loss) for the year	**427.76**	**(71.07)**	**356.69**
8% Cumulative Redeemable Preference Shares (equity portion) (transaction with shareholder - refer note 14)	64.70	-	64.70
Balance as at 31 March 2020	**492.46**	**(71.07)**	**421.39**
Loss for the year	**-**	(653.70)	(653.70)
Other comprehensive income	**-**	49.99	49.99
Total comprehensive income/(loss) for the year	**492.46**	**(674.78)**	**(182.32)**
Loss on redemption of 8% cumulative redeemable preference shares being a transaction with the MPS Limited (Parent company) -refer note 14	(270.14)	-	(270.14)
Balance as at 31 March 2021	**222.32**	**(674.78)**	**(452.46)**

Notes:

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

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

Capital Reserve: Accumulated capital surplus not available for distribution of dividend and expected to remain invested permanently. It represents following:
- Equity portion of 8% cumulative redeemable preference shares issued to MPS Limited (Parent company)
- Loss on redemption of preference shares on transaction with the shareholder.

The accompanying notes form an integral part of financial statements.

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

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

Shashank Agarwal
Partner
Membership Number: 095109

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

RAHUL ARORA
Digitally signed by RAHUL ARORA
Date: 2021.05.24 23:29:20 +05'30'

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

Ajay Mankotia
Digitally signed by Ajay Mankotia
DN: cn=Ajay Mankotia, o=MPS, ou=Director, email=ajaymankotia@hotmail.com, c=IN
Date: 2021.05.24 23:24:15 +05'30'

Ajay Mankotia
Director
DIN: 03123827

Sunit Malhotra
Digitally signed by Sunit Malhotra
DN: cn=Sunit Malhotra, o=MPS Limited, ou=Finance and Secretarial, email=sunit.malhotra@mpslimited.com, c=IN
Date: 2021.05.24 23:21:00 +05'30'

Sunit Malhotra
Chief Financial Officer & Company Secretary

Place : Gurugram
Date : 24 May 2021

Place : Gurugram
Date : 24 May 2021

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

INR in Lacs

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

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

As per our report of even date attached

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

SHASHANK AGARWAL Digitally signed by SHASHANK AGARWAL Date: 2021.05.24 23:44:36 +05'30'

Shashank Agarwal
Partner
Membership Number: 095109

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

RAHUL ARORA

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

Ajay Mankotia Digitally signed by Ajay Mankotia DN: cn=Ajay Mankotia, o=MPS, ou=Director, email=ajaymankotia@hotmail.com, c=IN Date: 2021.05.24 23:24:38 +05'30'

Ajay Mankotia
Director

DIN: 03123827

Sunit Malhotra

Sunit Malhotra
Chief Financial Officer &
Company Secretary

Place : Gurugram
Date : 24 May 2021

Place : Gurugram
Date : 24 May 2021

MPS Interactive Systems Limited
Notes forming part of the Financial Statements
All amount in INR Lacs, unless otherwise stated

1. Corporate Information

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

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

2. Significant accounting policies

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

2.1 Basis of preparation of financial statements

a) Statement of compliance

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

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

b) Basis of measurement

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

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

c) Critical estimates and judgements

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

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

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

2.2 Current–non-current classification

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

Assets

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

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

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

Liabilities

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

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

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

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

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

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.

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 exits, then the asset's recoverable amount is estimated. Goodwill is tested annually for impairment.

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

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

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

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

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

2.6 Financial instrument

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.

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 lookssing information. The expected credit loss allowance is based on the ageing of the receivables that are due and rates used in the provision matrix. For all financial assets with contractual cash flows other than trade receivable, ECLs are measured at an amount equal to the 12-month ECL, unless there has been a significant increase in credit risk from initial recognition in which case those are measured at lifetime ECL. The amount of ECLs (or reversal) that is required to adjust the loss allowance at the reporting date to the amount that is required to be recognised as an impairment gain or loss in the Statement of Profit and Loss.

Derecognition

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

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

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

Financial liabilities

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

Derecognition

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification 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.

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.

- 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 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.

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.

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.

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

2.16 Cash Flow Statement

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

2.17 Measurement of fair values

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

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

Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities.
Level 2: inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

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

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

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

2.18 New standards and interpretations not yet adopted

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

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

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

Particulars	Plant & equipment	Furniture & Fixtures	Vehicles	Leasehold improvements	Capital Work-in-Progress	Total
Gross carrying value						
As at 1 April 2019	**273.31**	**98.41**	**5.31**	**31.25**	**18.38**	**426.66**
Additions	41.47	8.20	6.06	-	2.34	58.07
Disposals/adjustments	(10.21)	(12.79)	(6.06)	-	(18.03)	(47.09)
As at 31 March 2020	**304.57**	**93.82**	**5.31**	**31.25**	**2.69**	**437.64**
Additions	38.62	2.20				40.82
Disposals/adjustments	(0.73)	(3.10)	(0.50)	(4.22)	(2.69)	(11.24)
As at 31 March 2021	**342.46**	**92.92**	**4.81**	**27.03**	**-**	**467.22**
Accumulated depreciation						
As at 1 April 2019	**64.47**	**18.10**	**1.55**	**23.86**	**-**	**107.98**
Depreciation charge for the year	64.15	19.46	1.88	6.28		91.77
Disposals/adjustments	(3.87)	(6.64)	(0.57)	(3.11)		(14.19)
As at 31 March 2020	**124.74**	**30.92**	**2.87**	**27.02**	**-**	**185.56**
Depreciation charge for the year	48.10	16.80	0.22	2.37		67.49
Disposals/adjustments	(0.42)	(0.43)		(2.37)		(3.22)
As at 31 March 2021	**172.42**	**47.29**	**3.09**	**27.02**	**-**	**249.83**

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

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

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

3.2 Right-of-use asset

Particulars	**Buildings (refer note 35 b)**	**Total**
Gross carrying value		
As at 1 April 2019	702.56	702.56
Additions	-	-
Disposals/adjustments	-	-
Depreciation charge for the year	165.38	165.38
As at 31 March 2020	**537.18**	**537.18**
Additions	-	-
Disposals/adjustments	(32.19)	(32.19)
Depreciation charge for the year	160.44	160.44
As at 31 March 2021	**344.55**	**344.55**

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

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

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

4. Intangible assets

Particulars	Goodwill	Other intangible assets			Total
		Customer relationship	Order Book	Computer software (acquired)	
Gross carrying value					
As at 1 April 2019	**3,959.72**	**671.60**	**151.62**	**226.96**	**5,009.90**
Additions	-	-	-	3.74	3.74
Disposals/adjustments	-	-	-	-	-
As at 31 March 2020	**3,959.72**	**671.60**	**151.62**	**230.70**	**5,013.64**
Additions	-	-	-	-	-
Disposals/adjustments	-	-	-	-	-
As at 31 March 2021	**3,959.72**	**671.60**	**151.62**	**230.70**	**5,013.64**
Accumulated depreciation/amortisation					
As at 1 April 2019	**-**	**111.96**	**42.65**	**68.45**	**223.06**
Amortisation expense for the year	-	134.23	49.98	62.06	246.27
Disposals/adjustments	-	-	-	-	-
As at 31 March 2020	**-**	**246.19**	**92.64**	**130.51**	**469.33**
Amortisation expense for the year	-	134.32	50.54	34.05	218.91
Disposals/adjustments	-	-	-	-	-
As at 31 March 2021	**-**	**380.51**	**143.18**	**164.56**	**688.24**

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

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

4(a) Impairment testing of goodwill

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

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

Particulars	As at 31 March 2021	As at 31 March 2020
eLearning	3,869.64	3,869.64
Platform	90.08	90.08
	3,959.72	**3,959.72**

For the purpose of impairment testing, goodwill is allocated to the Cash Generating Units (CGU) which represents the recoverable amount of the above cash generating units based on its value in use. The value in use of this unit was determined to be higher than the carrying amount and an analysis of the calculation's sensitivity towards change in key assumptions including the cash flow projections consequent to the change in the estimated future economic conditions arising from the possible effects due to COVID-19. No probable scenario was identified where the CGU recoverable amount would fall below their carrying amount.

Value in use was determined by discounting the future cash flows generated from the continuing use of the CGU. The calculation was based on the following key assumptions:
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 2021 (31 March 2020: 4%) representing management view on the future long-term growth rate.
iii. Discount rate of 18% for the year ended 31 March 2021 (31 March 2020: 19%) was applied in determining the recoverable amount of the CGUs. The discount rate was estimated based on historical industry average and weighted-average cost of capital.

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

5 Current investments

Particulars	As at 31 March 2021		As at 31 March 2020	
	Units in '000	INR in Lacs	Units in '000	INR in Lacs
Investment in mutual funds carried at fair value through profit or loss (unquoted, fully paid up)				
HDFC Overnight Fund - Direct Plan - Growth Option	-	-	22.21	659.32
ICICI Prudential Liquid Fund - Direct Plan - Growth	49.88	151.99	0.10	0.29
Kotak Liquid Direct Plan Growth	-	-	10.40	417.54
Axis Liquid Direct Plan Growth	-	-	16.88	372.01
ICICI Prudential Overnight Fund - Direct Plan - Growth	-	-	830.29	894.62
Kotak Overnight Direct Plan Growth	-	-	42.49	452.87
ABSL Liquid Fund - Direct Plan - Growth Option	15.00	49.74	63.16	201.83
Total	**64.88**	**201.73**	**985.51**	**2,998.48**
Aggregate market value of unquoted investments		**201.73**		**2,998.48**

6 Loans

	Particulars	As at 31 March 2021	As at 31 March 2020
(i)	**Non Current (unsecured, considered good)**		
	Security deposits	73.18	77.78
		73.18	**77.78**
(ii)	**Current (unsecured, considered good)**		
	Security deposits	1.28	1.35
		1.28	**1.35**

7 Other financial assets

	Particulars	As at 31 March 2021	As at 31 March 2020
(i)	**Non Current (unsecured, considered good)**		
	Bank deposits due to mature after 12 months of the reporting date	475.91	24.46
		475.91	**24.46**
(ii)	**Current (unsecured, considered good)**		
	Interest accrued on deposits	13.63	6.07
	Others advances		
	- Other recoverable	36.15	54.43
		49.78	**60.50**

8 Income taxes

Particulars	As at 31 March 2021	As at 31 March 2020
Advance income tax (net of provision of INR 15.49 lacs (31 March 2020: INR 5.59 lacs)	179.39	450.09
	179.39	**450.09**

9 Other assets

	Particulars	As at 31 March 2021	As at 31 March 2020
(i)	**Other non-current assets (unsecured, considered good)**		
	Security deposits	1.60	1.60
	Balances with government authorities		
	-Service tax credit receivable	105.88	105.88
	Prepayment rent	7.92	13.19
		115.40	**120.68**
(ii)	**Other current assets (unsecured, considered good)**		
	Advances to employees		
	Considered good	-	17.76
		-	17.76
	Contract assets		
	Considered good	187.73	741.20
	Advance to suppliers	12.10	12.73
	Prepaid expenses	63.69	103.71
	Balances with government authorities		
	-Goods and Services Tax, Credit	176.67	110.13
	-Others	4.47	-
	Prepayment rent	5.28	5.28
	Others	-	0.66
	Gratuity fund	23.90	-
		473.84	**991.47**

10 Trade receivables

Particulars	As at 31 March 2021	As at 31 March 2020
Current		
Trade receivables	756.06	1,491.68
Receivables from fellow subsidiary (refer note 32)	-	7.49
	756.06	**1,499.17**
Break-up for details:		
Trade receivables (unsecured)		
Considered good	886.01	1,580.13
Less: Expected credit loss allowance (refer note 30 (ii))	129.95	80.96
	756.06	1,499.17
Trade receivables which have significant increase in credit risk	-	-
Trade receivables - credit impaired	-	-
Less: expected credit loss allowance (refer note 30 (ii))	-	-
	-	-
Total trade receivables	**756.06**	**1,499.17**

11 Cash and Bank balances

	Particulars	As at 31 March 2021	As at 31 March 2020
(i)	**Cash and cash equivalents**		
	Balances with banks		
	-In Current accounts	235.12	164.36
	-In EEFC accounts	125.15	309.83
	-In demand deposit accounts (demand deposits and deposits having original maturity of 3 months and less)	-	499.00
	Cash on hand	0.09	0.21
		360.36	**973.40**
(ii)	**Other Bank Balance**		
	Bank deposits due to mature within 12 months of the reporting date	791.81	411.10
		791.81	**411.10**
	Details of bank balances/deposits		
	Bank balances available on demand/deposits with original maturity of 3 months or less included under 'Cash and cash equivalents'	-	499.00
	Bank deposits due to mature within 12 months of the reporting date included under 'Other balances with banks'	791.81	411.10
	Bank deposits due to mature after 12 months of the reporting date included under 'Other non-current financial assets'	475.91	24.46
		1,267.72	**934.56**

12 Share capital

(i) Particulars

Particulars	As at 31 March 2021	As at 31 March 2020
Authorised		
6,50,00,000 equity shares of INR 10 each fully paid up with voting rights	6,500.00	6,500.00
2,50,00,000 preference shares of INR 10 each fully paid up with voting rights as per Section 47(2) of the Companies Act, 2013	-	2,500.00
	6,500.00	**9,000.00**
Issued, Subscribed & Paid-Up		
6,20,00,000 equity shares of INR 10 each fully paid up with voting rights	6,200.00	6,200.00
	6,200.00	**6,200.00**

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

Particulars	As at 31 March 2021		As at 31 March 2020	
	Number	INR in Lacs	Number	INR in Lacs
Equity shares (with voting rights) outstanding at the beginning of the year	6,20,00,000	6,200.00	6,20,00,000	6,200.00
Issued during the year	-	-	-	-
Outstanding at the end of the year	**6,20,00,000**	**6,200.00**	**6,20,00,000**	**6,200.00**

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

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

Preference Shares : The Company had only one class of preference shares, i.e., cumulative redeemable preference shares having a par value of INR 10 per share. Each holder of preference shares was entitled to vote as per Section 47(2) of the Companies Act, 2013. Each holder of preference shares carried a preferential right with respect to payment of dividend and repayment, in the case of a winding up or repayment of capital vis-a-vis equity shares. As per the terms of preference shares revised vide AGM dated 23 July 2019 by way of special resolution, company called for redemption of all the preference shares and also paid the dividend on cumulative basis as due on the date of redemption,i.e., 1st June 2021.

The Company has revised the terms of preference shares vide AGM dated 23 July 2019 by way of special resolution as detailed below:-
1) Payment of dividend from non-cumulative to cumulative basis; and
2) Redemption of shares on the call of the company anytime earlier than previous redemption terms i.e. in two equal installments in the end of 5th year from the date of allotment year and in the end of 6th year from the date of allotment year.

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

Particulars	As at 31 March 2021		As at 31 March 2020	
	Number	INR in Lacs	Number	INR in Lacs
Equity shares of INR 10 each fully paid up and held by				
MPS Limited	6,19,99,994	6,200	6,19,99,994	6,200
Preference shares of INR 10 each fully paid up and held by				
MPS Limited	-	-	2,20,00,000	2,200

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

Class of shares / Name of shareholder	As at 31 March 2021		As at 31 March 2020	
	Number	% holding in that class of shares	Number	% holding in that class of shares
Equity shares of INR 10 each fully paid up and held by				
MPS Limited	6,19,99,994	99.99%	6,19,99,994	99.99%
Preference shares of INR 10 each fully paid up and held by				
MPS Limited	-	0.00%	2,20,00,000	100.00%

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

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

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

13 Deferred tax

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

Deferred tax assets:

	Expected credit loss allowance	Expenses allowable for tax purposes when paid	Tax losses carry forward	Lease assets net of lease liabilities	Others	Total
As at 31 March 2019	**5.19**	**2.92**	**363.64**	**-**	**17.17**	**388.92**
(Charged)/credited						
-Addition on account of IND AS 116	-	-	-	6.72	-	6.72
- to statement of profit and Loss	15.19	16.26	(70.15)	7.57	(17.05)	(48.19)
- to other comprehensive income	-	8.08	-	-	-	8.08
As at 31 March 2020	**20.38**	**27.26**	**293.49**	**14.29**	**0.12**	**355.53**
(Charged)/credited						
- to statement of profit and Loss	12.33	22.32	(65.27)	3.42	0.03	(27.17)
- to other comprehensive income		(16.81)				(16.81)
As at 31 Mar 2021	**32.71**	**32.77**	**228.22**	**17.71**	**0.15**	**311.55**

Deferred tax liabilities:

	Difference between book balance and tax balance of property, plant and equipment/ Other intangible assets	Gains on investment carried at fair value through profit or loss	Total
As at 31 March 2019	**(328.09)**	**(10.37)**	**(338.46)**
(Charged)/credited			
- to statement of profit and Loss	(116.19)	(10.57)	(126.75)
- to other comprehensive income	-	-	-
As at 31 March 2020	**(444.28)**	**(20.94)**	**(465.21)**
(Charged)/credited			
- to statement of profit and Loss	(544.87)	20.37	(524.50)
- to other comprehensive income			-
As at 31 Mar 2021	**(989.15)**	**(0.57)**	**(989.71)**

Reflected in the Balance Sheet as follows:

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

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

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

14 Borrowings and Lease liabilities

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

Note:

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

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

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

** The Company had issued 2,20,00,000, 8% cumulative redeemable preference shares of face value of INR.10/- (INR Ten Only) per share as on 15th June 2018 aggregating to INR 2200 Lacs. As per the terms of preference shares revised vide AGM dated 23 July 2019 by way of special resolution, company called for redemption of all the preference shares and also paid the dividend on cumulative basis as due on the date of redemption,i.e., 1st June 2020. Loss on redemption of 8% cumulative redeemable preference shares being a transaction with the MPS Limited (parent comapany) has been transferred to Capital Reserve of Rs. 270.14 lacs.

15 Trade payables

Particulars	As at 31 March 2021	As at 31 March 2020
Trade payables		
Due to micro and small enterprises (refer note 27)	-	-
Due to others	196.90	240.42
Trade payables to related parties (refer note 32)	-	35.68
	196.90	**276.10**

16 Other financial liabilities (Current)

Particulars	As at 31 March 2021	As at 31 March 2020
Borrowings	-	526.79
Employee payable	112.47	150.27
Others	-	0.00
	112.47	**677.06**

17 Other current liabilities

Particulars	As at 31 March 2021	As at 31 March 2020
Income received in advance (contract liabilities) (refer note 33 (iii))	1,074.50	987.76
Interest accrued but not due (refer note 32)	-	39.26
Statutory remittances*	62.73	113.08
Others	0.31	-
	1,137.54	**1,140.10**

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

18 Provisions

	Particulars	As at 31 March 2021	As at 31 March 2020
(i)	**Non Current**		
	Provision for compensated absences	63.62	57.13
		63.62	**57.13**
(ii)	**Current**		
	Provision for compensated absences	14.89	13.57
	Provision for gratuity	-	9.62
		14.89	**23.19**

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

19 Revenue from operations

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

20 Other income

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

Note (i) Other non-operating income comprises:

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

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

21 Employee benefits expenses

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

22 Finance costs

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

23 Depreciation and amortisation expense

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

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

24 Other expenses

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

(i) Payments to the auditors comprises (net of GST credit, where applicable):	For the year ended 31 March 2021	For the year ended 31 March 2020
To statutory auditors		
for statutory audit	10.50	10.50
for transfer pricing	2.50	2.50
for tax audit	1.50	1.50

25 Income tax

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

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

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

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

(a) Effective tax rate has been calculated on profit before tax.

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

Thus, tax basis of goodwill become nil. As a result, Deferred tax liability of INR is 561 Lacs is created on unamortised portion of Goodwill in tax books.

26 (Loss) / Earnings per equity share

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

27 Micro, small and medium enterprises

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

	Particulars	**As at 31 March 2021**	**As at 31 March 2020**
(i)	The principal amount remaining unpaid to any supplier as at Balance Sheet date	-	-
(ii)	The interest due on principal amount remaining unpaid to any supplier as at Balance Sheet date	-	-
(iii)	The amount of interest paid by the Company in terms of section 16 of the Micro, Small and Medium Enterprises Development Act, 2006 (MSMED Act), along with the amount of the payment made to the supplier beyond the appointed day during the period	-	-
(iv)	The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under the MSMED Act	-	-
(v)	The amount of interest accrued and remaining unpaid as at Balance Sheet date	-	-
(vi)	The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise, for the purpose of disallowance as a deductible expenditure under the MSMED Act	-	-

(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, the Company has contributed following amounts to:

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

(B) Defined Benefit Plans

i. Gratuity

In accordance with Ind AS 19 "Employee Benefits", an actuarial valuation has been carried out in respect of gratuity. The discount rate assumed is 6.06% (Previous year: 6.24%%) p.a. which is determined by reference to market yield at the Balance Sheet date on Government bonds. The retirement age has been considered at 60 years and mortality table is as per IALM (2006-08) .

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

The plans assets are maintained with Life Insurance Corporation of India in respect of gratuity scheme for employees of the Company. The expected rate of return on plan assets is 6.06% (Previous year: 6.24%) p.a.

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

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

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

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

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

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

Composition of the plan assets is as follows:

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

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

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

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

Amount recognised in the other comprehensive income:

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

(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:
Sensitivity analysis

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

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

Other long term benefits (compensated absences):

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

29 Fair value measurements

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

Note:

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

Financial instruments not measured at fair value

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

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

30 Financial risk management

Risk management framework

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

i Market risk

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

Currency risk

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

Exposure to currency risk

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

	31 March 2021				31 March 2020			
	USD	**CAD**	**GBP**	**Others**	**USD**	**CAD**	**GBP**	**Others**
Cash and cash equivalents	261.08	22.88	-	0.02	189.10	95.26	-	61.15
Trade receivables	549.00	22.56	5.05	151.85	578.61	184.87	4.92	200.12
Other financial assets	(0.95)	-	-		7.02	18.18	-	
Trade payables	(72.18)	-	(1.57)	-	(63.90)	(10.33)	(10.05)	(35.69)
Other financial liabilities	(48.39)	-	-	-	(28.02)	-	-	-
Net statement of financial position exposure	**688.56**	**45.44**	**3.48**	**151.87**	**682.81**	**287.98**	**(5.13)**	**225.58**

Sensitivity analysis

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

	Profit or Loss (before tax) For the year ended 31 March 2021		Profit or Loss (before tax) For the year ended 31 March 2020	
	Strengthening	**Weakening**	**Strengthening**	**Weakening**
USD (1% movement)	6.89	(6.89)	6.83	(6.83)
CAD (1% movement)	0.45	(0.45)	2.88	(2.88)
GBP (1% movement)	0.03	(0.03)	(0.05)	0.05
Others (1% movement)	1.52	(1.52)	2.26	(2.26)

Pricing risk:

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

Interest rate risk

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

30 Financial risk management

ii Credit risk

Trade receivables

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

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

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

Expected credit loss for trade receivables:

Trade receivables of INR 756.06 Lacs as at 31 March 2021 forms a significant part of the financial assets carried at amortised cost, which is valued considering provision for allowance using expected credit loss method. In addition to the historical pattern of credit loss, we have considered the likelihood of increased credit risk and consequential default considering emerging situations due to COVID-19. This assessment is not based on any mathematical model but an assessment considering the nature of segment, impact immediately seen in the demand outlook of these segments and the financial strength of the customers in respect of whom amounts are receivable.

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

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

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

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

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

Expected credit loss on financial assets other than trade receivables:

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

Investments

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

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

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

31 Capital management

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

The capital structure is as follows:

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

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

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

In the previous year, the Company monitored its capital gearing ratio, which is net debt divided to total equity. Net Debt includes, interest bearing loans and borrowings net of cash equivalents:-

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

(INR in Lacs, 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 HighWire North America LLC HighWire Press Limited Semantico Limited
4	Company under common control	ADI Media Private Limited
5	Key management personnel (KMP)	Mr. Nishith Arora, Non-Executive Chairman Mr. Rahul Arora, Chief Executive Officer and Whole Time Director Mr. Ajay Mankotia, Non-Executive Director Mr. Sunit Malhotra, CFO & Company Secretary

B Transactions during the year

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

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

32 Related party transactions

C Outstanding balance as at 31 March 2021

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

Notes:

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

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

33 Revenue

(i) Revenue from contracts with customers

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

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

(ii) Disaggregation of revenue from contracts with customers

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

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

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

(iii) Contract balances

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

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

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

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

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

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

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

(iv) Transaction price allocated to the remaining performance obligations

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

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

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

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

34 Contingent liabilities to the extent not provided for:

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

	As at 31 March 2021	**As at 31 March 2020**
(a) Service tax	100.68	100.68
(b) Other (refer note below)	Nil	Nil

Note:

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

35 Leases

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

The Company has applied a single discount rate to a portfolio of leases with reasonably similar characteristics
The Company has treated the leases with remaining lease term of less than 12 months as if they were "short term leases"
The Company has not applied the requirements of Ind AS 116 for leases of low value assets.

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

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

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

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

Reconciliation of lease liabilities (refer note 14)

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

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

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

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

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

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

(vi) Amount recognised in the statement of cash flow

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

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

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

36 Corporate social responsibility (CSR) expense

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

37 Code on Social Security:

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

38 Segment information

Operating Segments

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

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

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

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

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

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

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

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

(i)

INR in Lacs

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

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

(c) Geographical information's:

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

(i) **Revenue by geographical markets**

INR in Lacs

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

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

INR in Lacs

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

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

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

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

Shashank Agarwal
Partner
Membership Number: 095109

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

RAHUL ARORA
Digitally signed by RAHUL ARORA
DN: c=IN, o=Personal,
2.5.4.20=fc188ff6d7324534b17592f766aa9139cfb9e7f94987a878d7bc561ee9d63df2,
postalCode=201301, st=UTTAR PRADESH,
serialNumber=dec2966a206709d8d531013902b87eccda7dff31e8a2eecee1813c0bd01b205b,
cn=RAHUL ARORA
Date: 2021.05.24 23:25:37 +05'30'

Rahul Arora
Chief Executive Officer
& Whole Time Director

DIN: 05353333

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

Ajay Mankotia
Director

DIN: 03123827

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

Sunit Malhotra
Chief Financial Officer &
Company Secretary

Place : Gurugram
Date : 24 May 2021

Place : Gurugram
Date : 24 May 2021