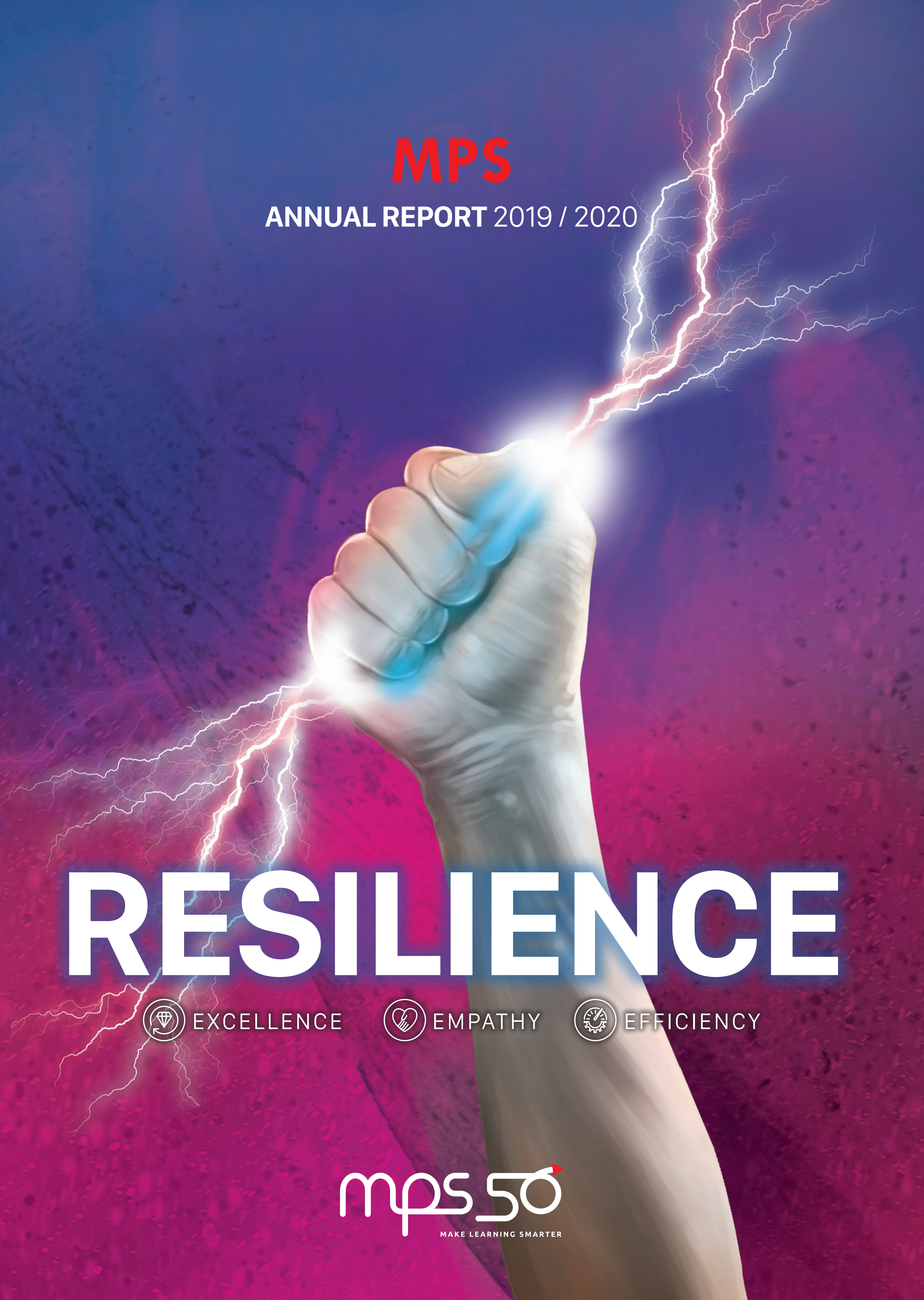
MPS

ANNUAL REPORT 2019 / 2020



RESILIENCE

EXCELLENCE EMPATHY EFFICIENCY

mps 50

MAKE LEARNING SMARTER

CONTENTS

KEY INFORMATION

Key Personnel

Chairman & Non-Executive Director
Mr. Nishith Arora

CEO & Managing Director
Mr. Rahul Arora

Independent Director
Mr. Ajay Mankotia

Independent Director
Ms. Jayantika Dave

Independent Director
Dr. Piyush Kumar Rastogi

Independent Director
Ms. Achal Khanna

Non-Executive Director
Ms. Yamini Tandon

CFO & Company Secretary
Mr. Sunit Malhotra

Compliance Officer
Ms. Shiwani Dayal

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MISSION 2020

Adapt

We manage change. We anticipate and adapt to challenges, while making the best of each situation. To adapt is to be willing to realign ourselves. As times change, we change with them.

Resil

We are relentless. Our promises are sacrosanct. To be resilient is to stay true to the core values of Triple E. Obstacles are a chance to improve ourselves. As long as we are resilient, our partners know that they can count on us.

Reimagine

To imagine is to create. Our imagination is the tool that will shape the future for the better. We will keep innovating to better ourselves and our business environment.

Now

We are focused on the now. We keep ourselves grounded in the truth. We anchor ourselves in the present so that our actions are prudent and emphatic. We believe a better today can make for an even better tomorrow.

MISSION **2020**

	Adapt	Resil	Reimagine	Now
Strategy	Change Management	Operational Stability	New Normal	Real time planning and analysis
Implementation	• Regular BCP & monitoring • Moved 95% of workforce, along with their equipment, to home offices • Configured VPN and IT security procedures to provide connectivity from home offices • Tightened information security measures to minimize risk of data breach data breach	• Supported customers in adapting their platforms to new business models • Scaled operations to manage rising volumes in research • Enhanced office safety protocols • Continuously monitored for signs of infection among the workforce	• Reduced travel to essential only • More content marketing through digital media • Content production in the Cloud • Identified functions for home-based operations • Selected locations for fully virtualized offices	• Active Cash management • Investments in fixed deposits and overnight funds • Quarterly planning with cost rationalization
Outcome	Minimal impact on delivery, quality, and speed	Operating capacity at near Pre-Covid levels	Reduced environmental footprint, cost savings	Financial stability
Impact Areas	Information Technology, Operations	Operations, Human Resources	Sales and Marketing, Operations	All of MPS

OUR VALUES

EXCELLENCE EMPATHY EFFICIENCY

Our ambitions are powered by our core values that we call the Triple E. These Triple E values define who we are today and how we will shape our future. They are principles that we will not compromise on, and are tools that we will depend on.

Excellence is a way of life. It means respecting our colleagues, owning our responsibilities, and committing our best to our customers. Excellence is not perfection, but rather simply committing our best to every interaction, deliverable, and decision.

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

Efficiency is who we are. It means driving automation, smarter workflows, and innovative operating models, and not allowing any job to be "grunt work" at MPS.

ABOUT
MPS LIMITED

Nine Reasons Why

MPS is the leading provider of content, learning, and platform solutions.

ACTIVE LEADERSHIP

MPS is led by a diverse team of talented and experienced managers who are members of the Senior Management Team. Branded as MPS One, this team developed the vision of *Making Learning Smarter* powered by the Triple E values of *Excellence, Efficiency, and Empathy*. MPS One is tasked with unlocking the potential of MPS and leveraging synergies across solutions that MPS offers. The leadership structure has allowed MPS to be customer-focused, operationally efficient, and ahead of its competitors. Currently, MPS One is leading the charge toward achieving Mission 2020 for MPS and overseeing its transformation for the new normal. Their active involvement has been critical in ensuring minimal disruption to MPS amidst the current uncertain macro-environment.

SMART ACQUISITIONS

MPS has an active inorganic growth strategy to augment its capabilities and to be a better partner to its customers. We have an active deal pipeline, which has resulted in six acquisitions from 2013 to 2018. Our focus has always been on acquiring industry-leading companies at attractive valuations. We ensure that every acquired asset gives us access to new customers and expands our capabilities, thereby enriching our value proposition. Our focused inorganic growth strategy has allowed us to get great Returns on Invested Capital and Steady Growth.

Acquisitions for Content Solutions

We made three acquisitions in the content solutions space in order to scale our interests in the educational publishing market through the addition of US-based services including, content authoring and development, rights and permissions, and high-end creative services.

1. 2013: Acquired Element, LLC to add capabilities to serve the K-12 segment through content development and design.
2. 2014: Acquired Electronic Publishing Services, located in Durham, North Carolina, to expand our presence in the Higher Education and Academic Publishing segments. We also gained significant capabilities in Rights and Permissions, Content Authoring, and high-end Media Asset development.
3. 2015: Acquired TSI Evolve to widen our capabilities in Reading Language Arts, World Languages, Translations, and Design/Media for the K-12 market

Acquisitions for Platform Solutions

MPS achieved Operational Excellence through automation and a systems-based approach, and architected the DigiCore platform to develop annuity-based revenue resulting in more strategic relationships with its customers. After gaining momentum in this higher quality of business, MPS committed to the approach and added a new business segment called Platform Solutions in 2015. To further enhance this business, MPS completed the following acquisitions:

1. 2016: Acquired Mag+ to augment our platform offerings and help our customers with their mobile content strategy. We strengthened the compelling pitch for Mag+ by offering creative services in conjunction with the platform, and providing operational support for complex and time-constrained projects.
2. 2017: Acquired THINK Subscription to enhance our content delivery platform framework with order management and customer service capabilities. We integrated THINK with leading MPS platforms, ScholarStor and MPS Insight, complementing the platform with content management, hosting, delivery, and data analytcis capabilities. The platform is now branded THINK360 and allows customers to select modules that are relevant to their businesses.
3. 2018: Acquired Tata Interactive Systems GmBH, now known as TOPSIM GmBH, to enter the adjacent market of Learning Platforms. Since the acquisition, we have expanded the capabilities of TOPSIM beyond Europe to major international markets.

Acquisitions for eLearning Solutions

MPS has 50 years of market leading experience in content solutions. We have supported global publishers at every stage of the value chain from content creation to delivery. We identified eLearning for the Corporate market as an opportunity where our content capabilities could be leveraged for rapid growth. To achieve this strategic objective, we completed two acquisitions in the eLearning space.

1. 2018: Acquired Tata Interactive Systems, the eLearning business of Tata Industries Limited through our wholly owned subsidiary, MPS Interactive Systems Limited. MPS Interactive enables its clients to address their learning and development needs through technology-enabled, futuristic, and highly scalable learning solutions. This acquisition provided MPS with new customer relationships and expanded our presence in North America, Europe, Middle East, APAC, and India.
2. 2018: Acquired Tata Interactive Systems AG, now known as MPS Europa AG, to gain onshore presence in Switzerland. In addition to gaining new capabilities in emerging technologies including AR, VR, and MR, we are now able to serve parts of continental Europe that require local presence.

EMPLOYER BRAND

MPS was established as a part of the Macmillan Group in 1970. Over the past 50 years, MPS has evolved from being a content services company to the enabler of digital transformation for its partners. Post change of ownership in 2012, MPS went through a phase of rapid growth that saw MPS acquiring six companies in six years. Over the past eight years, MPS has successfully expanded the scale and scope of the business while enhancing the value delivered to its customers. We enjoy the enviable position of being a strategic partner to our customers in the industry where competitors fight for business by entering into price wars and eroding margins. We have been able set industry standards because of the quality of talent that we attract. MPS is a sought-after employer in all the 14 global locations where it has presence. Currently, MPS employs over 2400 learning experts, all over the world, who are passionate to Make Learning Smarter. We have been able to reduce attrition by building a workplace that fosters growth and nurtures the wellbeing of each individual.

CONTINUOUS PROCESS IMPROVEMENT

Scale is one of the core drivers of efficiency. Our operations team supports our customers across the world by providing an efficient delivery model that heavily utilizes technology. MPS has a dedicated and independent Center for Operational Excellence to optimize operations, and to keep us responsive, agile, and future-proof. The Center for Operational Excellence makes recommendations to improve processes and our audit framework checks the implementation and compliance of these planned changes. We have integrated real-time analytics into our workflows, which enables us to measure and optimize our processes in real-time. MPS uses Machine Learning and Natural Language Processing in specific implementations including Content Profiling, Automated Content Production, and Cognitive Quality Control to further enhance Operational Excellence.

INTERNATIONAL PRESENCE

2400+ learning experts power MPS across seven delivery centers in India, two subsidiaries in Europe, and five client offices in the USA. These experts serve the world's leading organizations, publishers, and educational institutions to *Make Learning Smarter*. That our solutions are admired across the globe is reflected in the fact that we are generating more than 90% of our revenue from North America and Europe.

Global presence also requires us to work with world-class talent and we do so by utilizing freelancers and independent contractors on a case-by-case basis. We integrate them with our teams using smart workflows and our market-leading platforms. We have an experienced team of in-house project managers who work with these experts delivering quality learning solutions. A diversified operating model that leverages both in-house talent and contractors makes us more productive and resilient.

CERTIFICATIONS

MPS adheres to the highest internationally recognized standards of process, quality, and data security. We continuously upgrade our certifications to match the latest developments in the field. We are certified in the following:

1. **ISO 9001:2015** - Followed by our Journals Business, this international quality management system demonstrates our ability to consistently provide products and services that meet customer and applicable statutory and regulatory requirements.
2. **ISO/IEC 27001:2013** - Our production systems adhere to this information security management system. The standard specifies the requirements for establishing, implementing, maintaining, and continually improving an information security management system within the context of the organization.
3. **PCI-DSS** - As a card payment industry standard that protects the cardholder and reduces fraud, the PCS-DSS 1.2 standard is used across MPS' fulfillment services unit.
4. **COUNTER 5 Compliant** - The COUNTER initiative serves librarians, publishers, and intermediaries by facilitating consistent and credible recording and reporting of online usage statistics. The standard is applicable to our MPS Insight and ScholaryStats platforms.

FINANCIAL STABILITY

MPS boasts of robust finances and a healthy balance sheet. Our shares are listed on BSE and NSE, and as of March 31, 2020, our market cap stood at INR 390 crores. With our entry into the eLearning business, we have successfully diversified our revenue streams, with 61% of our revenues coming from Content Solutions, 16% from Platforms Solutions, and 23% from Learning solutions. In FY20, we generated operating cash flows of INR 52 crores and we continue to remain debt-free.

AN INTEGRATED VALUE CHAIN

Our vision is to *Make Learning Smarter* and we have worked continuously to ensure that we add the required capabilities to achieve our vision. We now provide leading solutions to cover the entire content value chain from designing content strategy to measuring content effectiveness. The world's leading publishers, corporates, educational institutions, and learning companies trust us with their content needs, ranging from content authoring to production to delivery to fulfillment to usage intelligence and increasingly for a variety of productions, with project management being the fulcrum of our engagements.

KNOWLEDGE CAPITAL

Over the period of 50 years, MPS has accumulated substantial capabilities and competencies. We have a multigenerational workforce with a track record for excellence in publishing and learning. Our workflows and operating procedures have been optimized to remove grunt work. Consequently, our teams stay focused on producing knowledge-driven outcomes. Through rigorous training and evaluation, we ensure that this organizational expertise is preserved and improved upon, year after year.

MPS is a technology-led company and our biggest assets are the people contributing to our success every day. Our workforce is a healthy combination of experience, talent, and drive. Our knowledge management processes are tailored toward leveraging everyone's strengths, ensuring that the intellectual capital is preserved. We promote active knowledge management by facilitating learning and collaboration across our multiple centers. With this practice, we have created extended teams for all our projects and competencies, which can be deployed in case of a business continuity event. We are powered by over 2400 learning experts who are passionate to *Make Learning Smarter*. We support them with an environment of constant learning and self-improvement. Our employees have recognized this opportunity for growth and we have improved our attrition rates over the years.

OUR BUSINESS

	Learning Solutions	Platforms	Content Solutions
About the Business	MPS Interactive is driven by a passion to change the way the world learns. This passion drives our award-winning solutions with an unwavering focus on innovation, continuous improvement, and high quality. MPSi is synonymous with custom solutions focused on learning outcomes and enabled by efficient and immersive learning pathways.	MPS' platforms business was developed to solve inherently complex problems using intuitive yet sophisticated technologies. Our platforms combine domain expertise, cutting-edge engineering, and best practices in user experience to solve mission critical priorities for our customers. Our platforms are built with a modular approach to allow for customization based on needs.	MPS powers the content services needs of leading publishers, societies, university presses and learning companies. Our global delivery model ensures the highest levels of quality standards and allows our teams to work as an extension of our client teams. In addition, our experts help our clients to create enriched digital user experiences that incorporate interactivity and creative design along with accessibility compliance.
Services and Products	• eLearning Solutions • Simulations • Games • Augmented, Virtual, and Extended Reality • Experience Centers • Learning Platforms	• DigiCore • MPSTrak • Mag+ • THINK360 • Scholarstor • ScholarlyStats • MPSInsight • TOPSIM	• Content Authoring and Development • Publishing Solutions • Rights and Permissions • Accessibility • Creative Studio • Content Production • Digital Transformation • New Media Solutions
Strengths	• Create solutions for the entire learning value chain • Apply a scientific approach to learning to increase knowledge retention • First mover in advanced learning modalities	• Product Leadership • Scalable, cloud-hosted solutions • Integrated data driven decision support systems	• 50 years of experience in developing, managing, and producing content across disciplines, languages, and global markets • Cloud-based editorial platform, leveraging AI and ML • Collaborative editing across author, client, and production teams

MISSION 2020 IS ABOUT **AFFECTING CHANGE NOW AND BEING RESILIENT IN OUR EFFORTS.**

Rahul Arora

CEO and Managing Director,
evaluates MPS's performance and the impact of Covid19.

Q: What is your view on the company's performance in the past financial year?

FY20 was a difficult year for MPS. Our consolidated revenue stood at INR 334 crores, and while the EBITDA margins stayed at 24.8%, there was an absolute decline of INR 11 crores in EBITDA at the consolidated level. We are debt-free and maintained a strong balance sheet with cash and cash equivalents of INR 180 crores at the close of FY20.

There are three reasons for this decline. Firstly, the Journals business showed the most significant reduction due to lower prices with existing customers, slower than expected ramp-up from new customers, and loss of volume from a few customers lost to other lower-priced vendors as part of a vendor consolidation process.

Secondly, we witnessed a decline in our Books business. In Educational Publishing Books, we saw the decline because two of the largest publishers significantly reduced prices for offshoring activities and reduced volumes in anticipation of a merger. On the other hand, Academic Publishing Books saw a decline in revenue because of overall price reductions, loss of one customer, and a slower than expected scale up with a newly acquired customer.

Finally, the reduction in other income affected our financial performance. We distributed dividends and increased our investments in the recently acquired entities. As a result, lesser funds were available for investments. Coupled with the current macroeconomic conditions, which forced us to move our investments to overnight funds and fixed deposits, our other income declined.

Overall, we had a soft financial year, but many positive influences are not reflected yet in these numbers. We are confident that we will be able to capitalize on early signs of success across all business segments.

Q: Could you please share some more details on these positives and early signs of success?

We remain *resilient* to achieve Vision 2023 and expect our core business to deliver better results in FY21. We hope that our Books Business will recover in the near term. We have successfully on-boarded a few new Educational Publishers in FY20 and are already observing a recovery in volumes. Also, the merger between the two largest educational publishers fell through. After this event, we are seeing business and volumes improve with these publishers. In Academic Publishing Books, we added a sizeable UK-based publisher as a new logo in FY20, and we anticipate that they will soon become one of our top 10 accounts. Our target will be to develop this customer as one of our top five accounts, given the potential and opportunities available. We see relatively greater demand for newer outsourcing areas, including Accessibility, Rights and Permissions, and the development of new product types.

Platform solutions contributed to 16% of our revenues, and we continue to demonstrate *Product Leadership* across our solutions. In FY20, we launched DigiRights, a scalable version of THINK, and added two new simulations in TOPSIM. We expect these platforms to provide us steady growth in the coming years.

Our eLearning business also had a strong start in FY20 with growth in each of the first three quarters. The Interactive business grew 8%, and our EBITDA margins improved from 4.4% to 16.5%. Areas of growth include Experience Centers, Experiential Learning Programs, Digital Workplace Learning, and Distance Learning.

Operationally, we saw continued improvement in turnaround time and quality scores across all of our business units. MPS has also differentiated itself as a partner of choice through a successful and unprecedented Business Continuity Plan execution in light of the COVID-19 outbreak.

In FY 21, our focus will be driving *Digital Learning* programs and helping ease the pandemic›s impact on our client partner organizations. We continue to remain deeply committed to our client partners and our core values of *Excellence*, *Efficiency*, and *Empathy*.

Q: Tell us more about the Business Continuity Plan execution that you mention.

I am pleased to share that MPS has done exceptionally well in executing our Business Continuity Plans. Many customers have lauded our efforts, and some have even diverted high priority and time-sensitive business to us. Mid Q4 FY20, we established a core team to lead Mission 2020, which is based on three principles – *Adapt, Resil, Reimagine, and Now*. The meticulous way in which our core team led this mission, and the commitment the organization exhibited has been incredibly heartwarming.

Adapt: We adapted and established a new normal. We moved over 95% of our workforce to a work-from-home environment before the government-mandated lockdown. The transition involved transporting over 1500 desktop machines and other IT infrastructure, configuring them for VPN access, and ensuring data security. To resolve data connectivity issues for home offices, we provided data cards to ensure our employees stay productive. We stepped up IT security measures and ensured minimal downtime to allow smooth operations. The team leaders conducted virtual standups multiple times in a day in place of in-person meetings. The leadership team monitored daily BCP calls, where we resolved challenges and removed roadblocks to operational excellence.

Resil: We are resilient in our endeavor to deliver the same quality that our clients have come to expect of us despite the challenges that the lockdown has thrown at us. Some of the customers have changed their business model because of Covid-19, which prompted us to make changes in our platforms. The team addressed these modifications successfully, despite the aggressive timelines and the lockdown. As of May 15, 2020, employees have begun returning to our offices, under stringent health and safety guidelines. Research volumes for specific customers have grown due to an increase in research output, and our teams are resilient in managing these seasonal variations.

Reimagine: We are reimagining business realities for the post-COVID-19 world and acting accordingly. We have pivoted our marketing strategy from event-led to digital-first. We are using innovative ways to maintain high levels of customer engagement since travel is minimal. In some congested regions, we are reducing the rented office usage. We have identified roles and functions that can permanently be in a work-from-home model. Finally, we have developed a robust strategy to scale content production in the cloud.

Now: We are focused on the present while we keep sight of the future. The *Now* principle is about being active and productive execution. This principle runs across the other three principles of Adapt, Resil, and Reimagine. We realize that there are many factors at play, and we wish to focus on getting Mission 2020 right rather than planning for an uncertain future.

Q: Did you face any challenges with customers during the transition that you described above?

During this phase, our customers were reasonably concerned. Reporting and communication stepped up at all levels of our respective organizations. Honest communication with our customers was the key to managing this change — we informed them in advance about our plans and involved them in the decision-making process, as we are all in it together. There were some teething issues in the initial days, but our customers are delighted with how we have adapted. By successfully implementing a SMART business continuity plan, we have distinguished and redefined ourselves as a market leader for our customers.

Q: Is the pandemic presenting a short-term opportunity, particularly for distance or remote learning?

We know from past economic downturns that during such times people go back to school to re-educate themselves, which increases the demand for higher and professional education. This time, universities around the globe had to go digital overnight due to COVID-19, and we see an increased push from them to go online. We have witnessed inquiries from customers who have not digitized entirely across all the markets that we serve - Academic, Educational, and Corporate. MPS has successfully implemented change management programs over the past 50 years. We expertly combine technology and process engineering to enable our customers in their journey to become more efficient. This opportunity will be short-term and medium-term as customers settle into a new normal where learning is independent of physical infrastructure.

Q: FY20 was perhaps the first financial year in the last seven years, where you did not make an acquisition. Is there a shift in your strategy?

No, there is no change in our growth strategy. Acquisitions continue to form an integral part of our growth strategy. We are thoughtful in our approach and are not motivated by a timetable. Instead, we acquire to build new and meaningful capabilities to be a better partner to our clients.

In any potential opportunity, we ask three questions — Is the *Target* bringing us new and meaningful capabilities? Was the *Target* an established market leader at some point in its journey? Does the *Target* give us access to a market that MPS doesn't lead today? By filtering for quality assets, we make sure that the business has potential. Then we work on integrating it with MPS, investing, and growing the business. All past acquisitions have been successful because we waited patiently for the right opportunity and ensured that excellent opportunities were not lost.

We should also not forget that we acquired three companies in 2018 — Tata Interactive Systems (TIS), TIS AG, and TIS GmBH. We see substantial pressure on valuations due to the current macroeconomic conditions, making acquisitions an attractive vehicle for growth. However, we don't want to acquire a business to check a box. Instead, we are thoughtful in our approach and would like to complete an acquisition in line with Vision 2023 of helping *Make Learning Smarter*.

Q: We appreciate you taking the time and sharing your insights. Is there anything else that you would like to convey to the shareholders?

Yes, Mission 2020 is about affecting change *now* and being resilient in our efforts. MPS has strong fundamentals — our balance sheet is healthy, our cash reserves give us a measure of immunity from the coming uncertainties, and we continue to be debt-free. Through meticulous planning and execution, we will be able to ride this wave of change. Our operations have adapted successfully, and in our core business, we are supporting our customers› revenue-generating activities, which ensure that the pandemic crisis should not severely impact us. We believe that the difference between great companies and good companies is *Resilience*, and we will continue to be resilient in our endeavors.

MANAGEMENT DISCUSSION AND ANALYSIS: FY 2019-2020

OVERVIEW

MPS was established as the Indian subsidiary of Macmillan (Holdings) Limited in 1970. MPS leveraged its multi-decade service history as a captive business and built unique capabilities through strategic client partnerships. Following a change in ownership and management in 2011-12, MPS embarked on a period of growth and, with an entrepreneurial mind-set, consistently reinvested in the business. MPS made six acquisitions in six years; the first five were acquisitions of scale, while the last one was an acquisition of scope. The company now provides learning and platform solutions and is a global partner to the world's leading enterprises, publishers, learning companies, and content aggregators. MPS is listed on the major Indian stock exchanges and enjoys a market capitalization of around INR 390 Crores as of March 31, 2020. 2403 associates power MPS across seven development centers in India, two subsidiaries in Europe, and five client offices in the US.

MISSION 2020 BEFORE VISION 2023

The COVID-19 pandemic is a global humanitarian challenge that has unlocked an avalanche of economic complexity. Star gazing into 2023 is no longer useful and is impractical. While our overarching Vision to *Make Learning Smarter* will guide us, all of us at MPS are now focused on Mission 2020 that is based on three core principles – *Adapt, Resil, Reimagine, and Now*. The following summary describes how these core principles of Mission 2020 have been put into practice at MPS:

***Adapt*—Migrated 95 percent of the workforce a to work-from-home environment**

- More than 1500 desktop computers were moved to work-from-home environments. Additionally, more than 500 users are working from home on laptop computers. The plan included movement of in-premise equipment, leasing equipment from employees, and sparingly renting equipment. Each machine had to be configured for VPN connectivity and other IT protocols for work-from-home use.
- Connectivity was addressed through data-cards. Given the supply chain constraints, our young leaders from the Indian School of Business (ISB) tapped into their alumni networks for priority delivery and support on data-cards as well as for equipment delivery.
- Team Leaders conducted periodic virtual stand-ups every few hours instead of the in-person daily format. Managers did the same with the Team Leads.
- Daily Business Continuity calls with representations from all business units and locations were held. Attendance was ~50 people daily and the agenda covered client delivery hotspots, employee safety, equipment requirements, connectivity issues, and IT solutions.
- Stepped up security and IT procedures to safeguard facilities and limit downtime for users connecting to the office network.
- Scaled up work-from-home VPN security solutions.
- Safety remained our top priority in this adaptation to a new normal.

Resil – **Managed customer deliveries with business-as-usual deliveries and quality**

- As of May 15, 2020 employees started returning to the offices. Stringent guidelines were published for post-lockdown work-from-office setups.
- Volumes for specific customers in Journals and Books grew due to more research content being published, and our teams have been resilient in managing the seasonally-high volume at similar headcounts.
- Few customers have changed business models for research related to COVID-19, which has required changes in the platforms offered by MPS. Our teams have adapted with aggressive timelines and led this change, despite the lockdown.

Reimagine - **Life after COVID-19**

- Reduction in office usage in specific locations where space is rented in congested cities
- More permanent work-from-home spaces for specific functions such as copyediting and project management
- Office operations to be limited to critical activities
- Development of a scaled-up strategy for orchestrating content production on the cloud as a new normal
- Reduction in travel to essential in the new normal
- Pivoting marketing from event-led to digital-led

Now – **Getting things done and living in the present**

- Cash management
- Moved investments into fixed deposits and overnight funds
- Tight monitoring of work-in-progress and receivables
- Annual Budgets scrapped in favor of Quarterly Budgets with cost rationalization

VALUES WILL POWER MISSION 2020

Our ambitions are powered by our values, values that define who we are today, and that will shape our future. These principles will not be compromised and will be tools upon which we will depend. Mission 2020 will be powered by our Triple E values of Excellence, Efficiency, and Empathy.

Excellence is a way of life for us. It means respecting our colleagues, owning our responsibilities, and committing our best to our customers. Excellence is not perfection but rather the simplicity in giving our best to every interaction, deliverable, and decision. In the current environment, Excellence will include adhering to the highest standards of safety in operations and outside the workplace, continuing to deliver to our customers at highest levels of quality and timeliness, and development of custom plans for each business unit in a reimagined new normal.

Empathy is caring. It means caring to understand the things deeply, absorbing the unwritten, and going the extra mile for people who depend on us. While empathy is usually intuitive, we believe it can be developed intellectually through impactful programs. In the current environment, Empathy will include deeply understanding needs for each employee for achieving highest standards of safety, caring for each customer's requirements and delivery alterations, and listening to each employee and customer to arrive at a reimagined new normal.

Efficiency is who we are. It means driving automation, smarter workflows, innovative operating models, and not allowing any job to be grunt work at MPS. We will be doing things very differently in 2023 and innovating to make publishing and learning smarter at every step of the journey. In the current environment, Efficiency will include implementing safety in the most efficient ways possible, delivering to customers through enhanced automation and system-based delivery, and developing custom operating models that enhance efficiency for each business in a reimagined new normal.

Our Triple E values of Excellence, Empathy, and Efficiency have driven us to constantly innovate and exceed expectations. In the current environment we will lean on the same values to Adapt, Resil, and Reimagine – NOW!

BUSINESS SEGMENTS AND COVID-19 IMPACT

MPS Limited is a global provider for content, platform, and learning solutions. Our vision of *Make Learning Smarter* is a testimony to our desire to improve learning for everyone. Our team of over 2400 covers the entire value chain from content strategy to content effectiveness measurement. World's leading publishers, companies, and universities depend on us to fulfill their learning needs. A summary of MPS' business segments including Overview, Proportion of Business, Value Proposition, Business Strategy, Target Market, and Mission 2020 is provided below:

Business Segments	Content Solutions	Platform Solutions	eLearning Solutions
Overview	Content Authoring and Development, Content Assembly, Content Transformation, and Content Fulfillment	Technology-Enabled Learning and Publishing Solutions	Custom Development, Managed Learning Services, Simulations, Serious Games, Mobile Learning, Micro-Learning, and AR/VR/Mixed Reality
Proportion of Business	61%	16%	23%
Business Unit	Journals, Books, MPS North America	Platforms (DigiCore, THINK Suite, Mag+) & TOPSIM	MPS Interactive & MPS Europa
Value Proposition	Operational Excellence	Product Leadership	Product Leadership
Strategy	Consolidate the plethora of publishing services, while maintaining quality and pass on the benefits to the customers	Industry-leading products at competitive prices	Cutting-edge learning solutions that disrupt the status quo
Target Market	Publishers, Corporations, and Content Aggregators	Publishers, Corporations, and Universities	Corporations and Universities
COVID-19 Impact on Business	- Volume of work stable in Journals and Books - MPS North America has seen a sporadic delay in projects - Few customers have sought price reductions and extended payment terms	- Additional work related to Covid-19 specific content for Academic publishing customers on hosting and delivery platforms - Some customers have asked for reduction in Hosting fees - TOPSIM seminar business adversely effected	- New projects are facing start-up delays - Open proposals are taking more time to be approved by customers - Some existing projects are delayed - New customers are slower in onboarding - Payments have slowed down from some customers

CERTIFICATIONS

Consistent with our value of excellence, we work hard to develop internal processes that ensure the highest standards of quality and data security. Our commitment and success are acknowledged by the following certifications:

- ISO 9001:2015: This is an international quality management system for the company's journal production business.
- ISO/IEC 27001:2013: This strengthens the information security management system; it applies to MPS' Indian production units.

- PCI-DSS: The Payment Card Industry Security Standards Council awards this global information security standard. This certification (PCI-DSS version 1.2) extends across the MPS' fulfillment services unit.
- COUNTER 5 Compliant: This international initiative services librarians, publishers, and intermediaries. The standards facilitate the consistent and credible recording and reporting of online usage statistics. This applies to MPS Insight and MPS ScholarlyStats.

MARKET DEVELOPMENTS

The current global situation and the resultant changes have further accelerated dominant industry trends including Digitization, Open Access for Journals, and Subscription-based models.

Academic and STM Publishing

The demand for Academic and STM Publishing is relatively inelastic, and has been largely stable. In fact, there has been an uptick in COVID-relevant content and an increase in the need for speed and reach of such content. Several publishers have responded by making a relevant section of their inventory temporarily Open Access and early trends show spikes in electronic content consumption (views and downloads).

Educational Publishing, Higher Ed, and Continuing Education

This market segment has undergone significant changes as the world moved to remote learning environments overnight due to the implementation of social distancing rules and resultant school, college, and presence-based learning environment closures. This consumer shift towards online learning has dramatically accelerated the ongoing Digitization, Access, and Affordability trends in this segment and presents increased opportunities for agile learning companies already well positioned for this, and increased revenue risk and cost pressures on companies that have been slow to adapt.

The impact of this dramatic shift in consumer behavior is a significant disruptive force and is likely to persist in a post-COVID world to change the landscape of the industry. The nature and extent of it remains to be determined in the medium term as this further plays out. The large Educational Publishers have responded by expanding access to their free or low-cost content and implementing cost-reduction measures, such as salary reductions. The planned merger of Cengage and McGraw-Hill, which both organizations were focused on last year, has been terminated.

Corporate Learning

The global pandemic, resultant response and associated lockdowns have affected corporates across the world. Oil and Natural Gas companies, which are one of our key customer segments, have been one of the hardest-hit sectors and have responded by focusing on mission-critical expenditures and delaying other types of expenditures. Other sectors, such as FMCG and Healthcare, have been fairly stable. The move to remote work environments has led to a halt in presence-dependent learning methods and presents an opportunity for an increase in digital learning methods. Enterprises across the globe recognize that eLearning is more efficient and competitive than traditional classroom learning, and the need for anywhere, anytime learning is now more relevant than ever before.

FINANCIAL PERFORMANCE WITH RESPECT TO OPERATIONAL PERFORMANCE

FY20 tested our mettle and was a challenging year. On a consolidated basis, FX-adjusted revenues for FY20 were recorded at INR 334 crores, which represented a decline of 7.8 percent against FY19. While EBITDA Margins were maintained at 24.8 percent in FY20 at a consolidated level, there was an absolute decline of INR 11 crores at the EBITDA level and the current level of profitability is far from previous and expected MPS levels. On average, FY20 was not impacted by COVID-19, though we witnessed some impact in March at a consolidated level and in our eLearning business in Q4 that typically has shorter duration and fast-moving projects. MPS continued to remain debt-free through the year, with funds balance of INR 180 Crores on its balance sheet at the close of the year under review.

Segment Performance

Our business is divided into three segments: content solutions, platform solutions, and eLearning solutions. The content solutions segment comprises the creation and development of content for print and digital delivery; the platform solutions segment includes the development of platforms and technology services programs; and the eLearning solutions segment involves the curation of custom content for active learning and its subsequent distribution within an enterprise. On a consolidated basis for FY19-20, content solutions accounted for 61 percent of MPS revenues, platform solutions accounted for 16 percent, and eLearning accounted for 23 percent.

Content solutions reported revenues (FX-adjusted) of INR 205.28 Crores, compared to INR 232.64 Crores in the previous year, a 12 percent decline. The decline in the Journals business was the largest decline at an absolute level and was a result of lower prices and volume due to vendor consolidation, the loss of a few customers, and the lack of scale-up in new customers. Revenue in books declined both in Educational Publishing and Academic Publishing. On average, prices were reduced by 20 percent for offshore activities. Two large educational publishing customers' volumes were reduced due a pending merger that resulted in a decline in the Educational Publishing Books business in FY20. Based on the volume of work currently available and the addition of new customers, the outlook for Educational Publishing Books is positive for MPS. Meanwhile, the reduction in prices for Academic Publishing customers, loss of one customer, and a slow scale up in a new customer, resulted in a steep decline in Academic Publishing Books. We expect some recovery in Academic Publishing due to the step-up in volume by one of our Top 10 customers, though given the low prices this benefit will be marginal. Despite headwinds, we added some prestigious new customers that will benefit MPS in the medium-term. We saw an increase in relatively new areas of outsourcing including Accessibility and Rights and Permissions services. Additionally, we saw continued improvement in turnaround times and quality scores, which are key success criteria with content solutions customers.

Platform solutions reported revenues (FX-adjusted) of INR 53.50 Crores, compared to INR 59.63 Crores in the previous year, a 10 percent decline. The publishing platform business appears to have bottomed out with a large customer completing the moving of its IT services work completely in-house, to its captive. All other customers for this business are growing and we were in the final stages of two large platform opportunities that would have replaced this 47 percent lost revenue, however these opportunities have been delayed given the current environment. 47 percent of this business is from homegrown platforms including MPSTrak, ScholarStor, MPS Insight, and ScholarlyStats; while the balance 53 percent is from acquisitions such as Magplus, THINK, and TOPSIM. We launched DigiRights and a more scalable version of THINK in FY20. In TOPSIM, we launched two new management simulations—Business Challenge and Scale Up.

Our eLearning solutions segment reported (FX-adjusted) a growth of 8 percent in revenue and EBITDA margins improved from 4.4 percent to 16.5 percent. We started the year strong with three successive quarters of ~INR 50L added-in revenue compared to the preceding quarter. In FY20, the eLearning business run from Switzerland grew by 39 percent. There was a step-up in activity in the first nine months particularly from two of our largest customers, although there has been a slowdown in the Order Pipeline and Accruals due to COVID-19 impact. Additionally, a soft Q4 put us behind our goals for FY20. The momentum in the first nine months was achieved through a two-pronged approach—enhanced growth initiatives and striving for operational excellence. We increased investments in marketing to be more visible as a brand and reorganized the growth team to a more focused client strategy. As a result, we won many new accounts across geographies and increased spend from our current customers. In addition, we improved operational efficiency by reducing redundant processes and introducing automation in production. As a result, we successfully increased the revenue generated per person.

STRENGTHS

Unparalleled Platform-based Approach

MPS platforms have gained significant momentum since 2015 and the value proposition of this business is Product Leadership. Smart and reliable engineering, dedicated customer support, and innovative marketing power our platforms. The shift to cloud-based services and automation makes our suite of products attractive to clients, as we are present at every step of the value chain. Our product capabilities and smart workflows give us confidence that we will capitalize on these trends.

Content Focus

MPS is focused on content services, with a strong emphasis on learning outcomes enabled by efficient yet immersive learning paths. We provide services across the entire author-to-reader value chain, from content authoring and development to distribution and delivery.

In the educational publishing segment, these services include content assembly, media asset development, project management, rights and permissions, design, rich media, and digital learning objects. On the enterprise side, these services include content consultation, content authoring and curation, content organization, content delivery, and content upgrade.

Focus on Innovation

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

Financial Stability and Transparency

MPS is publicly traded on Indian stock exchanges with a market capitalization of INR 390 crores and an operating cash flow of INR 53 crores. We have an active acquisition strategy focused on purchasing assets that will enable us to be a more meaningful partner to our customers.

Our financial stability enables us to reinvest in our platform technology, production processes, and infrastructure (IT and facilities). This reinvestment further allows us to ramp up production quickly, manage operational risk, and attract the best talent to service our customers in the best possible way.

Demonstrated Success in Change Program Implementation

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

Vision and Values

MPS' vision is to power the differentiation and competitiveness of our customers through smarter learning. We will transform learning by making it transparent, real time, and focused on the learning outcome. Our values of Excellence, Empathy, and Efficiency are the tools that will enable our realization of this vision.

Global Project Management

Project management is the fulcrum of our client engagements. We have achieved a delicate yet stable balance between offshore and onshore service delivery. We have a team of full-service project managers based in India as well as in the US. They work with clients for the entire duration of the project to handle the end-to-end production process and serve as a single point of contact for anything related to the project. We employ experienced project management professionals to ensure that each project meets or exceeds its financial, schedule, and quality goals.

Employer Brand

MPS Limited and its subsidiaries have a reputation in their respective industries. MPS has a legacy of over 50 years, with roots in Macmillan Holdings and the Tata Group. With a diverse clientele and long history of excellence, the goodwill accumulated in the brand is hard to replicate with newer and smaller companies. Attrition rates dropped by 3 percent in FY20 and this drop points to the employer brand that MPS carries.

OPPORTUNITIES

Vendor Consolidation

Publishers and other customers have a preference to reduce the total number of vendors for ease of management and cost advantages. This tilts the balance in favor of the larger providers such as MPS that have been regularly augmenting their services through organic and inorganic strategies. Another round of vendor consolidation is an opportunity to grow the business.

Smarter Publishing

The publishing industry is seeking new ways to reach its customers and expand their market network. We are utilizing cutting edge technologies and machine learning to build smarter platforms and delivery processes. As an extension to their business, MPS is helping customers to *make publishing smarter*.

eLearning Tailwinds

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

Rapid Digitization under Covid19

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

THREATS

A possible threat to the business model could be publishers trying to own their offshore operations as they look for positive EBITDA in an overall business model that is not growing. Having said that, this does not appear to be a probable scenario as most captive units owned by publishers for BPO services have either been closed or sold to third parties.

RISKS AND CONCERNS

Industry Risk

We are in a digital age, and technological advances are happening at a rapid pace in the publishing and eLearning segments. Hence, to remain up to date, we have a Central Technology team that continues to look for innovations in the industry and their applicability to our businesses.

Currency Risk

Currency fluctuations can have an affect on our revenues, given the rupees volatility. Hence, we take adequate foreign exchange forward covers to ensure that all operations are completed at conservative levels and that we can withstand any unforeseen developments.

Customer-Concentration Risk

We are dependent on a limited number of customers for the majority of our revenue. We are widening our revenue base through an increase in the number of customers and a corresponding wallet share.

Advancement of Other Lower-Cost Countries

Some of the countries in Asia Pacific and Latin America are offering lower prices for the same sets of services, as they enjoy lower labor rates. We are therefore introducing more automation into our processes to streamline them and to reduce manual intervention to compete with such countries on prices while offering better products.

Prolonged COVID-19 Outbreak

Demand for the company's services may be adversely affected if the health of our customers' business is negatively impacted by the pandemic or a resultant economic slowdown.

MATERIAL DEVELOPMENTS IN HR/ INDUSTRIAL RELATIONS

MPS employs 2403 people across 14 centers all over the globe. We have significant presence in USA, Europe, and India. Content Solutions is our biggest segment by strength, with a total head count of 1970. Dehradun is our largest center in India employing over 1000 associates. A significant section of our employees had to work remotely once the governments began to impose a lockdown in their area since early March 2020 due to the COVID-19 outbreak. No incidents of COVID-19 have been reported among the employees till date.

CAUTIONARY STATEMENT

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

STATUTORY **SECTION**

DIRECTORS' REPORT

To the Members,

On behalf of the Board of Directors ('the Board') of the Company, it gives me immense pleasure to present the 50th Directors' Report, along with Balance Sheet, Profit and Loss account and Cash Flow statements, for the financial year ended March 31, 2020.

FINANCIAL HIGHLIGHTS

Key highlights of the financial performance of your Company for the financial year 2019-20 are provided below:

(₹in lacs)

Particulars	Standalone		Consolidated	
	For the year ended 31.03.2020*	For the year ended 31.03.2019	For the year ended 31.03.2020*	For the year ended 31.03.2019
Gross Income	20,606.61	24,998.00	35,163.10	38,779.70
Profit Before Interest, Depreciation and Tax (Excluding Exceptional Income)	7,851.40	11,251.40	9,893.39	11,860.82
Finance Charges	138.01	19.05	214.87	19.05
Provision for Depreciation	744.72	646.08	1,536.66	1,106.60
Profit Before Tax (Excluding Exceptional Item)	6,968.67	10,586.27	8,141.86	10,735.17
Exceptional Cost	-	-	-	-
Provision for Tax	1,691.80	3,112.27	2,156.02	3,131.64
Net Profit After Tax	5,276.87	7,474.00	5,985.84	7,603.53
Other Comprehensive Income	(15.67)	(9.55)	646.66	337.70
Total comprehensive income for the year, net of tax	5,261.20	7,464.45	6,632.50	7,941.23
Retained Earnings brought forward from previous year	26,652.53	21,881.32*	27,638.06	22,666.90*
Transition impact of Ind AS 116 in Retained Earnings	(204.55)	-	(224.56)	
Retained Earnings available for appropriation	31,709.18	29,345.77	33,359.64	30,331.30
Dividend paid	(13,962.69)	(2,234.03)	(13,962.69)	(2,234.03)
Income tax on dividend	(2,870.07)	(459.21)	(2,870.07)	(459.21)
Surplus Carried to Balance Sheet	14,876.42	26,652.53	16,526.88	27,638.06

*Previous year figures have been aligned with the change in the disclosure of other equity as per requirement of Schedule III.

OPERATIONAL HIGHLIGHTS

Standalone

Revenue from operations for the year ended March 31, 2020 stood at ₹187.65 crores as against ₹223.96 crores for the previous year. Profit after tax and before other comprehensive income for the year ended March 31, 2020 was ₹52.77 crores and EPS ₹28.34 per share as against ₹74.74 crores and ₹40.14 per share respectively for the previous year.

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

Consolidated

Revenue from operations for the year ended March 31, 2020 stood at ₹331.65 crores as against ₹362.54 crores for the previous year. Profit after tax and before other comprehensive income for the year ended March 31, 2020 was ₹59.86 crores and EPS ₹32.15 per share as against ₹76.04 crores and ₹40.83 per share respectively for the previous year.

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

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

DIVIDEND

Pursuant to the approval of the Board of Directors on October 30, 2019, your Company paid an interim dividend of ₹50/- per equity share of face value of ₹10/- each, to the shareholders who were on the register of members as on November 7, 2019, being the record date fixed for this purpose. The Board has not recommended a final dividend and the interim dividend of ₹50/- declared by the Board in October 2019 shall be considered as the final dividend for the financial year 2019-20. Thus, the total dividend for the financial year 2019-20 remains at ₹50/- per equity share.

STATUTORY AUDITORS AND AUDIT REPORT

At the 46th Annual General Meeting ("**AGM**") held on July 19, 2016, M/s. BSR & Co. LLP, Chartered Accountants, (firm registration no. 101248W/W-100022) had been appointed as the Statutory Auditors of the Company for a term of 5 years to hold office till the conclusion of the 51st AGM of the Company to be held in the calendar year 2021.

The Audit Report on the Financial Statements of the Company for the financial year ended March 31, 2020 read with relevant Notes thereon is self-explanatory and does not call for any further explanations. The Auditor's Report does not contain any qualification, reservation or adverse remark.

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

SHARE CAPITAL

During the year, there has been no change in the paid up equity share capital of the Company which stood at ₹18.62 crores. During the year, the Company has neither introduced any Stock Option Scheme, nor issued any shares with differential voting rights.

SUBSIDIARIES

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

The revenue of MPS North America LLC for the year ended March 31, 2020 was ₹65.70 crores compared to ₹67.42 crores during the previous year. The Profit before tax for the year was ₹7.88 crores and Profit after tax and before other comprehensive income was ₹5.85 crores as compared to the previous year's Profit before tax of ₹4.93 crores and Profit after tax and before other comprehensive income of ₹3.41 crores respectively.

MPS Interactive Systems Limited, wholly owned subsidiary of your Company, incorporated on May 10, 2018 is focused on high end custom digital learning delivery including web-based learning, simulations, serious games, custom apps, and micro learning.

The revenue of MPS Interactive Systems Limited for the year ended March 31, 2020 was ₹64.32 crores compared to ₹63.03 crores during the previous year. The Profit before tax for the year was ₹4.86 crores and Profit after tax and before other comprehensive income was ₹3.06 crores as compared to the previous year's loss before tax of ₹4.81 crores and Loss after tax and before other comprehensive income of ₹4.09 crores respectively.

TOPSIM GmbH: MPS Limited acquired the shares held by Tata Industries Limited in its wholly owned subsidiary, Tata Interactive Systems, GmbH on 2nd July, 2018 that is now named as TOPSIM GmbH. The Company is focused on multiplayer workshop-based simulations platform for management education.

The revenue of TOPSIM GmbH for the financial year ended March 31, 2020 was ₹17.31 crores compared to ₹15.54 crores during the previous year. The Loss for the financial year ended 31st March, 2020 was ₹3.14 crores as compared to the loss for the period ended 31st March, 2019 of ₹1.56 crores.

MPS Europa AG: MPS Limited acquired the shares held by Tata Industries Limited in its wholly owned subsidiary, Tata Interactive System AG on 5th July, 2018, that is now named as MPS Europa AG. The Company is focused on Assessment Engine, Learning Management Platform for management education.

The revenue of MPS Europa AG for the year ended March 31, 2020 was ₹12.08 crores compared to ₹8.73 crores during the previous year. The Profit before tax for the year was ₹0.71 crores and Profit after tax and before other comprehensive income was ₹0.71 crores as compared to the previous year's Profit before tax of ₹0.41 crores and Profit after tax and before other comprehensive income of ₹0.80 crores respectively.

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

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

BOARD MEETINGS

The Board met Four (4) times during the financial year 2019-20, to transact the business of the Company. Details of the Board Meetings, including the attendance of Directors at these meetings are covered in the Corporate Governance Report forming part of the Annual Report. The maximum interval between any two consecutive Board meetings did not exceed 120 days.

AUDIT COMMITTEE

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

BOARD EVALUATION

Pursuant to the provisions of the Act and the corporate governance requirements as prescribed under SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015, the Independent Directors in their meeting evaluated and discussed the performance of Non-Independent Directors, Managing Director, Board, Committees and Chairperson of the Company and shared their feed back to the Chairman of the Company.

The Performance of the individual Directors was reviewed on the basis of criteria such as contribution of the individual Director to the Board and Committee meetings like preparedness on the issues to be discussed, meaningful and constructive contribution and inputs in meetings, etc. In addition, the Chairman was also evaluated on the key aspects of his role.

The performance of the Committees was evaluated after seeking inputs from the Committee Members on the basis of the criteria such as the composition of Committees, effectiveness of Committee meetings, quality of relationship of the Committee and the management, etc.

DIRECTORS, KEY MANAGERIAL PERSONNEL AND EMPLOYEES

Director Retiring by Rotation

In accordance with the provisions of the Act and the Articles of Association of the Company, Ms. Yamini Tandon, retires by rotation at the ensuing AGM and being eligible, offers herself for re-appointment. Accordingly, a resolution is included in the Notice of the forthcoming 50th Annual General Meeting of the Company for seeking approval of members for her appointment as a director of the Company.

Changes in the Board
Mr. Sunil Shah, Mr. Vijay Sood and Mr. Ambarish Raghuvanshi resigned from the directorship of the Company with effect from July 31, 2019, January 25, 2020 and January 27, 2020 respectively. The Board places on record its appreciation for their invaluable contribution and guidance.

The Board of Directors in its Meeting held on October 30, 2019, appointed Ms. Jayantika Dave (DIN: 01585850) and Ms. Achal Khanna (DIN: 00275760) as Additional Directors of the Company and also as Independent Director, not liable to retire by rotation for a term of two (2) years with effect from October 30, 2019 to October 29, 2021.

The Board of Directors in its Meeting held on January 29, 2020, appointed Mr. Ajay Mankotia (DIN: 03123827) as an Additional Directors of the Company and also as Independent Director, not liable to retire by rotation for a term of two (2) years with effect from January 29, 2020 to January 28, 2022.

The Board of Directors in its Meeting held on January 29, 2020, appointed Dr. Piyush Kumar Rastogi (DIN: 02407908) as an Additional Directors of the Company and also as Independent Director, not liable to retire by rotation for a term of one (1) year with effect from January 29, 2020 to January 28, 2021.

A statement regarding opinion of the Board with regard to integrity, expertise and experience (including the proficiency) of the Independent Directors appointed during the year 2019-2020
The Board of Directors is of the opinion that, with the expertise & vast experience of Mr. Ajay Mankotia & Dr. Piyush Kumar Rastogi in accounting, taxation, legal and financial management and the expertise & vast experience of Ms. Jayantika Dave and Ms. Achal Khanna in Strategic Initiatives & Human Resource Management, the Company shall strive to a good momentum in the growth of its financials, availing of the available tax benefits, progressive accounting policies, progressive HR policies and ongoing new employee engagement initiatives.

During the year under review, the non-executive directors of the Company had no pecuniary relationship or transactions with the Company, other than sitting fees and reimbursement of expenses incurred by them for the purpose of attending meetings of the Board/Committee of the Company.

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

A resolution seeking shareholders' approval for the above appointments forms a part of the Notice.

The brief details of expertise and other Directorships/ Committee memberships held by the above Directors, form part of the Notice convening the 50th Annual General Meeting of the Company

Key Managerial Personnel
Pursuant to the provisions of Section 203 of the Act, the Key Managerial Personnel of the Company as on March 31, 2020 are: Mr. Rahul Arora, Managing Director and Mr. Sunit Malhotra, Chief Financial Officer and Company Secretary.

SECRETARIAL AUDIT

Pursuant to the provisions of Section 204 of the Act read with the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, M/s R Sridharan and Associates, Practicing Company Secretaries, carried out the Secretarial Audit of the Company for the financial year 2019-20.

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

The Secretarial Audit Report of the Company and its material unlisted subsidiary, MPS Interactive Systems Limited for the financial year 2019-20 is annexed to this Report as **Annexure A**.

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

Secretarial Auditors had also not reported any matter under Section 143 (12) of the Act, and therefore no details are required to be disclosed under Section 134 (3) (ca) of the Act.

DEPOSITS

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

PARTICULARS OF LOANS, GUARANTEES AND INVESTMENT

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

NOMINATION AND REMUNERATION POLICY

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

PARTICULARS OF DIRECTORS AND EMPLOYEES

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

DIRECTOR'S RESPONSIBILITY STATEMENT

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

a. In the preparation of the Annual Accounts for the financial year ended March 31, 2020, the applicable Accounting Standards have been followed along with proper explanation relating to material departures;

b. The Directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit and loss of the Company for that period;

c. The Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;

d. The Directors have prepared these Annual Accounts on a going concern basis;

e. The Directors have laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and were operating effectively; and

f. The Directors have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

INTERNAL FINANCIAL CONTROLS

The Company has an external and independent firm of Internal Auditors that scrutinizes the financials and other operations of the Company. Based on the framework of internal financial controls and compliance systems, established and maintained by the Company, work performed by the Internal, Statutory and Secretarial Auditors, including audit of internal financial controls over financial reporting by the Statutory Auditors, and the reviews performed by management and the Audit Committee, the Board is of the opinion that the Company, in the financial year 2019-20, has adopted policies and procedures for ensuring the orderly and efficient conduct of its business, including adherence to its company's policies, safeguarding of its assets, prevention and detection of fraud, error reporting mechanisms, accuracy and completeness of the accounting records, and timely preparation of reliable financial disclosures.

RISK MANAGEMENT

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

- overseeing and approving the Company's enterprise wide risk management framework; and

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

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

RELATED PARTY TRANSACTIONS

All related party transactions, if any, that were entered into during the financial year 2019-20, were on arm's length basis and in the ordinary course of business. The Audit Committee reviews all the related party transactions and approves wherever such approval is required as per the provisions of Section 188 of the Act, rules made thereunder, Regulation 23 of the Listing Regulations, and applicable Accounting Standards. The Company has not, during the year, entered into any related party transaction that may have a potential conflict with that of the Company at large. During the year, the Company has not entered into any material related party transactions, as specified in Section 188(1) of the Act, with any of its related parties. Accordingly, the disclosure of related party transactions as per Section 134(3)(h) of the Act in Form AOC-2 is not applicable. The details of related party transactions of the Company are disclosed in financials statements of the Company.

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

VIGIL MECHANISM

The Company has adopted a "Whistle Blower Policy", through which employees are provided a platform to raise concerns, in line with MPS' commitments to the highest possible standards of ethical, moral, and legal business conduct and its commitment to open communications. Directors and employees can report to the Chairman of the Audit Committee and Company Secretary or Ombudsman, on a confidential basis, any practices or actions believed to be inappropriate or illegal. It is affirmed that no person has been denied access to the Audit Committee. The Policy provides complete confidentiality and safeguard of the employees who raises an issue against such improper conduct.

The policy was further revised to enable employees to report instances of leak of unpublished price sensitive information pursuance to Regulation 9(2A)(6) of the SEBI (Prohibition of Insider Trading) Regulations 2015.

Policy has been approved by the Directors and placed on the website of the Company at viz. www.mpslimited.com.

PREVENTION OF SEXUAL HARASSMENT AT WORKPLACE

Your Company has a Policy for prevention of Sexual Harassment in line with the requirements of The Sexual Harassment of Women at the Workplace (Prevention, Prohibition & Redressal) Act, 2013. Internal Complaint Committees have been constituted at all the locations of the Company in India to redress the complaints, if any, received. The details of the complainant are kept confidential. During the year under review, no complaint was received from any employee of the Company involving sexual harassment and thus, no case was filed pursuant to the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.

ANNUAL RETURN

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

CORPORATE SOCIAL RESPONSIBILITY

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

Your Company has during the year, evolved various CSR initiatives which includes imparting primary high-quality education to out-of-school underprivileged girls, imparting computer education to underprivileged children, providing tailor made education to students with learning disabilities, building intellect and instill higher values of life in youths through education, building strengths of a person affected with mental illness and providing support to home/ care-center for mentally challenged and physically handicapped children. Your

Company has also devised proper system to monitor the CSR activities as per its CSR Policy.

Annual Report on CSR activities for the Financial Year 2019-2020 as required under Sections 134 and 135 of the Act read with Rule 8 of the Companies (Corporate Social Responsibility Policy) Rules, 2014 and Rule 9 of the Companies (Accounts) Rules, 2014 is attached to this report as **Annexure–D**.

CORPORATE GOVERNANCE

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

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

MANAGEMENT'S DISCUSSION AND ANALYSIS REPORT

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

BUSINESS RESPONSIBILITY REPORT

Business Responsibility Report for the year under review, as stipulated under Regulation 34(2)(f) of SEBI (LODR) Regulations, forms part of the Annual Report.

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

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

A. **Conservation of Energy**

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

B. **Technology Absorption**

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

C. **Foreign Exchange Earnings and Outgo**

During the year under review, foreign exchange earned through exports was ₹186.38 crores as against ₹223.17 crores for the previous year ended March 31, 2019. Foreign exchange outgo was ₹16.50 crores as against ₹21.12 crores for the previous year. Thus, the net foreign exchange earned by the Company during the year ended March 31, 2020 was ₹169.88 crores.

SIGNIFICANT DEVELOPMENTS AFTER THE CLOSE OF THE FINANCIAL YEAR

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

SIGNIFICANT AND MATERIAL ORDERS PASSED BY ANY REGULATORS OR COURT

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

APPRECIATION

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

For and on behalf of the Board of Directors

Gurugram
May 19, 2020

Nishith Arora
Chairman

Annexure-A

SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED 31ST MARCH, 2020

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

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

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

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of Secretarial Audit, we hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on 31st March, 2020 complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31st March, 2020 and on the basis of our review, we hereby report that during the year under review, the Company has complied with the applicable provisions of:

(i) The Companies Act, 2013 (the Act) and the rules made there under;

(ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made there under;

(iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed there under;

(iv) The Company has not dealt with the matters relating to Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings under FEMA during the year under review and hence, the question of complying with the provisions of Foreign Exchange Management Act, 1999 and the rules and regulations made there under does not arise;

(v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-

a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;

b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;

c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018; (Not Applicable to the Company during the audit Period);

d) The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 (Not applicable to the company during the audit period) ;

e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008 (Not applicable to the company during the audit period) ;

f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;

g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009 (Not applicable to the company during the audit period) ; and

h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018 (Not applicable to the company during the audit period);

(vi) The Management has identified and confirmed the following Laws as being specifically applicable to the Company:

1. The Information Technology Act, 2000 and the Rules made thereunder
2. The Special Economic Zones Act, 2005 and the Rules made thereunder
3. The Software Technology Parks of India rules and regulations
4. The Trade Marks Act, 1999
5. The Patents Act, 1970
6. The Copyrights Act, 1957

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

(i) Secretarial Standards with respect to Meetings of Board of Directors (SS-1) and General Meetings (SS-2) issued by The Institute of Company Secretaries of India.

(ii) The Uniform Listing Agreement entered with BSE Limited and National Stock Exchange of India Limited pursuant to the provisions of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

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

We further report that

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

Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting. Meetings which are convened at shorter notice and agenda / notes on agenda which are circulated less than the specified period, the necessary compliances under the Companies Act, 2013 and Secretarial Standards on Meeting of the Board of Directors are complied with. The directors who were participated through video conferencing or other audio visual means during the period under review, the necessary compliances of Rule 3 & 4 of the Companies (Meetings of Board and its powers) Rules, 2014 have been complied with.

Based on the verification of the records and minutes, the decisions were carried out with the consent of the Board of Directors / Committee Members and no Director / Member dissented on the decisions taken at such Board / Committee Meetings. Further, in the minutes of the General Meeting, the Members who voted against the resolution(s) have been recorded.

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

We further report that the above mentioned Company being a Listed entity this report is also issued pursuant to Regulation 24A of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended and circular

No.CIR/CFD/CMD1/27/2019 dated 8th February, 2019 issued by Securities and Exchange Board of India.

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

We further report that during the audit period, there were no specific events having major bearing on the Company's affairs in pursuance of above referred laws, rules, regulations, guidelines and standards.

For R.Sridharan & Associates
Company Secretaries

CS R.Sridharan
CP No. 3239
FCS No. 4775

Place : Chennai
UIN : S2003TN063400

Date : 19TH May, 2020
UDIN: F004775B000249162

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

'ANNEXURE -1'

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

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

1. Maintenance of secretarial records is the responsibility of the management of the company. Our responsibility is to express an opinion on these secretarial records based on our audit.
2. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices, we followed provide a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.
4. Where ever required, we have obtained the Management representation about the compliance of laws, rules and regulations and happening of events etc.
5. It is the responsibility of the management of the company to devise proper systems to ensure compliance with the provisions of all applicable laws, Rules Regulations and standards and to ensure that the systems are adequate and operate effectively. Our examination was limited to the verification of procedure on test basis.
6. The Secretarial Audit report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

For R.Sridharan & Associates
Company Secretaries

CS R.Sridharan
CP No. 3239
FCS No. 4775
UIN : S2003TN063400
UDIN: F004775B000249162

Place : Chennai
Date : 19TH May, 2020

Annexure-B

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

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

(i) Ratio of the remuneration of each Director to the median remuneration of the employees of the Company for the financial year 2019-20, percentage increase in remuneration of Managing Director, Chief Executive officer, Chief Financial Officer, Company Secretary or Manager, if any, in the financial year 2019-20,is as follows:

Sl. No.	Name	% increase in Remuneration in the financial year 2019-2020	Ratio to median remuneration
Non-Executive and Non-Independent Director			
1.	Nishith Arora*	Nil	Not Applicable
2.	Ms Yamini Arora*	Nil	Not Applicable
Independent Director"			
3.	Mr Vijay Sood (Resigned w.e.f January 25, 2020)	Nil	Not Applicable
4.	Mr. Ambarish Raghuvanshi (Resigned w.e.f January 27, 2020)	Nil	Not Applicable
5.	Mr. Sunil Shah (Resigned w.e.f 31st July, 2019)	Nil	Not Applicable
6.	Ms. Jayantika Dave (Appointed w.e.f 30th October, 2019)	Not Applicable	Not Applicable
7.	Ms. Achal Khanna (Appointed w.e.f 30th October, 2019)	Not Applicable	Not Applicable
8.	Mr. Ajay Mankotia (Appointed w.e.f 29th January, 2020)	Not Applicable	Not Applicable
9.	Dr. Piyush Kumar Rastogi (Appointed w.e.f 29th January, 2020)	Not Applicable	Not Applicable
Managing Director			
10.	Rahul Arora**	Nil	89:1
Chief Financial Officer and Company Secretary			
11.	Sunit Malhotra	4.62%	-

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

**Mr Rahul Arora was CEO and Whole Time Director of the Company till 11 August 2018 and was appointed as Managing Director of the Company effective from August 12, 2018. The Appointment is for a term of 5 years w.e.f August 12, 2018 to August 11, 2023 and the Remuneration was approved by the shareholders by way of special resolution passed by postal ballot on October 24, 2018. There was no increase in the remuneration of Mr Arora in the current financial year, hence reflected as NIL.

Median Annual Remuneration for the financial year 2019-20 is ₹2,82,477 (Two Lacs Eighty Two Thousand Four Hundred and Seventy Seven only).

"The details of remuneration paid to the Independent Directors are detailed in the Corporate Governance Report. The ratio of remuneration and percentage increase for the Independent Directors' remuneration has not been considered for this purpose".

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

During the financial year 2019-20, Median Annual Remuneration of employees has increased by 5% over the previous financial year.

(iii) **Permanent Employees:**

The Company had 2031 permanent employees on its rolls as on March 31, 2020.

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

During the financial year 2019-20, average increase in the remuneration of employees was 6%, while the increase in the average managerial remuneration from the previous year was 1%. The increase in remuneration is in line with the market trends in the country.

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

The Company affirms that the remuneration to Directors and employees during the financial year 2019-20 is as per its Nomination and Remuneration Policy of the Company.

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

1. During the financial year 2019-20, no employee of the Company, received remuneration of one crore and two lakh rupees or more per annum while working for the whole year or at the rate of eight lakh and fifty thousand rupees per month while working for a part of the year.

2. During the financial year 2019-20 or part thereof, no employee of the Company received remuneration in excess of the remuneration drawn by the Managing Director or Whole-Time Director or Manager and no employee of the Company (by himself or along with his spouse and dependent children), was holding two percent or more of the equity shares of the Company.

3. During the financial year 2019-20, no employee of the Company, resident in India, posted and working in a country outside India, not being Directors or their relatives, had drawn more than sixty lakh rupees per year or five lakh rupees per month.

For and on behalf of the Board of Directors

Gurugram
May 19, 2020

Nishith Arora
Chairman

Annexure-C

FORM MGT-9

EXTRACT OF ANNUAL RETURN

As on the financial year ended March 31, 2020
[Pursuant to Section 92(3) of the Companies Act, 2013 and Rule 12(1) of the Companies (Management and Administration) Rules, 2014]

I. REGISTRATION AND OTHER DETAILS:

1	CIN	L22122TN1970PLC005795
2	Registration Date	January 19, 1970
3	Name of the Company	MPS Limited
4	Category / Sub-Category of the Company	Public company limited by shares
5	Address of the registered office and contact details	RR Towers IV, Super A, 16/17, Thiru Vi Ka Industrial Estate, Guindy, Chennai - 600 032 Tel: +91 – 44 - 49162222 Fax:+91 – 44 - 49162225
6	Whether listed company (Yes / No)	Yes
7	Name, Address and Contact details of Registrar and Transfer Agent, if any	Cameo Corporate Services Limited Subramanian Building, 1 Club House Road, Chennai – 600002 Tel: +91- 44 – 28460390 Fax: +91- 44- 28460129

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

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

Name and Description of main products / services	NIC Code of the Product/ service	% to total Turnover of the Company#
Content Solutions • Content Authoring and Development • Content Production • Content Transformation • Fulfillment and Customer Support	620	82%

Platform Solutions
• DigiCore
  • THINK (recent acquisition)
  • mag+ (recent acquisition)
  • ScholarStor (re-launched)
• Technology Services3
	631	18%

#On the basis of gross turnover

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

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

S. No.	Name of Company	Address of Company	CIN/GLN	Holding/ Subsidiary /Associate	% of shares held as on 31/03/2020	Applicable Section
1	ADI BPO Services Limited	RR Tower IV, Super A, 16/17, Thiru-Vi-Ka Industrial Estate, Guindy, Chennai-600 032	U22110DL2006PLC144592	Holding Company	67.77%	2(46)
2	MPS North America, LLC	5728 Major Blvd., Orlando, Florida 32819	L13000078013	Subsidiary Company	100%	2(87)
3	MPS Interactive Systems Limited*	RR Tower IV, Super A, 16/17, Thiru-Vi-Ka Industrial Estate, Guindy, Chennai-600 032	U74999TN2018PLC122594	Subsidiary Company	100%	2(87)
4	MPS Europa AG	Lindenstrassese 14, 6340 Baar, Switzerland	CHE-101.439.161 (Firm Number)	Subsidiary Company	100%	2(87)
5.	Topsim GmbH	Neckarhalde 55 D- 72070, Tubingen, Germany	HRB 382769 (Local Business Number)	Subsidiary Company	100%	2(87)

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

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

(i) CATEGORY-WISE SHARE HOLDING

S. No.	Category of Shareholders	No. of shares held at the beginning of the year (as on 01.04.2019)				No. of shares held at the end of the year (as on 31.03.2020)				% change during the year
		Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A.	**Promoters**									
(1)	**Indian**									
(a)	Individual/HUF	-	-	-	-	-	-	-	-	-
(b)	Central Govt.	-	-	-	-	-	-	-	-	-
(c)	State Govt(s)	-	-	-	-	-	-	-	-	-
(c)	Bodies Corporate	12,616,996	-	12,616,996	67.77	12,616,996	-	12,616,996	67.77	-
(d)	Banks / FI	-	-	-	-	-	-	-	-	-
(e)	Any Other	-	-	-	-	-	-	-	-	-
	Sub-Total (A)(1)	12,616,996	-	12,616,996	67.7716	12,616,996	-	12,616,996	67.77	-
(2)	**Foreign**									
(a)	NRIs - Individuals	-	-	-	-	-	-	-	-	-
(b)	Other – Individuals	-	-	-	-	-	-	-	-	-
(c)	Bodies Corp.	-	-	-	-	-	-	-	-	-
(d)	Banks / FI	-	-	-	-	-	-	-	-	-
(e)	Any Other	-	-	-	-	-	-	-	-	-
	Sub-Total (A)(2)	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
	Total shareholding of Promoter (A)= (A)(1)+(A)(2)	**12,616,996**	**-**	**12,616,996**	**67.77**	**12,616,996**	**-**	**12616,996**	**67.77**	**-**

S. No.	Category of Shareholders	No. of shares held at the beginning of the year (as on 01.04.2019)				No. of shares held at the end of the year (as on 31.03.2020)				% change during the year
		Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
B.	**Public Shareholding**									
(1)	Institutions									
(a)	Mutual Funds	85,083	-	85,083	0.46	80,636	-	80,636	0.43	(0.03)
(b)	Banks/FI	1,651	-	1,651	0.0088	6,003	-	6,003	0.03	0.0233
(c)	Central Govt	-	-	-	-	-	-	-	-	-
(d)	State Govt(s)	-	-	-	-	-	-	-	-	-
(e)	Venture Capital Funds	-	-	-	-	-	-	-	-	-
(f)	Insurance Companies	-	-	-	-	-	-	-	-	-
(g)	FIIs	-	-	-	-	-	-	-	-	-
(h)	Foreign Venture Capital Investors	-	-	-	-	-	-	-	-	-
(i)	Qualified Foreign Investor	-	-	-	-	-	-	-	-	-
(j)	Any Other	-	-	-	-	-	-	-	-	-
	Alternate Investment Fund	65,333	-	65,333	0.3509	96,544	-	96,544	0.52	0.1676
	Foreign Portfolio Investor (Corporate) Category I	3,92,114	-	3,92,114	2.1062	9,33,026	-	9,33,026	5.0117	2.9054
	Foreign Portfolio Investors (Corporate) Category II	705,170	-	705,170	3.7877	152,126	-	152,126	0.8171	(2.9706)
	Foreign Portfolio Investors (Corporate) Category III	36,000	-	36,000	0.1933	-	-	-	-	-0.1933
	Sub- Total (B)(1)	**1,285,351**	**-**	**1,285,351**	**6.9042**	**1,268,335**	**-**	**1,268,335**	**6.8128**	**(0.0914)**

S. No.	Category of Shareholders	No. of shares held at the beginning of the year (as on 01.04.2019)				No. of shares held at the end of the year (as on 31.03.2020)				% change during the year
		Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
2.	Non-Institutions									
(a)	Bodies Corporate	879,589	-	879,589	4.7246	733,478	-	733,478	3.94	(0.7848)
(i)	Indian	-	-	-	-	-	-	-	-	-
(ii)	Overseas	-	-	-	-	-	-	-	-	-
(b)	Individuals									
I	Individual shareholders holding nominal share capital up to ₹2 lakh	20,65,237	-	20,65,237	11.09	2,168,278	11.65	2,168,278	11.65	0.56
II	Individual shareholders holding nominal share capital in excess of ₹2 lakh	9,77,420	-	9,77,420	5.25	1,012,510	5.44	1,012,510	5.44	(0.19)
(c)	Others (specify)									
	Directors and Relatives	9,731	-	9,731	0.0522	-	-	-	-	(0.0522)
	IEPF	3,580	-	3,580	0.0192	4,166	-	4,166	0.0223	0.0031
	Hindu Undivided Family	269,423	-	269,423	1.4471	266,656	-	266,656	1.4323	(0.0148)
	Non Resident Indians	500,502	-	500,502	2.6884	533,102	-	533,102	2.8635	0.1751
	Clearing Members	2,097	-	2,097	0.0112	12,405	-	12,405	0.07	0.0553
	TRUSTS	7000	-	7000	0.04	1000	-	1000	0.01	(0.0276)
	Others	-	-	-	-	-	-	-	-	-
	Sub- Total (B)(2)	47,14,579	12,484	4,714,579	25.3241	4,731,595	13,307	4,731,595	25.42	0.10
	Total Public Shareholding (B)= (B)(1)+(B)(2)	59,99,930	12,510	59,99,930	32.2283	5,999,930	13,330	5999930	32.2283	0.00
(C)	Shares held by Custodian for GDRs and ADRs	-	-	-	-	-	-	-	-	-
	GRAND TOTAL (A)+(B)+(C)	18,616,926	12,511	18,616,926	100	18616926	13,331	18,616,926	100	0.00

(II) SHAREHOLDING OF PROMOTERS

S. No.	Shareholder's Name	Shareholding at the beginning of the year (as on 01.04.2019)			Shareholding at the end of the year (as on 31.03.2020)			% change in shareholding during the year
		No. of Shares	% of total Shares of the Company	%of Shares Pledged/ encumbered to total shares	No. of Shares	% of total Shares of the company	% of Shares Pledged/ encumbered to total shares	
1	ADI BPO Services Limited	12,616,996	67.77	NIL	12,616,996	67.77	NIL	-
	Total	12,616,996	67.77	NIL	12,616,996	67.77	NIL	-

(III) CHANGE IN PROMOTERS' SHAREHOLDING

S. No.		Shareholding at the beginning of the year (as on 01.04.2019)		Cumulative Shareholding during the year	
		No. of Shares	% of total shares of the Company	No. of Shares	% of total shares of the Company
	At the beginning of the year	12,616,996	67.77	12,616,996	67.77
	Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc):	-	-	-	-
	At the end of the year (as on 31.03.2020)			12,616,996	67.77

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

S. No.	Name of the Share holder	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
1	ICICI LOMBARD GENERAL INSURANCE COMPANY LTD				
	At the beginning of the year 30-Mar-2019	564575	3.0325	564575	3.0325
	Sale 01-Nov-2019	-14337	0.0770	550238	2.9555
	Sale 07-Nov-2019	-78968	0.4241	471270	2.5314
	At the end of the Year 31-Mar-2020	471270	2.5314	471270	2.5314
2	GOVERNMENT OF SINGAPORE – E				
	At the beginning of the year 30-Mar-2019	390379	2.0969	390379	2.0969
	At the end of the Year 31-Mar-2020	390379	2.0969	390379	2.0969
3	PINEBRIDGE GLOBAL FUNDS - PINEBRIDGE INDIA EQUITY FUND				
	At the beginning of the year 30-Mar-2019	344493	1.8504	344493	1.8504
	Sale 29-Jun-2019	-344493	1.8504	0	0.0000
	At the end of the Year 31-Mar-2020	0	0.0000	0	0.0000

S. No.	Name of the Share holder	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
3	**PINEBRIDGE GLOBAL FUNDS - PINEBRIDGE INDIA EQUITY FUND**				
	At the beginning of the year 30-Mar-2019	0	0.0000	0	0.0000
	Purchase 29-Jun-2019	344493	1.8504	344493	1.8504
	At the end of the Year 31-Mar-2020	344493	1.8504	344493	1.8504
4	**MUKUL AGRAWAL JT1 : PARAM CAPITAL RESEARCH PVT LTD**				
	At the beginning of the year 30-Mar-2019	288386	1.5490	288386	1.5490
	Sale 31-May-2019	-13952	0.0749	274434	1.4741
	Sale 12-Jul-2019	-274434	1.4741	0	0.0000
	At the end of the Year 31-Mar-2020	0	0.0000	0	0.0000
4	**MUKUL AGRAWAL JT1 : PARAM CAPITAL RESEARCH PVT LTD**				
	At the beginning of the year 30-Mar-2019	11614	0.0623	11614	0.0623
	Purchase 24-May-2019	1200	0.0064	12814	0.0688
	Purchase 31-May-2019	82735	0.4444	95549	0.5132
	Purchase 07-Jun-2019	2069	0.0111	97618	0.5243
	Purchase 14-Jun-2019	598	0.0032	98216	0.5275
	Purchase 12-Jul-2019	274434	1.4741	372650	2.0016
	Purchase 09-Aug-2019	1950	0.0104	374600	2.0121
	Purchase 01-Nov-2019	100	0.0005	374700	2.0126
	At the end of the Year 31-Mar-2020	374700	2.0126	374700	2.0126
5	**PARAMJIT MANN**				
	At the beginning of the year 30-Mar-2019	194190	1.0430	194190	1.0430
	Sale 26-Apr-2019	-251	0.0013	193939	1.0417
	Sale 10-May-2019	-2329	0.0125	191610	1.0292
	Sale 17-May-2019	-385	0.0020	191225	1.0271
	Sale 24-May-2019	-18465	0.0991	172760	0.9279
	Sale 31-May-2019	-1000	0.0053	171760	0.9226
	Sale 05-Jul-2019	-3359	0.0180	168401	0.9045
	Sale 12-Jul-2019	-920	0.0049	167481	0.8996
	Sale 16-Aug-2019	-1000	0.0053	166481	0.8942
	Sale 23-Aug-2019	-385	0.0020	166096	0.8921
	Sale 18-Oct-2019	-1350	0.0072	164746	0.8849
	Sale 14-Feb-2020	-1164	0.0062	163582	0.8786
	Sale 20-Mar-2020	-2155	0.0115	161427	0.8670
	At the end of the Year 31-Mar-2020	161427	0.8670	161427	0.8670

S. No.	Name of the Share holder	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
6	NIHAR NILEKANI				
	At the beginning of the year 30-Mar-2019	0	0.0000	0	0.0000
	Purchase 10-Jan-2020	182358	0.9795	182358	0.9795
	At the end of the Year 31-Mar-2020	182358	0.9795	182358	0.9795
7	PINEBRIDGE INDIA EQUITY FUND				
	At the beginning of the year 30-Mar-2019	162000	0.8701	162000	0.8701
	Sale 24-May-2019	-31500	0.1692	130500	0.7009
	Sale 04-Oct-2019	-11734	0.0630	118766	0.6379
	At the end of the Year 31-Mar-2020	118766	0.6379	118766	0.6379
8	RAMESH S DAMANI				
	At the beginning of the year 30-Mar-2019	115100	0.6182	115100	0.6182
	At the end of the Year 31-Mar-2020	115100	0.6182	115100	0.6182
9	ASIAN MARKETS SECURITIES PVT LTD. DP/CL ID: 1201400000007200				
	At the beginning of the year 30-Mar-2019	94700	0.5086	94700	0.5086
	Purchase 05-Jul-2019	2500	0.0134	97200	0.5221
	Sale 23-Aug-2019	-97200	0.5221	0	0.0000
	Purchase 27-Sep-2019	97200	0.5221	97200	0.5221
	Sale 07-Nov-2019	-25000	0.1342	72200	0.3878
	At the end of the Year 31-Mar-2020	72200	0.3878	72200	0.3878
9	ASIAN MARKETS SECURITIES PVT. LTD DP/CL ID: 1201400000009305				
	At the beginning of the year 30-Mar-2019	2800	0.0150	2800	0.0150
	Sale 23-Aug-2019	-2800	0.0150	0	0.0000
	Purchase 27-Sep-2019	2800	0.0150	2800	0.0150
	At the end of the Year 31-Mar-2020	2800	0.0150	2800	0.0150
9	ASIAN MARKETS SECURITIES PVT.LTD (CLIENT MARGIN A/C) DP/CL ID: 1201400000005106				
	At the beginning of the year 30-Mar-2019	2500	0.0134	2500	0.0134
	Sale 05-Jul-2019	-2500	0.0134	0	0.0000
	At the end of the Year 31-Mar-2020	0	0.0000	0	0.0000
10	DILEEP MORESHWAR WAGLE JT1 : VAIJAYANTI DILEEP WAGLE				
	At the beginning of the year 30-Mar-2019	90000	0.4834	90000	0.4834
	At the end of the Year 31-Mar-2020	90000	0.4834	90000	0.4834
	NEW TOP 10 AS ON (31-Mar-2020)				

S. No.	Name of the Share holder	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
11	AIRAVAT CAPITAL TRUST				
	At the beginning of the year 30-Mar-2019	0	0.0000	0	0.0000
	Purchase 03-May-2019	70178	0.3769	70178	0.3769
	Sale 19-Jul-2019	-2844	0.0152	67334	0.3616
	Purchase 10-Jan-2020	5324	0.0285	72658	0.3902
	Purchase 07-Feb-2020	22472	0.1207	95130	0.5109
	Purchase 27-Mar-2020	1414	0.0075	96544	0.5185
	At the end of the Year 31-Mar-2020	96544	0.5185	96544	0.5185
11	AIRAVAT CAPITAL TRUST				
	At the beginning of the year 30-Mar-2019	65333	0.3509	65333	0.3509
	Purchase 12-Apr-2019	1862	0.0100	67195	0.3609
	Purchase 26-Apr-2019	2983	0.0160	70178	0.3769
	Sale 03-May-2019	-70178	0.3769	0	0.0000
	At the end of the Year 31-Mar-2020	0	0.0000	0	0.0000

(V) SHAREHOLDING OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

S. No.	Name of Director/ KMP	Shareholding at the beginning of the year (as on 01.04.2019)		Change in no. of shares during the year			Cumulative Shareholding during the year / at the end of the year (as on 31.03.2020)	
		No. of shares	% of total shares of the Company	Date	Purchase/ Sale	No. of shares	No. of shares	% of total shares of the Company
A. Directors								
1	Nishith Arora (Chairman)	Nil	Nil	Nil	Nil	Nil	Nil	Nil
2	Ajay Mankotia*** (Additional Non- Executive and Independent Director)	Nil	Nil	Nil	Nil	Nil	Nil	Nil
3	Dr. Piyush Kumar Rastogi*** (Additional Non- Executive and Independent Director)	Nil	Nil	Nil	Nil	Nil	Nil	Nil
4	Vijay Sood* (Independent Director)	9,731	0.0522	-	-	-	9,731	0.0522
5	Rahul Arora (Managing Director)	Nil	Nil	Nil	Nil	Nil	Nil	Nil
6	Yamini Tandon (Non-Executive Director)	Nil	Nil	Nil	Nil	Nil	Nil	Nil
7	Achal Khanna** (Additional Independent Director)	Nil	Nil	Nil	Nil	Nil	Nil	Nil
8	Jayantika Dave** (Additional Independent Director)							
B. Key Managerial Personnel								
1	Sunit Malhotra (Chief Financial Officer &Company Secretary)	Nil	Nil	Nil	Nil	Nil	Nil	Nil

* Mr. Vijay Sood and Mr. Ambarish Raghuvanshi resigned from the office with effect from 25th January, 2020 and 27th January, 2020, respectively.

** Ms. Achal Khanna and Ms. Jayantika Dave were appointed as an Additional Director designated an an Independent Director with effect from October 30, 2019

*** Mr, Ajay Mankotia and Dr. Piyush Kumar Rastogi were appointed as an Additional Director designated as a Non- Executive and Independent Director with effect from 29th January, 2020.

V. INDEBTEDNESS

The Company has not availed any term loan from any bank / financial institution during the financial year 2019-20.

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

A. REMUNERATION TO MANAGING DIRECTOR, WHOLE-TIME DIRECTORS AND / OR MANAGER:

(₹ in lacs)

Sl. No	Particulars of Remuneration	Name of MD/WTD/Manager Rahul Arora# (Managing Director)
1	Gross salary	
	a) Salary as per provisions contained in Section 17(1) of the Income-Tax Act, 1961	Refer note 1
	(b) Value of perquisites under Section 17(2) of Income-Tax Act,1961	-
	c) Profits in lieu of salary under Section 17(3) of Income- Tax Act, 1961	-
2.	Stock Option	-
3.	Sweat Equity	-
4.	Commission - as % of profit - Others, specify	-
5.	Others, please specify	-
	Total (A)	-
	Ceiling as per the Act	Not Applicable

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

(₹ in lacs)

Sl. No	Particulars of Remuneration	Name of Directors							Total Amount
		Mr. Sunil Manubhai Shah	Mr .Vijay Sood	Mr. Ambarish Raghuvanshi	Ms. Jayantika Dave	Ms. Achal Khanna	Mr. Ajay Mankotia	Dr. Piyush Kumar Rastogi	
1.	Fees for attending Board and Committee Meetings	1.6	5.4	5.4	2.6	2.0	2.2	2.2	**21.40**
2.	Commission	-	-	-	-	-			-
3.	Others, please specify	-	-	-	-	-			-
	Total (B)								21.40
	Ceiling as per the Act	Not Applicable							
	Total Managerial Remuneration (A+B)	Refer Note 1							
	Overall Ceiling as per the Act	Not Applicable							

Note 1: #Mr Rahul Arora was CEO and Whole Time Director of the Company till 11 August 2018 and was appointed as Managing Director of the Company effective from August 12, 2018. The Appointment is for a term of 5 years w.e.f August 12, 2018 to August 11, 2023 and the Remuneration was approved by the shareholders by way of special resolution passed by postal ballot on October 24, 2018. He received a total of ₹249.26 lakhs (including PLB) as remuneration in USD from the branch of the Company at USA, which is not subject to income tax at India under the Income Tax Act, 1961.

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

(₹ in lacs)

Sl. No.	Particulars of Remuneration	Key Managerial Personnel	
		CEO & Managing Director*	CFO & Company Secretary
			Sunit Malhotra
1.	Gross salary	Covered under point VI (A) (in WTD)	
	a) Salary as per provisions contained in Section 17(1) of the Income-Tax Act, 1961		61.82
	b) Value of perquisites under Section 17(2) of Income-Tax Act, 1961		-
	c) Profits in lieu of salary under Section 17(3) of Income-Tax Act, 1961		-
2.	Stock Option		-
3.	Sweat Equity		-
4.	Commission - as % of profit - others, specify		-
5.	Others, please specify		-
	Total		**61.82**

VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES AGAINST COMPANY/ DIRECTORS/ OFFICERS IN DEFAULT:

Type	Section of the Companies Act	Brief Description	Details of Penalty / Punishment/ Compounding fees imposed	Authority [RD / NCLT / COURT]	Appeal made, if any (give details)
Penalty	Nil	Nil	Nil	Nil	Nil
Punishment	Nil	Nil	Nil	Nil	Nil
Compounding	Nil	Nil	Nil	Nil	Nil

On Behalf of the Board of Directors

Date: May 19, 2020
Place: Gurugram

Nishith Arora
Chairman

Annexure D

ANNUAL REPORT ON CSR ACTIVITIES OF MPS LIMITED

DURING THE YEAR ENDED MARCH 31, 2020

1. **A brief outline of the Company's CSR Policy, including overview of projects or programs proposed to be undertaken and a reference to the web-link to the CSR policy and projects or programs:**

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

   The projects undertaken are within the broad framework of Schedule VII of the Companies Act, 2013. Details of the CSR policy and projects or programs undertaken by the Company are available on links given below:

   https://d12ux7ql5zx5ks.cloudfront.net/wp-content/uploads/Signed-CSR-Policy.pdf

2. **Composition of Corporate Social Responsibility Committee**

   In terms of section 135 of Companies Act, 2013, the Company has constituted a CSR Committee. The CSR committee of the Board is responsible for overseeing the execution of the Company's CSR Policy. The CSR Committee comprises of one Independent Director, one Non– Executive Director and Managing Director. The Members of the Committee are:

   Mr. Nishith Arora, (Chairman and Non – Executive Director)

   Ms. Jayantika Dave, (Independent Director)

   Mr. Rahul Arora, (Managing Director)

3. **Average net profit of the Company for last three financial years:**

   As per section 135 of the Act read with the Companies (Corporate Social Responsibility) Rules, 2014, the company shall spend, in every financial year, at least two per cent of the average net profits of the company made during the three immediately preceding financial years, in pursuance of its Corporate Social Responsibility Policy which shall indicate the activities to be undertaken by the Company as specified in Schedule VII.

   Average net profits of the Company for the last three financial years is ₹9271.62 Lacs.

   1. Prescribed CSR Expenditure (2% of the amount mentioned at point 3 above): ₹186 lakhs.
   2. Details of CSR spent during the financial year:
      (i) Amount spent during the financial year 2019-20: ₹186 Lakhs
      (ii) Amount unspent, if any: Nil

During the year, the Company has undertaken the following CSR Projects:
The Company has carried out the CSR Activities in the field of Education and Health, during the financial year 2019-20 through the following implementing agencies:

IIMPACT ("For Girls Education"), the Company has supported 92 learning centers from April 01, 2019 till March 2020 in the various Districts of Dehradun, Haridwar, Uttarkashi, Sirmaur, Mewat and Tehri Garhwal, wherein education is provided to the under privileged girls. IIMPACT has also taken a new academic initiative to facilitate the education through JODO GYAN.

Computer Shiksha ("Computer Education to under-severed students"), the Company helped by providing free computer literacy for the under-served at places (schools) where students are already regularly attending classes. Computer Shiksha delivers a complete package including video course-ware, training, monitoring, evaluation, free lifetime maintenance support and certification.

Sambandh Health Foundation ("Mental Illness and promoting Mental Health"), the Company is supporting Mental Illness and promoting Mental Health of the persons in India. Sambandh offers a healing community for those who have their lives disrupted by mental illness.

Vedanta Cultural Foundation ("Educational programs directed towards inculcating higher values of life"), the Company is contributing in providing continuous three-year full-time residential courses on self-development for young men and women, educational programmes specially designed to meet the needs of schools, colleges, public and private sector organisation and social service entities on human development, weekly study classes on various subjects aimed at the overall development of human beings and research on the practical application of Vedanta philosophy to lead a stress-free dynamic living.

Vedanta Institute Delhi ("Education, knowledge and research in philosophy, culture, heritage"), the Company is contributing to promote, advance, diffuse, and propagate education, knowledge and research in philosophy, culture, heritage, Vedanta allied subjects in India and abroad. They programmes a life of mental peace combined with dynamic action in the world. The Company is also supporting their efforts to provide Vedanta lectures at the various locations of the Company in India.

Prem Charitable Trust ("To establish homes for mentally retarded and physically handicapped children"), Company is providing financial assistance to establish homes for mentally retarded and physically handicapped children, providing opportunities for rehabilitation and use of their limited talents and youth in their respective fields.

Details of the amount spent on CSR activities are detailed below:

Sl. No	CSR project or activity identified	CSR project or activity identified	Projects or programs (1)Local area or other (2) Specify the State and district where projects or programs were undertaken	Amount outlay (budget) project or programs Wise	Amount spent on the projects or programs Subheads: 1. Direct expenditure on projects or programs 2. Overheads	Cumulative expenditure upto to the reporting period	Amount spent: Direct or through implementing agency
1	Imparting primary education to young girls between 6 to 14 years of age in rural areas titled as **IIMPACT Girls Child Education Programme**	Schedule VII – Item No. II (Promoting Education)	Project is being carried on in local as well as other areas. 92 IIMPACT Learning Centres in 6 districts – Dehradun, Hardwar, Mewat, Sirmaur, Tehri Garhwal and Uttarkashi across 3 states Haryana, Himachal Pradesh and Uttarakhand.	100 Lakhs for 92 Learning Centres	Direct Expense: ₹100 lakhs Overheads: Nil	₹100 lakhs	Through implementing agency: IIMPACT
2	Imparting free **'Computer Education'** to underprivileged students through project **Computer Shiksha**	Schedule VII – Item No. II (Promoting Education)	Project is being carried on in local as well as other areas. Project is being carried on in Gurgaon, Haryana, Rajasthan, UP and Punjab.	₹20 Lakhs	Direct Expense: ₹20 Lakhs Overheads: Nil	₹20 lakhs	Through implementing agency: Computer Shiksha
3	Addressing **"Mental Health Care** through **Sambandh Health Foundation**	Schedule VII – Item No. I (Promoting Healthcare)	Project is being carried on in local area. Project is being carried on in the villages of Gurgaon district	₹30 Lakhs	Direct Expense: ₹30 Lakhs Overheads: Nil	₹30 lakhs	Through implementing agency: Sambandh Health Foundation
4	**Imparting Higher Values of Life** in youths through educational programs and lectures	Schedule VII – Item No. II (Promoting Special Education)	Project is being carried on in other area. It runs its academy in Malavli, near Pune, Maharashtra, India	₹20 Lakhs	Direct Expense: ₹20 Lakhs Overheads: Nil	₹20 Lakhs	Through implementing agency: Vedanta Cultural Foundation

Sl. No	CSR project or activity identified	CSR project or activity identified	Projects or programs (1)Local area or other (2) Specify the State and district where projects or programs were undertaken	Amount outlay (budget) project or programs Wise	Amount spent on the projects or programs Subheads: 1. Direct expenditure on projects or programs 2. Overheads	Cumulative expenditure upto to the reporting period	Amount spent: Direct or through imple-menting agency
5	"Supporting **Care Centers for Physically Challenged Children**"	Schedule VII – Item No. I (Promoting Healthcare)	Project is being carried on in local area. Project is being carried on in Chennai	₹12 Lakhs	Direct Expense: ₹12 Lakhs Overheads: Nil	₹12 Lakhs	Through implementing agency: Prem Charitable Trust
6	Imparting **High Values of** Life in youths through educational programs and lectures	Schedule VII – Item No. II (Promoting Special Education)	Project is being carried on in local as well as other areas.	₹4 Lakhs	Direct Expense: ₹4 Lakhs Overheads: Nil	₹4 Lakhs	Through implementing agency: Vedanta Institute Delhi
	TOTAL	-	-	-		186	-

Responsibility Statement:

The implementation and monitoring of CSR Policy of the Company is in compliance with CSR objectives and Policy of the Company.

For MPS Limited

Nishith Arora
(Chairman - CSR Committee)

Rahul Arora
Managing Director

Date: May 19, 2020
Place: Gurugram

DISCLOSURE OF PARTICULARS WITH RESPECT TO TECHNOLOGY ABSORPTION, RESEARCH & DEVELOPMENT:

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

1.	Specific areas in which R & D was carried out by the Company	• Platforms for content creation, editing and preview with improved user experience. • Further features added to the existing platforms based on customer requirements, market needs and feedback received • Integrating the MPS platforms with industry leading platforms to provide more flexibility, stability and automation • Potential application of Artificial Intelligence and Machine learning techniques in the Editorial and content production services • Simplification of the delivery platforms by bundling web and mobile offerings • Extended functionalities in the platform for Educational content creation, production and distribution. • Modules and functionalities in DigiCore platform for diverse content including. • Further automation in the composition engines, PDF automation and layout quality checking tools • Optimization of production processes and workflows • Migrating to cloud based systems including using remote workspaces for certain functions
2.	Benefits derived from the above	• Larger prospects base owing to wider capabilities • Improved competitive positioning due to multiple variants • Improved productivity for customers service teams due to streamlined communication • Utilizing the latest technologies and infrastructure, several platforms were made cloud ready and migrated to web based solution • Technology migration - THINK web version • Flexibility, stability and automation provided by 3rd party integrations for DigiCore and Think360 platforms lead to increased customer satisfaction and user base. • Increased interest in the DigiCore platform for diverse content types including tax, accounting and educational content processing • Additional features included in platforms as per product roadmap • Assessed various sales productivity tools to optimize the entire cycle • Custom development and enhancements in various modules of DigiCore and Think360 platform for customers • Custom development opportunity for analytics and reporting dashboards • Development of Content Profiling to check the complexity of content and effective QC using machine learning techniques • Improved business continuity at optimized cost • Improved productivity with lean workflow and implementation of workflows / processes with more automation

Disclosure of Particulars with Respect to Technology Absorption, Research & Development: *(contd...)*

3.	Future plan of action	• Enhancing platforms further as per project roadmap • Further enhancing security of cloud architecture and platforms • Building further on HTML5-based composition system including automated quality tools • Further leverage of HTML5 for providing enhanced experience and powering interactive products • Migration of more systems to cloud with increased scalability and availability • Centralization of key processes for cost efficiencies • Improved process automation resulting in increased productivity
4.	Expenditure on R & D result	Expenditure on R&D towards enhancement of THINK platform and development of new and integration modules of DigiCore platform.

Technology Absorption, Adaptation and Innovation

1.	Efforts in brief made towards technology absorption, adaptation, and innovation.	• Implementing projects using latest technologies like Machine Learning, Artificial Intelligence and Natural Language Processing for achieving higher automation and reducing touch time. • Development and implementation of innovative cloud-based systems for end-to-end publishing services. • Implementation of deep security processes for key applications. • Implemented innovative ways for enabling secure work from home without compromising data security.
2.	Benefits derived from the above	• Increased value addition to customers leading to higher satisfaction. • Tangible benefits to clients in terms of reducing time to publish and increasing productivity. • More secured and scalable products. • Improved customer interests and associated service/technology requests from various customers. • Could manage the productivity without breaching SLAs during the Covid-19 lock down by successfully executing work from home options.
3.	Imported Technology	No technologies were imported

For and on behalf of the Board of Directors

Place: Gurugram
Date: May 19, 2020

Nishith Arora
Chairman

CORPORATE **GOVERNANCE REPORT**

COMPANY'S PHILOSOPHY ON CODE OF GOVERNANCE

MPS Limited ("**MPS**" or "**Company**") believes that Corporate Governance is an essential element of business, which helps the Company to fulfill its responsibilities to all its stakeholders. MPS is committed to adopting global best practices in Governance and Disclosure. MPS believes that highest standards of Corporate Governance are essential to enhance long term value of the Company for its stakeholders and practice the same at all levels of the organization. Ethical business conduct, integrity and commitment to values, which enhance and retain stakeholders' trust are the traits of your Company's Corporate Governance.

The Corporate Governance Structure of the Company can be described through three layers namely:

- The Shareholders of the Company appoints the Directors and entrust them necessary powers;
- The Board leads strategic management and appoints various Committees to handle specific areas of responsibilities;
- The Executive Management and the Committees take up specific responsibilities and day to day affairs as set by the Board.

The Company is in compliance with the requirements stipulated under Regulation 17 to 27 read with Schedule V and clauses (b) to (i) of sub-regulation (2) of Regulation 46 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations"), as applicable, with regard to corporate governance.

BOARD OF DIRECTORS

a. As on 31st March, 2020, the Company has seven Directors. Out of the seven Directors, four are Independent Directors. The Chairman of the Company is a Non-Executive Director. The Board of the Company has three Woman Directors as on 31st March, 2020. The composition of the Board is in conformity with Regulation 17 of the SEBI Listing Regulations read with Section 149 of the Act. The brief profile of each director is available at www.mpslimited.com/investors.

b. No Directors on the Board holds directorships in more than ten public companies. No Independent Directors serves as an Independent Director on more than seven listed entities. Necessary disclosures regarding Committee positions in other public companies as on March 31, 2020 have been made by the Directors. None of the Directors is related to each other except Mr. Nishith Arora (Father), Mr. Rahul Arora (Son) and Ms. Yamini Tandon (Daughter in Law).

c. Independent Directors are non-executive directors as defined under Regulation 16(1)(b) of the SEBI Listing Regulations read with Section 149(6) of the Act along with rules framed thereunder. In terms of Regulation 25(8) of SEBI Listing Regulations, they have confirmed that they are not aware of any circumstance or situation which exists or may be reasonably anticipated that could impair or impact their ability to discharge their duties. Based on the declarations received from the Independent Directors, the Board of Directors have confirmed that they meet the criteria of independence as mentioned under Regulation 16(1)(b) of the SEBI Listing Regulations and that they are independent of the management.

d. The names and categories of the Directors on the Board, name of other listed entities in which the Director is a director and the number of Directorships and Committee Chairmanships / Memberships held by them in other public limited companies as on March 31, 2020 is given below. Other directorships do not include directorships of private limited companies, foreign companies and companies registered under Section 8 of the Act. Further, none of them is a member of more than ten committees or chairman of more than five committees across all the public companies in which he/she is a Director. For the purpose of determination of limit of the Board Committees, chairpersonship and membership of the Audit Committee and Stakeholders' Relationship Committee has been considered as per Regulation 26(1)(b) of SEBI Listing Regulation.

Director's Name	Category	No. of Directorship in other Indian Companies	No of Membership/Chairpersonships in other Board's Committees	
			Member	Chairperson
Mr. Nishith Arora DIN: 00227593	Non-Executive Chairman	2	Nil	Nil
Ms. Jayantika Dave DIN: 01585850	Independent	1	1	Nil
Ms. Achal Khanna DIN: 00275760	Independent	Nil	Nil	Nil
Mr. Ajay Mankotia DIN: 03123827	Independent	1	Nil	Nil
Dr. Piyush Kumar Rastogi DIN: 02407908	Independent	Nil	Nil	Nil
Mr. Rahul Arora DIN: 05353333	Managing Director	2	Nil	Nil
Ms. Yamini Tandon DIN: 06937633	Non-Executive	Nil	Nil	Nil

e. Four Board Meetings were held during the year under review and the gap between two meetings did not exceed one hundred and twenty days. The said meetings were held on: May 17, 2019, July 24, 2019, October 30, 2019, and January 29, 2020. The necessary quorum was present for all the meetings.

Directors	Number of Meetings convened and eligible to attend	Number of Meetings Attended	Attended last AGM held on July 24, 2019
Mr. Nishith Arora	4	4	Yes
Mr. Vijay Sood (Resigned)	3	3	Yes
Mr. Ambarish Raghuvanshi (Resigned)	3	3	Yes
Mr. Sunil Shah (Resigned)	2	1	No
Mr. Rahul Arora	4	4	Yes
Ms. Yamini Tandon	4	4	Yes
Ms. Jayantika Dave	1	1	No
Ms. Achal Khanna	1	1	No
Mr. Ajay Mankotia	1	1	No
Dr. Piyush Kumar Rastogi	1	1	No

i. Mr. Vijay Sood resigned from the Board and its Committees with effect from January 25, 2020 and Mr. Ambarish Raghuvanshi resigned from the Board and its Committees with effect from January 27, 2020.

ii. Ms. Achal Khanna and Ms. Jayantika Dave were appointed as Independent Directors w.e.f. October 30, 2019.

iii. Mr. Ajay Mankotia and Dr. Piyush Kumar Rastogi were appointed as Independent Directors w.e.f. January 29, 2020.

iv. Video conferencing facilities are also used to facilitate Directors travelling/residing abroad or at other locations to participate in the meetings.

f. None of the Directors of the Company holds the Directorship of any other listed Company as on March 31, 2020 except Ms. Jayantika Dave, Independent Director of the Company, who holds the Directorship in Ingersoll Rand (India) Limited, Listed Entity as an Independent Director of this Company.

g. During the financial year 2019- 2020, information as mentioned in Part A of Schedule II of the SEBI Listing Regulations, has been placed before the Board for its consideration.

h. The Board periodically reviews the compliance reports of all laws applicable to the Company.

i. None of the Directors of the Company holds equity shares of the Company as on March 31, 2020. The Company has not issued any convertible instruments.

j. During the financial year 2019-2020, one meeting of the Independent Directors was held on January 29, 2020. The Independent Directors, *inter-alia*, reviewed the performance of Non-Independent Directors, Board as a whole, and the Chairman of the Company, taking into account the views of Executive Directors and Non-Executive Directors. Also, reviewed the quality, quantity and timelines of flow of information between the Management and the Board that is necessary for the Board to effectively and reasonably perform their duties. The views of the Independent Directors of the Company were also communicated to the Chairman of the Board.

k. The Independent Directors are issued a letter of appointment containing the terms of appointment, roles, duties and code of conduct. Terms and conditions of the appointment of Independent Directors have been disseminated on the website of the Company at http://www.mpslimited.com/corporate-governance/.

l. **Familiarization Programme for Independent Directors:** Independent Directors are periodically updated about the Company's policies, business, on – going events and roles and responsibilities of the Directors.

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

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

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

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

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

Name	Skill	Description
Mr Nishith Arora	**Leadership**	Extended leadership experience, resulting in practical understanding of organization,Business segments, process, strategic guidance & planning and risk management.
Ms Jayantika Dave	**HR and governance**	Experience in working on board of listed public companies.She has experience in growing, acquiring, and divesting businesses, and building organization capability. She has multi-sector experience, in the Industrial, Hi-Tech, and Financial Services sector, and working with diverse teams - Sales, R&D, Support and Strategic Initiatives & Human Resource Management .
Ms Achal Khanna	**HR**	She is the CEO of Society for Human Resource Management, world largest association devoted to Strategic Initiatives & Human Resource Management. She helps the management in building the brand, expanding the business and developing professional relationships with government agencies, and other HR, prospective clients and business associations.
Mr Ajay Mankotia	**Taxation**	He has wide experience in the matters relating to accounts, taxation, legal and financial management.
Dr Piyush Rastogi	**Financial and Law**	Being leader of an an accounting and secretarial firm and understanding of finance functions of an enterprise and financial reporting processes helps him to contribute effectively in discussions involving complex financial matters
Mr Rahul Arora	**Leadership and global business**	He has understanding of global business dynamics, across various geographical markets and industry verticals. Appreciation of long-term trends, strategic choices and experience in guiding and leading management team to make decisions.
Ms Yamini Tandon	**Marketing**	She has wide experience in developing strategies to grow sales and market share and enhance enterprise reputation.

n. During the year three Independent Directors, Mr. Sunil Shah, Mr. Vijay Sood and Mr. Ambarish Raghuvanshi resigned from the Board and its committees before the expiry of their original tenure. The reason for resignation of Mr. Sunil Shah was health issues, whereas reason of resignation of Mr. Vijay Sood and Mr. Ambarish Raghuvanshi were their other personal engagements. The resignation of the Directors along with confirmation that there are no other material reason other than those provided by them, were submitted to both BSE Limited and National Stock Exchange of India Limited.

BOARD COMMITTEES

The Board Committees are set up by the Board and governed by its terms of reference which exhibit the scope, composition, functioning and reporting parameters. The Board has constituted various Committees to deal with specific business areas. These Committees play an important role in the governance process. All these Committees have been formed with proper Board authority defining their composition, quorum requirements and the roles and responsibilities. These Committees decide or provide recommendations to Board on the matters referred to them. All the process and governance guidelines applicable and followed by the Board are also applicable and followed by the Committees.

1. AUDIT COMMITTEE

Composition, Meetings and Attendance

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

During the financial year 2019-20, the Audit Committee met four times on May 16, 2019, July 24, 2019, October 30, 2019 and January 29, 2020.

The necessary quorum was present at all the meetings.

The composition and the attendance of members at the Audit Committee meetings held during the financial year 2019-20, is given below:

Members	Position and Category	No. of Meetings held	No. of Meetings Attended
Mr. Ajay Mankotia[3]	Chairman–Independent Director	1	1
Dr. Piyush Kumar Rastogi[4]	Member-Independent Director	1	1
Mr. Nishith Arora	Member-Non-Executive Director	4	4
Mr. Vijay Sood[1]	Member-Non-Executive Director	3	3
Mr. Ambarish Raghuvanshi[2]	Member-Non-Executive Director	3	3

[1]Mr. Vijay Sood, Chairman of the Audit Committee resigned from the Board and Committee with effect from January 25, 2020.

[2]Mr. Ambarish Raghuvanshi, Member of the Audit Committee resigned from the Board and Committee with effect from January 27, 2020.

[3]Post resignation of Mr. Vijay Sood, Mr. Ajay Mankotia joined the Board on January 29, 2020 and was appointed as the Chairman of the Audit Committee.

[4]Post resignation of Mr. Ambarish Raghuvanshi, Dr. Piyush Kumar Rastogi joined the Board on January 29, 2020 and was appointed as the Member of the Audit Committee.

Chief Financial Officer and the Finance Controller are permanent invitees to the Audit Committee meetings. Managing Director is also present at the Audit Committee meetings. The Company Secretary acts as the Secretary to Audit Committee. Representatives of Statutory Auditors and Internal Auditors attended all the Audit Committee meetings held during the financial year 2019-20. As and when required, other senior management personnel of the Company are invited to the Audit Committee meetings.

Role / Terms of Reference

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

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

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

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

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

2. NOMINATION AND REMUNERATION COMMITTEE

Composition, Meetings and Attendance

Composition of the Nomination and Remuneration Committee meets the requirements of Section 178 of the Act and the Listing Regulations. It comprises of three directors of whom two are Independent Directors. During the financial year 2019-20, the Nomination and Remuneration Committee met two times on May 16, 2019 and January 29, 2020. Ms. Jayantika Dave, Independent Director is the Chairman of the Nomination and Remuneration Committee.

The composition and the attendance of members at the Nomination & Remuneration Committee meetings held during the financial year 2019-20, is given below :-

Members	Position and Category	No. of Meetings held	No. of Meetings Attended
Ms. Jayantika Dave[3]	Chairperson– Independent Director	1	1
Ms. Achal Khanna[4]	Member– Independent Director	1	1
Mr. Nishith Arora	Member– Non-Executive Director	2	2
Mr. Vijay Sood[1]	Member– Non-Executive Director	1	1
Mr. Ambarish Raghuvanshi[2]	Member– Non-Executive Director	1	1

[1]Mr. Vijay Sood, Member of the Nomination and Remuneration Committee resigned from the Board and Committee with effect from January 25, 2020.

[2]Mr. Ambarish Raghuvanshi, Member of the Nomination and Remuneration Committee resigned from the Board and Committee with effect from January 27, 2020.

[3]Post resignation of Mr. Vijay Sood, Ms. Jayantika Dave was appointed as the Chairperson of the Nomination and Remuneration Committeeon January 29, 2020.

[4]Post resignation of Mr. Ambarish Raghuvanshi, Ms. Achal Khanna was appointed as the member of this Committee on January 29, 2020.

Role / Terms of Reference

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

- Formulation of criteria for determining qualification, positive attributes, and independence of Directors
- Recommendation of the remuneration policy for the Directors, Key Managerial Personnel, and other employees.
- Formulation of criteria for evaluation of Directors, the Board, and the Committees thereof

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

Directors' Performance Evaluation Policy

The Board has carried out annual performance evaluation of the Board, its committees, individual Directors including the Chairman of the Board, as per its Policy.

3. STAKEHOLDERS RELATIONSHIP COMMITTEE

Composition, Meetings and Attendance

Stakeholder Relationship Committee comprises of three directors. All the members including the Chairman are Non – Executive Directors. Composition of the Stakeholders Relationship Committee, given hereunder, is in compliance with Section 178 and Listing Regulations. During the financial year 2019-20, the Stakeholders Relationship Committee met once on January 29, 2020.

The Committee is headed by Mr. Nishith Arora, Chairman and Non–Executive Director of the Company.

The composition and the attendance of members at the Stakeholder Relationship Committee meetings held during the financial year 2019-20, is given below:

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

Role / Terms of Reference

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

Compliance Officer

Ms. Shiwani Dayal is the Compliance Officer with effect from March 23, 2019 for ensuring compliance with the regulatory requirements of Securities Laws and SEBI Listing Regulations.

Compliance Officer may be reached at the following address:

C-35, Sector-62, Noida – 201 307, Uttar Pradesh
Phone: 0120-4599754;
E-mail: investors@mpslimited.com

Stakeholders Grievance Redressal

Legal and Secretarial Department and the Registrar and Share Transfer Agents attend to all the grievances received from the shareholders either directly or through SEBI Complaints Redress System (SCORES), Stock Exchanges, Registrar of Companies and dedicated email id (i.e. investors@mpslimited.com) is created to receive the shareholders grievances. The Secretarial team takes appropriate actions with the assistance from Cameo Corporate Services Limited ('Registrar to an Issue and Share Transfer Agent'), to resolve all the grievances of the shareholders expeditiously and satisfactorily.

Details of the complaints received from the shareholders and redressed upto their satisfaction during the financial year 2019-20 is as follows:

No. of complaints pending at the beginning of the financial year i.e. April 1, 2019	0
No. of complaints received during the financial year	2
No. of complaints resolved during the financial year	2
Complaints pending at the end of the financial year i.e. March 31, 2020	0

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

4. CORPORATE SOCIAL RESPONSIBILITY COMMITTEE

Composition, Meeting and Attendance

The Corporate Social Responsibility Committee currently comprises of three Directors; Mr. Nishith Arora, Chairman, Mr. Rahul Arora, Member and Ms. Jayantika Dave, Member. Composition of Corporate Social Responsibility ("**CSR**") Committee confirms to the requirements of Section 135 of the Act.

The CSR Report as required under the Act for the year ended March 31, 2020 is attached as Annexure I to the Directors Report.

There was no CSR Meeting held during the financial year 2019-2020. However, a meeting of CSR was scheduled on March 28, 2020, but it was deferred due to unprecedented lockdown by the Government of India on March 25, 2020.

Role / Terms of Reference

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

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

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

Directors' Remuneration during the Financial Year 2019-20

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

Director	Nishith Arora	Vijay Sood	Ambarish Raghuvanshi	Jayantika Dave	Achal Khanna	Piyush Rastogi	Ajay Mankotia	Sunil Shah	Rahul Arora	Yamini Tandon
Business Relationship with the Company	Director of holding company, ADI BPO Services Limited[1]	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Director of holding company, ADI BPO Services Limited[1]	Nil

Director	Nishith Arora	Vijay Sood	Ambarish Raghuvanshi	Jayantika Dave	Achal Khanna	Piyush Rastogi	Ajay Mankotia	Sunil Shah	Rahul Arora	Yamini Tandon
Remuneration during the year ended March 31, 2020 (in Rupees lakhs)										
Sitting Fees	Nil	5.4	5.4	2.6	2.0	2.2	2.2	1.6	Nil	Nil
Salary and Perks	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	249.27[2]	Nil
Commission	Nil								Nil	Nil
Total	Nil									
Severance / Notice Period	-	-			-		-		180 days as per the agreement or otherwise decided by the Board	-

[1]During the year ended March 31, 2020, the Company paid INR 235.83 lakhs to ADI BPO Services Limited (ADI BPO), the promoter company, wherein Mr. Nishith Arora and Mr. Rahul Arora are the Directors. The above amount represents the rent paid for the Dehradun facility taken on lease and the charges for infrastructure services provided by ADI BPO.

[2]Remuneration for the Financial Year 2019-2020 to Mr. Rahul Arora, was paid from the US Branch of the Company.

Apart from the above there was no other pecuniary relationship or transaction between the Non-Executive Directors and the Company.

SUBSIDIARY COMPANIES

The Company has the below mentioned subsidiary companies:

- MPS North America LLC in USA
- MPS Interactive Systems Limited in India
- MPS Europa AG in Switzerland
- Topsim GmbH in Germany

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

Mr. Ajay Mankotia has been appointed as an Independent Director in MPS Interactive Systems Limited to comply with the SEBI Listing Regulations.

CODE OF CONDUCT

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

The compliance of the Code is to be affirmed annually by the Directors and senior management personnel. All the Board Members and senior management personnel to whom the Code is applicable have affirmed the compliance with the Code as on March 31, 2020.

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

It is hereby certified that all the members of the Board and senior management personnel have confirmed the compliance with the Code during the financial year 2019-20 and there has been no instances of violation of the Code."

Rahul Arora
Managing Director
May 19, 2020

GENERAL BODY MEETINGS

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

Year	Day, Date and Time of Meeting	Venue	Special Resolutions Passed
2016-17	Wednesday, July 19, 2017 Time: 03:00 P.M.	Raintree Hotels, 636 Anna Salai, Teynampet, Chennai – 600035, Tamilnadu	• Approval for investment under section 186 of the Companies Act 2013.
2017-18	Friday, July 27, 2018 Time: 02:30 P.M.		• No special resolution was passed in the financial year 2017-18.
2018-19	Wednesday, July 24, 2019 Time: 02:30 P.M.		• For re-appointment of Mr. Vijay Sood as an Independent Director of the Company.

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

As per Section 108 of the Act read with rules made thereunder, Regulation 44 of the Listing Regulations, e-voting facility was provided to the Shareholders of the Company for electronically voting on the resolutions passed at the Annual General Meeting held on July 24, 2019.

Details of resolutions passed through Postal Ballot in Financial Year 2019-20 and details of the Voting pattern:

During the year, there were no special resolution passed through postal ballot.

MEANS OF COMMUNICATION

Annual Report: Pursuant to the MCA Circulars and SEBI Circular, in view of the prevailing situation, owing to the difficulties involved in dispatching of physical copies of the Annual Report for the year 2020 including therein the Audited Financial Statements for the year 2020, are being sent only by email to the Members.

Website: The Company's website contains a dedicated section "Investors" which displays details/information of interest of various stakeholders.

Financial Results: The quarterly/Half Yearly /Annual financial results of the Company are communicated to the stock exchange within 30 minutes of the closure of the Board Meeting wherein results are approved by the Board of Directors.

Compliances: All periodic compliances, viz. quarterly shareholding patterns, corporate governance reports, investors complaint redressal mechanism, etc., and other event-based disclosures are being filed at the web-based filing platforms of NSE (NEAPS) and BSE (Listing Centre).

Presentations to institutional investors/analysts: Investor presentations , if any , is hosted on the website of the Company – www.mpslimited.com

Newspaper: Quarterly, half yearly and annual results are normally published in one leading national (English) Financial Express paper and in one vernacular (Tamil) Makkal Kural newspaper with a footnote of availability of complete financial results at the stock exchanges and company's websites.

News Release: Official press release, if any, is sent to the Stock Exchanges and is hosted on the website of the company – www.mpslimited.com

GENERAL SHAREHOLDERS INFORMATION

a. **Annual General Meeting**

Day, Date and Time	Wednesday, August 12, 2020 at 2:30 P.M
Venue	Through Video Conferencing ("VC")/ Other Audio Visual Means ("OAVM")
Date of Book closure	August 06, 2020 (Thursday) to August 12, 2020 (Wednesday) (both days inclusive).

b. Financial Calendar (Tentative)

Financial Year:	April 1 to March 31

Tentative Calendar for declaration of results for the financial year 2020-21 is given below:

Results for the Quarter/Year ending	Date of Declaration
June 30, 2020	On or before August 14, 2020
September 30, 2020	On or before November 14, 2020
December 31, 2020	On or before February 14, 2021
March 31, 2021 (Annual Audited)	On or before May 30, 2021

c. Dividend

During the financial year 2019-20, the Company has paid special interim dividend of INR 50 to the shareholders of the Company approved in the Board Meeting held on October 30, 2019. The Board has not recommended a final dividend and the interim dividend of INR 50/- declared by the Board in October 2019 shall be considered as the final dividend for the financial year 2019-20. Thus, the total dividend for the financial year 2019-20 remains at INR 50/- per equity share.

d. Listing of Equity Shares

Equity Shares of the Company are listed and traded on BSE Limited (BSE) and National Stock Exchange of India Limited (NSE). The Company has paid the annual listing fees to both the Stock Exchanges, for the financial year 2020-21.

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

Stock Exchange	Code – Equity
BSE	532440
NSE	MPSLTD
ISIN	Equity Share- INE943D01017

f. Stock Market Data

The monthly high and low share prices and market capitalization of equity shares of the Company traded on BSE and NSE from April 1, 2019 to March 31, 2020 and the comparison in performance of share price of the Company vis-à-vis broad based Indices are given below:

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

Month	High (₹)	Low (₹)	Close (₹)	Volume
April 2019	512.40	472.15	485.20	41,569
May 2019	577.95	443.05	542.20	1,54,771
June 2019	593.05	518.60	518.60	68,282
July 2019	592.00	432.50	477.30	1,32,541
August 2019	510.00	433.00	468.95	80,532
September 2019	527.70	458.60	479.05	62,612
October 2019	602.15	471.05	589.05	1,52,000
November 2019	598.90	460.50	473.10	3,29,000
December 2019	488.00	450.10	470.60	64,000
January 2020	499.85	356.00	363.95	2,69,000
February 2020	390.00	315.00	319.15	1,72,000
March 2020	329.00	154.00	209.25	1,72,000

[Source: www.nseindia.com]

BSE Limited (BSE)

Month	High (₹)	Low (₹)	Close (₹)	Volume
April 2019	508.65	473.00	475.10	3,171
May 2019	579.60	445.00	540.90	11,145
June 2019	590.00	523.10	570.30	4,114
July 2019	597.95	434.40	477.65	13,221
August 2019	503.45	433.45	471.00	10,169
September 2019	527.65	459.50	479.50	4,637
October 2019	612.00	466.50	591.51	13,897
November 2019	597.55	459.80	473.55	21,523
December 2019	485.00	451.60	469.20	5,738
January 2020	501.85	358.70	364.75	26,025
February 2020	394.95	318.00	320.40	16,187
March 2020	330.20	156.00	200.60	32,765

[Source: www.bseindia.com]

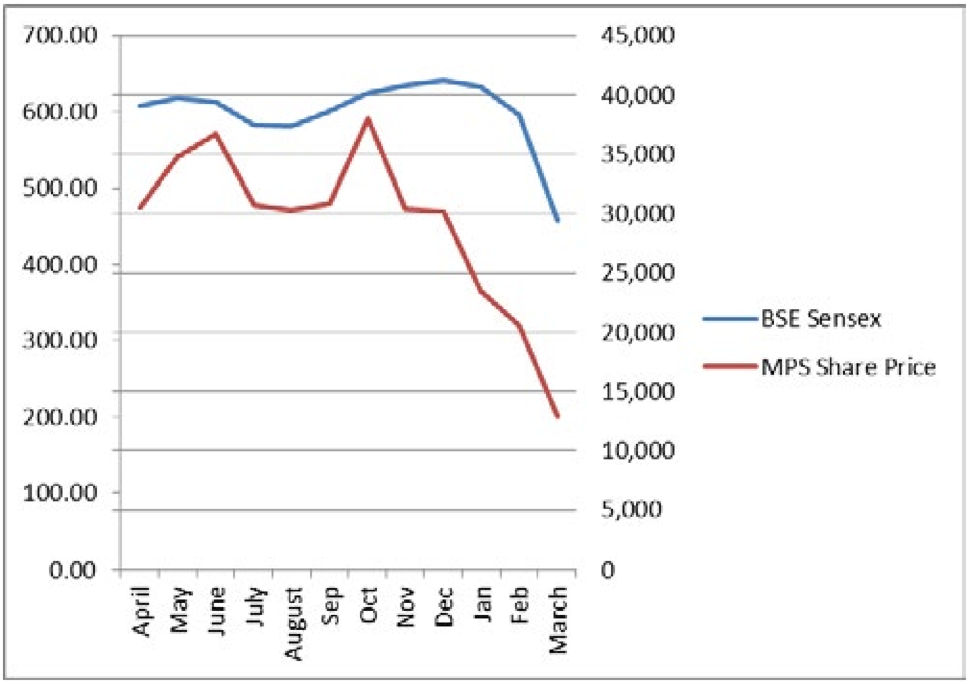
Market Price Data and performance in Comparision to indices:
BSE Sensex (BSE):

Month	Open (₹)	High (₹)	Low (₹)	Close
April 2019	38858.88	39487.45	38460.25	39031.55
May 2019	39036.51	40124.96	36956.10	39714.20
June 2019	39806.86	40312.07	38870.96	39394.64
July 2019	39543.73	40032.41	37128.26	37481.12
August 2019	37387.18	37807.55	36102.35	37332.79
September 2019	37181.76	39441.12	35987.80	38667.33
October 2019	38813.48	40392.22	37415.83	40129.05
November 2019	40196.07	41163.79	40014.23	40793.81
December 2019	41072.94	41809.96	40135.37	41253.74
January 2020	41349.36	42273.87	40476.55	40723.49
February 2020	40753.18	41709.30	38219.97	38297.29
March 2020	38910.95	39083.17	25638.90	29468.49

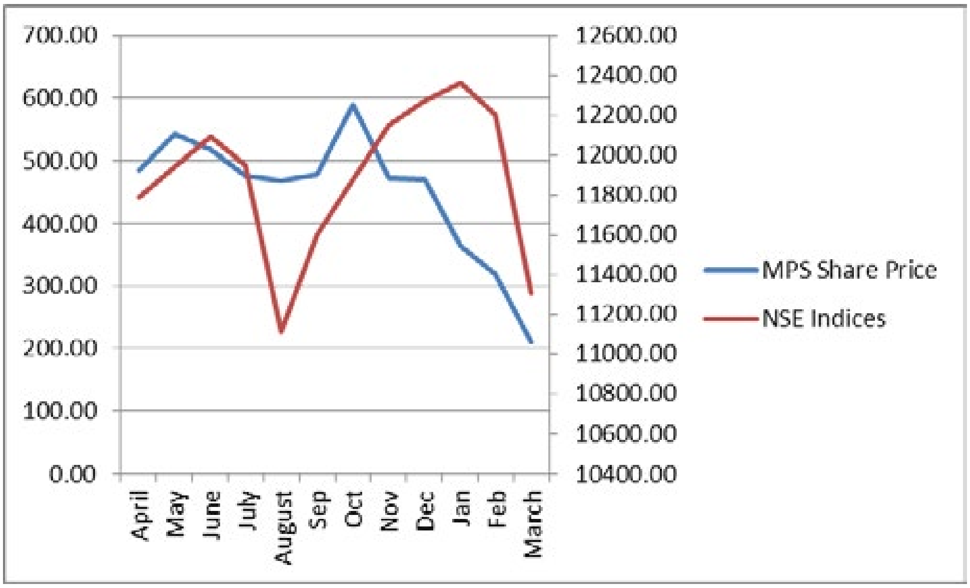
NSE Nifty:

Month	Open	High	Low	Close
April 2019	11856.15	11856.15	11738.50	11787.15
May 2019	11999.80	12041.15	11864.90	11945.90
June 2019	12052.65	12103.05	12005.85	12088.55
July 2019	11964.75	11981.75	11923.65	11946.75
August 2019	11139.40	11181.45	11062.80	11109.65
September 2019	11590.70	11694.85	11539.20	11600.20
October 2019	11890.45	11945.00	11855.10	11877.45
November 2019	12146.20	12158.80	12099.95	12151.15
December 2019	12274.90	12293.90	12252.75	12271.80
January 2020	12430.50	12430.50	12321.40	12362.30
February 2020	12219.55	12246.70	12144.30	12201.20
March 2020	11387.35	11433.00	11244.60	11303.30

Performance in comparison to indices:
BSE Sensex and MPS Share Price



NSE Nifty and MPS Share Price



Unclaimed/Unpaid Dividends and Transfer to IEPF

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

During the financial year 2019-20, the Company has transferred an amount of INR 82,148 for the final dividend paid in the Financial Year 2011-12 on October 03, 2019 and INR 2,48,445 for the interim dividend paid in the financial year 2012-13 on January 03, 2020 to the Investors Education and Protection Fund established by the Central Government under Section 125 of the Act.

Also, the Company has also transferred 330 shares for the final dividend paid in the Financial Year 2011-12 and 59 shares for the interim dividend paid in the financial year 2012-13 to IEPF. In this regard, the Company has individually informed the concerned shareholders and also published notice in the newspapers on 7th September, 2019 as per the IEPF Rules. The details of such shareholders and shares due for transfer are uploaded on the "Investors Section" of the website of the Company viz. www.mpslimited.com.

g. Distribution of Shareholding as on March 31, 2020:

Category of Shareholdings From – To	No. of Shareholders	% of Total Shareholders	Total Shares	% of Shares
1-1000	10372	75.15	3511040	1.89
1001-5000	2508	18.17	6025790	3.24
5001-10000	461	3.34	3585170	1.93
10001-20000	215	1.56	3177980	1.71
20001-30000	71	0.51	1787450	0.96
30001-40000	36	0.26	1275240	0.68
40001-50000	22	0.16	1022390	0.55
500001-100000	60	0.43	4349610	2.34
100001-and Above	57	0.41	161434590	86.71
Total	13802	100.00	186169260	100.00

h. Dematerialization of Shares and Liquidity

The shares of the Company are compulsorily traded in demat form and are available for trading under both the Depository Systems in India – National Securities Depository Limited (the "**NSDL**") and Central Depository Services (India) Limited (the "**CDSL**"). As on March 31, 2020, a total of 1,86,02,979 shares of the Company, constituting 99.93 % of the total Share Capital, were in demat form. Details of the Demat and Physical shareholding of the Company are a under:

	No. of shares	Percentage (%)
At National Securities Depository Limited	1,74,65,130	6.1119
At Central Depository Services (India) Limited	11,37,849	93.8132
In Physical Form	13,947	0.0749
Total Paid-up Share Capital	18,616,926	100

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

As on date there are no outstanding warrants / bonds/ other instruments which are convertible into equity shares of the Company.

j. Share Transfer System

The Company has appointed a common Registrar for the physical share transfer and dematerialization of shares. The shares lodged for physical transfer/ transmission/ transposition are registered normally within a period of fortnight, if the documents are complete in all respects.

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

DISCLOSURES AND AFFIRMATION

(i) Compliances

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

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

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

On May 9, 2018, SEBI notified amendments in SEBI Listing Regulations relating to corporate governance. The amendments are effective from April 1, 2019 or such other date as specified therein. The Company complies with the amendments notified and wherever there are new requirements, it is taking necessary steps to ensure compliance as applicable.

(ii) Related Party Transactions

All transactions of the Company with related parties, as defined in the Act and the SEBI Listing Regulations, during the year ended March 31, 2020, were made in the ordinary course of business and were on an arm's length basis. There was no material related party transaction of the Company, which may have a potential conflict with the interest of the Company at large. The same are reported under notes to the financial statements.

All related party transactions are regularly/ periodically reviewed and approved / ratified by the Audit Committee/ Board. For details, please refer Note No. 35 of the financial statement (Standalone) of the Company.

The Company has updated the policy on materiality of Related Party Transactions and also on dealing with Related Party Transactions. The policy has been disseminated on the website of the Company at http://www.mpslimited.com/corporate-governance

(iii) Vigil Mechanism/Whistle Blower Policy

As per the provisions of Section 177(9) of the Act and Regulation 22 of the LODR, the Company is required to establish a Vigil Mechanism for Directors and employees to report genuine concerns. The Company has a Policy for Prevention, Detection and Investigation of Frauds and Protection of Whistleblowers ("the Whistleblower Policy") in place and the details of the Whistleblower ("the Whistleblower Policy") are provided in the Report on Corporate Governance forming part of this Report. During the financial year no employee was denied access to the Audit Committee.

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

(iv) Disclosure on Sexual Harresment of Women at workplace

The Company has a policy on Prevention of Sexual Harassment at workplace in line with the requirements of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 and Rules framed thereunder. The policy is set up for providing a redressel mechanism pertaining to sexual harassment of women employees at workplace. As on March 31, 2020, the committee comprises of the following members:

The policy is available on the intranet site of the Company. During the financial year 2019-20, no complaint with allegations of sexual harassment was received by the Company.

(v) Total fees paid to Statutory Auditors

Pursuant to Part C of Schedule V of the SEBI Listing Regulations, information on total fees paid by the Company and its subsidiaries, on a consolidated basis, to M/s BSR & Co., LLP, Statutory Auditor is INR 53.79 Lakhs and INR 18.93 Lakhs for MPS Interactive Systems Limited.

(vi) Accounting Principles

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

Financial Results for the year 2019-20, both standalone and consolidated is separately disclosed in the Annual Report.

(vii) Foreign Exchange Risk and Hedging

During the year, the Company had managed the foreign exchange risk by entering into forward contracts for hedging foreign exchange exposures against its exports to the extent considered necessary as per the policy approved by the Board. The details of foreign currency exposure are disclosed in Note No. 33 to the Audited Financial Statements of the Company, forming part of the Annual Report for the financial year ended March 31, 2020.

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

The Board of Directors periodically reviews the compliance of all applicable laws and steps taken by the Company to rectify instances of non-compliance, if any. The Company is in compliance with all mandatory requirements of SEBI Listing Regulations. In addition, the Company has also adopted the following non-mandatory requirements under the SEBI Listing Regulations as on 31st March, 2020 to the extent mentioned below:

- The Board is headed by a Non - Executive Chairman.
- The Company has separate posts of Chairman and Managing Director.
- The Internal Auditors report directly to the Audit Committee of the Company.
- The Company is already in No Audit Qualifications regime.

CERTIFICATION BY PRACTICING COMPANY SECRETARY

R.Sridharan & Associates, Company Scretaries, have certified that none of the Directors of the Company as on March 31, 2020, have been debarred or disqualified from being appointed or continuing as Director(s) of Company by SEBI, Ministry of Corporate Affairs and/or any other statutory authority. This Certificate is enclosed with this report.

MANAGING DIRECTOR & CFO CERTIFICATION

Managing Director and CFO of the Company have certified to the Board on the accuracy of financial reporting and adequacy of internal controls for the financial year ended March 31, 2020. This certificate is enclosed with this report.

Business Locations

Content Solutions for Educational, Academic, and STM Markets	RR Towers IV, Super A, 16/17 Thiru-Vi-Ka Industrial Estate, Guindy, Chennai-600032, Tamilnadu
Content Solutions and Platform Solutions for Academic and STM Markets	HMG Ambassador, 137, Residency Road, Bengaluru-560025, Karnataka
Platform Solutions	709, DLF Corporate Greens, Sector -74A, Narsinghpur, Gurgaon-122004, Haryana
Content Solutions for Educational Publishing and Platform Solutions	C-35, Sector 62, Noida-201 307, Uttar Pradesh
Platform Solutions and Content Solutions for Educational, Academic, and STM Markets	33, Sahastra Dhara Road, IT Park, Dehradun Uttarakhand-248001
Content Solutions and Platform Solutions	MPS North America LLC, 5728 Major Blvd., Orlando, Florida 32819.

Registrar and Share Transfer Agent	**Cameo Corporate Services Limited** Subramanian Building, 1 Club House Road, Chennai – 600002 Phone no. 044 – 28460390 Contact person: Mr. D. Narasimhan, Manager

Registered Office Address: MPS Limited RR Towers IV, Super A, 16/17 Thiru Vi Ka Industrial Estate, Guindy, Chennai 600 032, Tamilnadu Tel. : (+91 – 44 49162222) Fax No.: (+91 – 44 49162225) Website address: www.mpslimited.com	Address for Correspondence – Corporate Office: MPS Limited C-35, Sector 62, Noida – 201 307 Uttar Pradesh Tel. : (+91 – 120- 4599754)

On behalf of Board of Directors

Place: Gurugram
Date: May 19, 2020

Nishith Arora
Chairman

Independent Auditor's Certificate on Corporate Governance

To

The Members of

MPS Limited

1. This certificate is issued in accordance with the terms of our engagement letter dated 22 October 2019.
2. The accompanying Corporate Governance Report (the 'Report') contains details of compliance of conditions of Corporate Governance, as per regulations 17-27, clauses (b) to (i) of regulation 46(2) and paragraphs C, D and E of Schedule V of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('SEBI Listing Regulations') by MPS Limited (the 'Company') for the year ended 31 March 2020.

Management responsibility on compliance with the conditions contained in SEBI Listing Regulations

3. The preparation of the accompanying Report is the responsibility of the Management of the Company. This responsibility includes designing, implementing and maintaining internal control relevant to the preparation and presentation of the Report, and applying an appropriate basis of preparation; and making estimates that are reasonable in the circumstances.
4. The Management is also responsible for ensuring that the Company complies with the requirements of the SEBI Listing Regulations and for providing all relevant information to the Securities and Exchange Board of India.

Auditor's Responsibility

5. Pursuant to the requirements of Clause E to Section V to the SEBI Listing Regulations, it is our responsibility to obtain reasonable assurance and form an opinion as to whether the Company complies with the conditions of Corporate Governance as per regulations 17-27, clauses (b) to (i) of regulation 46(2) and paragraphs C, D and E of Schedule V of the SEBI Listing Regulations for the year ended 31 March 2020.
6. We conducted our examination of the Report in accordance with the Guidance Note on Reports or Certificates for Special Purposes issued by the Institute of Chartered Accountants of India. The Guidance Note requires that we comply with the ethical requirements of the Code of Ethics issued by the Institute of Chartered Accountants of India.
7. We have complied with the relevant applicable requirements of the Standard on Quality Control (SQC) 1, Quality Control for Firms that Perform Audits and Reviews of Historical Financial Information, and Other Assurance and Related Services Engagements.

Opinion

8. Based on our examination as above, and the information and explanations given to us, in our opinion the Company has complied with the conditions of Corporate Governance as per regulations 17 to 27, clauses (b) to (i) of regulation 46 (2) and paragraphs C, D and E of Schedule V of the SEBI Listing Regulations for the year ended 31 March 2020

Restrictions on Use

9. This Certificate is addressed to and provided to the members of the Company solely for the purpose of complying with the SEBI Listing Regulations and should not be used by any other person or for any other purpose. Accordingly, we do not accept or assume any liability or any duty of care for any other purpose or to any other person to whom this report is shown or into whose hands it may come without our prior consent in writing.

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

Shashank Agarwal
Partner
Membership No.: 095109
ICAI UDIN: 20095109AAAADJ9857

Place: Gurugram
Date: May 19, 2020

Managing Director/ CFO Certification as per Regulation 17(8) of the Listing Regulations

We, Rahul Arora, Managing Director and Sunit Malhotra, Chief Financial Officer & Company Secretary, certify to the Board of Directors of MPS Limited (the "Company") that:

a. We have reviewed the financial statements and the cash flow statement for the year ended on March 31, 2020 and that to the best of our knowledge and belief:

   i. These statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading.

   ii. These statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.

b. There are, to the best of our knowledge and belief, no transactions entered into by the Company during the year that are fraudulent, illegal or violate of the Company's code of conduct.

c. We accept responsibility for establishing and maintaining internal controls for financial reporting and we have evaluated the effectiveness of the internal control systems of the Company pertaining to financial reporting and we have disclosed to the Auditors and the Audit Committee, deficiencies in the design and operation of such internal controls, if any, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies.

d. We have indicated to the Auditors and the Audit Committee

   i. that there are no significant changes in internal control during the year;

   ii. that there are no significant changes in accounting policies, save and except changes arising in conformity with the requirements of Ind AS, during the year, which have been disclosed in the notes to the financial statements; and

   iii. That there are no instances of significant fraud of which we became aware or the involvement therein, if any, of the management or an employee having a significant role in the Company's internal control system over financial reporting.

Rahul Arora
Managing Director

Sunit Malhotra
Chief Financial Officer & Company Secretary

Place: Gurugram
Date: May 19, 2020

CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS

Pursuant to Regulation 34 (3) read with Schedule V Para-C Sub clause (10) (i) of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015

The Members,
MPS LIMITED
CIN:L22122TN1970PLC005795
RR Tower IV, Super A,
16/17 Thiru-Vi-Ka Industrial Estate,
Guindy, Chennai- 600032

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

In our opinion and to the best of our knowledge and according to the verifications (including Director Identification Number (DIN) Status at the portal www.mca.gov.in) and based on such examination as well as information and explanations furnished to us, which to the best of our knowledge and belief were necessary for the purpose of issue of this certificate and based on such verification as considered necessary, we hereby certify that None of the Directors as stated below on the Board of the Company as on 31st March 2020 have been debarred or disqualified from being appointed or continuing as Directors of Companies by the Securities and Exchange Board of India /Ministry of Corporate Affairs or any such other statutory authority.

S.NO	NAME OF THE DIRECTOR	DIN	DATE OF APPOINTMENT
1.	NISHITH ARORA	00227593	07-12-2011
2.	RAHUL ARORA	05353333	12-08-2018
3.	YAMINI TANDON	06937633	03-08-2015
4.	JAYANTIKA DAVE	01585850	30-10-2019
5.	ACHAL KHANNA	00275760	30-10-2019
6.	PIYUSH KUMAR RASTOGI	02407908	29-01-2020
7.	AJAY MANKOTIA	03123827	29-01-2020

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

For R.Sridharan & Associates
Company Secretaries

CS R.Sridharan
CP No. 3239
FCS No. 4775
UIN: S2003TN063400
UDIN: F004775B000249461

Place : Chennai
Date : May 19, 2020

BUSINESS
RESPONSIBILITY REPORT

SECTION A: GENERAL INFORMATION ABOUT THE COMPANY

Corporate Identity Number (CIN) of the Company	L22122TN1970PLC005795
Name of the Company	MPS Limited
Registered Address	RR Tower IV, Super A,16/17 Thiru-Vi-Ka Industrial Estate, Guindy Chennai - TN 600032
Website	www.mpslimited.com
Email id	investors@mpslimited.com
Financial Year reported	April 01, 2019 to March 31, 2020
Sector(s) that the Company is engaged in (industrial activity code-wise)	631(Data processing, hosting and related activities; web portals), 620 (Computer programming, consultancy and related activities)
List three key products/services that the Company manufactures/provides (as in balance sheet)	Content Solutions Platform Solutions eLearning Solutions
Total number of locations where business activity is undertaken by the Company Number of International Locations (Provide details of major 5) Number of National Locations	We are present in 14 locations globally. Please refer complete list of locations available on the website of the Company's website at https://www.mpslimited.com/locations/
Markets served by the Company – Local/State/National/International	North America, Europe, Middle East, India, and APAC

SECTION B: FINANCIAL DETAILS OF THE COMPANY

Paid up Capital (INR)	18.61 crores
Total Turnover (INR)	331.66 crores
Total profit after taxes (INR)	81.45 crores
Total Spending on Corporate Social Responsibility (CSR) as percentage of profit after tax (%)	1.86 crores equivalent to 2% of the average net profit for the previous three years in respect of standalone MPS Limited.
List of activities in which expenditure in 4 above has been incurred	Healthcare and Education

SECTION C: OTHER DETAILS

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

   Yes.

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

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

3. Do any other entity/entities (e.g. suppliers, distributors etc.) that the Company does business with, participate in the BR initiatives of the Company? If yes, then indicate the percentage of such entity/ entities? [Less than 30%, 30-60%, More than 60%]

   No.

SECTION D: BR INFORMATION

1. Details of Director/Directors responsible for BR

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

   1. DIN Number - 05353333
   2. Name: Rahul Arora
   3. Designation: CEO & Managing Director

   (b) Details of the Business Responsibility head:

No.	Particulars	Details
1	DIN Number (if applicable)	Not Applicable
2	Name	Narendra Kumar
3	Designation	Chief Technology Officer
4	Telephone number	0120 4599750
5	e-mail id	narendra.kumar@mpslimited.com

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

   i. **Principle 1 (P1):** Businesses should conduct and govern themselves with Ethics, Transparency and Accountability

   ii. **Principle 2(P2):** Businesses should provide goods and services that are safe and contribute to sustainability throughout their life cycle

   iii. **Principle 3 (P3):** Businesses should promote the wellbeing of all employees -

   iv. **Principle 4 (P4):** Businesses should respect the interests of, and be responsive towards all stakeholders, especially those who are disadvantaged, vulnerable and marginalized.

   v. **Principle 5 (P5):** Businesses should respect and promote human rights

   vi. **Principle 6 (P6):** Business should respect, protect, and make efforts to restore the environment.

   vii. **Principle 7 (P7):** Businesses, when engaged in influencing public and regulatory policy, should do so in a responsible manner

   viii. **Principle 8(P8):** Businesses should support inclusive growth and equitable development

   ix. **Principle 9 (P9):** Businesses should engage with and provide value to their customers and consumers in a responsible manner

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

No.	Questions	P 1	P 2	P 3	P 4	P 5	P 6	P 7	P 8	P 9
1	Do you have policies for each of the principles	Y	Y	Y	Y	Y	Y	Y	Y	Y
2	Has the policy been formulated in consultation with the relevant stakeholders?	Y	Y	Y	Y	Y	Y	Y	Y	Y
3	Does the policy conform to any national / international standards? If yes, specify? (50 words)	Y	Y	Y	Y	Y	Y	Y	Y	Y
4	Has the policy being approved by the Board? Is yes, has it been signed by MD/ owner/ CEO/ appropriate Board Director?	N	N	Y	N	N	N	N	N	N
5	Does the company have a specified committee of the Board/ Director/ Official to oversee the implementation of the policy?	N	N	Y	N	N	N	N	N	N
6	Indicate the link for the policy to be viewed online?	#	** &******	* & *** &*****	** & ****	* & ***	**	**	* * & * * *	**** **
7	Has the policy been formally communicated to all relevant internal and external stakeholders?	Y	Y	Y	Y	Y	Y	Y	Y	Y
8	Does the company have in-house structure to implement the policy/ policies.	Y	Y	Y	Y	Y	Y	Y	Y	Y

9	Does the Company have a grievance redressal mechanism related to the policy/ policies to address stakeholders' grievances related to the policy/ policies?	Y	Y	Y	Y	Y	Y	Y	Y	Y
10	Has the company carried out independent audit/ evaluation of the working of this policy by an internal or external agency?	N	N	N	N	N	N	N	N	N

Policies of the Company are compliant of the applicable laws in India and uploaded on website of the Company at www.mpslimited.com

*MPS Code of Conduct for Board of Directors and Senior Management at https://d12ux7ql5zx5ks.cloudfront.net/wp-content/uploads/2018/06/05092545/MPS-Code-of-Conduct.pdf

** MPS Vision 2023 & Values at https://www.mpslimited.com/values/

***MPS Policy for Prevention, Prohibition and Redressal of Sexual Harassment at Workplace - https://d12ux7ql5zx5ks.cloudfront.net/wp-content/uploads/Policy-for-prevention-of-Sexual-Harassment.pdf

****MPS Corporate Social Responsibility Policy at https://d12ux7ql5zx5ks.cloudfront.net/wp-content/uploads/Signed-CSR-Policy.pdf

***** MPS Whistle Blower Policy at https://d12ux7ql5zx5ks.cloudfront.net/wp-content/uploads/Signed-Whistle-Blower-Policy.pdf

****** MPS Values of Excellence, Efficiency, and Empathy Deliver Customer Successhttps://www.mpslimited.com/testimonials/

******* MPS Environmental Policy https://www.mpslimited.com/MPS-Environmental-Policy.pdf

3. Governance related to BR

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

   The CEO and the Board of Directors meet every quarter.

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

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

SECTION E: PRINCIPLE-WISE PERFORMANCE

Principle 1

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

   The policy applies only to the company.

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

   2 complaints were received. Both were resolved.

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

Principle 2

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

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

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

   (b) *We help our customers adapt their content to visually impaired readers with our alt text production services. By helping our clients serve these marginalized readers, we are bringing a positive change to their lives.*

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

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

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

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

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

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

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

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

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

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

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

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

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

Principle 3

1. Please indicate the Total number of employees.

   MPS employs 2097 people across the globe.

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

   We have 13 employees on contract basis.

3. Please indicate the Number of permanent women employees.

   We have 585 women employees.

4. Please indicate the Number of permanent employees with disabilities

   We do not have any disabled employee.

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

   No

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

   Not Applicable.

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

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

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

   (a) Permanent Employees – 61.4%

   (b) Permanent Women Employees – 47.5%

   (c) Casual/Temporary/Contractual Employees – NA

   (d) Employees with Disabilities – NA

Principle 4

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

   Yes

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

   Yes.

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

   We try to uplift external vulnerable stakeholders through our CSR activities. Please refer to the report on CSR activities, appearing in the Company's FY 2020 Annual Report, for more details. Internally, we have anti-harassment policies, code of conduct to protect their interests. Our HR team is involved in making the workplace equitable to these marginalized stakeholders.

Principle 5

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

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

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

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

Principle 6

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

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

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

   Being an IT/ITeS industry they are no emissions to the air or waste water release to the environment. The production activities are carried out in energy efficient buildings. We also have our Environmental Policy to manage our impact on the environment.

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

   Yes.

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

   No. This is not applicable to us.

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

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

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

   Yes.

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

   None as on the end of the financial year 2019-2020.

Principle 7

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

   None.

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

   None.

Principle 8

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

   Yes. Please refer to the Annexure-D of the Directors Report containing the details of CSR activities undertaken during the financial year ended March 31, 2020, appearing in the Company's FY 2020 Annual Report, for more details.

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

   External NGO(s).

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

   Yes

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

   INR 1.86 crores was spent on CSR. Please refer to the table in Annexure D for more details project wise.

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

   The entities involved are required to report on their usage of the funds. In addition, we also undertake site visits to monitor their success. Please refer to the report on CSR activities, appearing in the Company's FY 2020 Annual Report, for more details.

Principle 9

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

   No such cases are pending against the company.

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

   N.A.

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

   No such cases are pending against the company.

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

   Yes.

PRINCIPLES TO ASSESS COMPLIANCE WITH ENVIRONMENTAL, SOCIAL AND GOVERNANCE NORMS

[SEE REGULATION 34(2)(F)]

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

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

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

1. Businesses should assure safety and optimal resource use over the life-cycle of the product – from design to disposal – and ensure that everyone connected with it- designers, producers, value chain members, customers and recyclers are aware of their responsibilities.
2. Businesses should raise the consumer's awareness of their rights through education, product labelling, appropriate and helpful marketing communication, full details of contents and composition and promotion of safe usage and disposal of their products and services.

3. In designing the product, businesses should ensure that the manufacturing processes and technologies required to produce it are resource efficient and sustainable.
4. Businesses should regularly review and improve upon the process of new technology development, deployment and commercialization, incorporating social, ethical, and environmental considerations.
5. Businesses should recognize and respect the rights of people who may be owners of traditional knowledge, and other forms of intellectual property.
6. Businesses should recognize that over-consumption results in unsustainable exploitation of our planet's resources, and should therefore promote sustainable consumption, including recycling of resources.

Principle 3: Businesses should promote the wellbeing of all employees

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

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

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

Principle 5: Businesses should respect and promote human rights

1. Businesses should understand the human rights content of the Constitution of India, national laws and policies and the content of International Bill of Human Rights. Businesses should appreciate that human rights are inherent, universal, indivisible and interdependent in nature.
2. Businesses should integrate respect for human rights in management systems, in particular through assessing and managing human rights impacts of operations, and ensuring all individuals impacted by the business have access to grievance mechanisms.
3. Businesses should recognize and respect the human rights of all relevant stakeholders and groups within and beyond the workplace, including that of communities, consumers and vulnerable and marginalized groups.
4. Businesses should, within their sphere of influence, promote the awareness and realization of human rights across their value chain.

5. Businesses should not be complicit with human rights abuses by a third party.

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

1. Businesses should utilize natural and manmade resources in an optimal and responsible manner and ensure the sustainability of resources by reducing, reusing, recycling and managing waste.
2. Businesses should take measures to check and prevent pollution. They should assess the environmental damage and bear the cost of pollution abatement with due regard to public interest.
3. Businesses should ensure that benefits arising out of access and commercialization of biological and other natural resources and associated traditional knowledge are shared equitably.
4. Businesses should continuously seek to improve their environmental performance by adopting cleaner production methods, promoting use of energy efficient and environment friendly technologies and use of renewable energy.
5. Businesses should develop Environment Management Systems (EMS) and contingency plans and processes that help them in preventing, mitigating and controlling environmental damages and disasters, which may be caused due to their operations or that of a member of its value chain.
6. Businesses should report their environmental performance, including the assessment of potential environmental risks associated with their operations, to the stakeholders in a fair and transparent manner.
7. Businesses should proactively persuade and support its value chain to adopt this principle.

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

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

Principle 8: Businesses should support inclusive growth and equitable development

1. Businesses should understand their impact on social and economic development, and respond through appropriate action to minimise the negative impacts.
2. Businesses should innovate and invest in products, technologies and processes that promote the wellbeing of society.
3. Businesses should make efforts to complement and support the development priorities at local and national levels, and assure appropriate resettlement and rehabilitation of communities who have been displaced owing to their business operations.
4. Businesses operating in regions that are underdeveloped should be especially sensitive to local concerns.

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

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

FINANCIAL **SECTION**

Independent Auditors' Report

To the Members of MPS Limited

Report on the Audit of the Standalone Financial Statements

Opinion

We have audited the standalone financial statements of MPS Limited ("the Company"), which comprise the standalone balance sheet as at 31 March 2020, and the standalone statement of profit and loss (including other comprehensive income), standalone statement of changes in equity and standalone statement of cash flows for the year then ended, and notes to the standalone financial statements, including a summary of the significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 ("Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31 March 2020, and profit and other comprehensive income, changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

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

Key Audit Matters

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

Description of Key Audit Matter

The key audit matter	How the matter was addressed in our audit
Revenue recognition involves certain key judgements relating to identification of contract and terms specified therein including measuring performance using percentage-of-completion method. Refer note 2.9 to the standalone financial statements.	Our audit procedures on revenue recognized from contracts included: □ Tested the effectiveness of control related to revenue recognition. □ Selected a sample of contracts and performed the following procedures: • Read, analysed and identified the distinct performance obligations in these contracts. • Compared these performance obligations with that identified and recorded by the Company. • Evaluating communication, agreed price list and payment terms of invoice in these contracts. • In respect of samples relating to fixed price contracts, progress towards satisfaction of performance obligation used to compute recorded revenue was verified with estimated efforts computed.

Other Information

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

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

In connection with our audit of the standalone financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the standalone financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

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

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

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

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

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

Our objectives are to obtain reasonable assurance about whether the standalone financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these standalone financial statements.

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

- Identify and assess the risks of material misstatement of the standalone financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures in the standalone financial statements made by the Management and Board of Directors.

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

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

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the standalone financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditors' Report) Order, 2016 ("the Order") issued by the Central Government in terms of section 143 (11) of the Act, we give in the "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
2. (A) As required by Section 143(3) of the Act, we report that:

    (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.

    (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.

    (c) The standalone balance sheet, the standalone statement of profit and loss (including other comprehensive income), the standalone statement of changes in equity and the standalone statement of cash flows dealt with by this Report are in agreement with the books of account.

    (d) In our opinion, the aforesaid standalone financial statements comply with the Ind AS specified under section 133 of the Act.

    (e) On the basis of the written representations received from the directors as on 31 March 2020 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2020 from being appointed as a director in terms of Section 164(2) of the Act.

    (f) With respect to the adequacy of the internal financial controls with reference to financial statements of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B".

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

    i. The Company has disclosed the impact of pending litigations as at 31 March 2020 on its financial position in its standalone financial statements - Refer Note 36 to the standalone financial statements.

ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.

iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.

iv. The disclosures in the standalone financial statements regarding holdings as well as dealings in specified bank notes during the period from 8 November 2016 to 30 December 2016 have not been made in these financial statements since they do not pertain to the financial year ended 31 March 2020.

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

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

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

Shashank Agarwal
Partner
Place: Gurugram Membership No. 095109
Date: 19 May 2020 ICAI UDIN: 20095109AAAADH4554

Annexure A referred to in our Independent Auditor's Report to the members of MPS Limited on the Standalone Financial Statements for the year ended 31 March 2020, we report that:

(i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.

(b) The Company has a regular program of physical verification of its fixed assets by which all fixed assets are verified every year, which, in our opinion, is reasonable having regard to the size of the Company and nature of its fixed assets. In accordance with this program, all fixed assets have been physically verified by the management during the year. The discrepancies noticed on such verification were not material.

(c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the title deeds of the immovable property are held in the name of the Company except for the following:

S.No.	Particulars of immovable property	Net block as at 31 March 2020 (₹ in Lacs)	Remarks
1	Office space at Building located at 137, Residency Road Bangalore admeasuring 62,349 square feet	1,219.84	The title deeds for building and undivided portion of land are held in the name of HMG Ambassador Property Management Private Limited, represented by 14,750,000 equity shares of ₹10 each representing the value of land and buildings with irrevocable right of permanent occupation.
2	Office space at Building located at 135, Brigade Road Bangalore admeasuring 10,000 square feet	48.30	The title deeds for building and undivided portion of land admeasuring 10,000 square feet are in the name of Brigade Marketing Company Private Limited, erstwhile Company that was merged with Macmillan India Limited (now MPS Limited) under Section 391 to 394 of the Companies Act, 1956 in terms of the Honorable Karnataka High Court order dated 21 June 2005.

(ii) The Company is a service company, primarily engaged in the business of providing publishing solutions. Accordingly, it does not hold any physical inventories. Thus, paragraph 3(ii) of the Order is not applicable.

(iii) According to the information and explanations given to us, the Companies has outstanding loan which was granted in the previous year to companies covered in the register maintained under section 189 of the Companies Act, 2013 ('Act').

(a) The Company has not granted any new loan during the year, hence provision of paragraph 3(iii) (a) of the order is not applicable.

(b) The schedule of repayment of principal and payment of interest has been stipulated and the repayments and receipts are regular.

(c) No amount is overdue for more than 90 days, hence provision of paragraph 3(iii) (c) of the order is not applicable.

(iv) According to the information and explanations given to us, the Company has complied with the provisions of section 185 and 186 of the Act, with respect to the loan and investment made.

(v) According to the information and explanations given to us, the Company has not accepted any deposits as mentioned in the directives issued by the Reserve Bank of India and the provisions of section 73 to 76 or any other relevant provisions of the Act and the rules framed there under.

(vi) The Central Government has not prescribed the maintenance of cost records under sub section (1) of section 148 of the Act for any of the activities carried out by the Company.

(vii) (a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, amounts deducted/ accrued in the books of account in respect of undisputed statutory dues including Provident Fund, Employees' State Insurance, Income tax, Goods and Service tax, Service tax and other material statutory dues have been regularly deposited during the year by the Company. As explained to us, the provisions relating to Value added tax, Sales tax, Cess, Duty of excise and Duty of customs are not applicable to the Company.

According to the information and explanations given to us, no undisputed amounts payable in respect of Provident Fund, Employees' State Insurance, Income tax, Goods and Service tax, Service tax and other material statutory dues were in arrears as at 31 March 2020 for a period of more than six months from the date they became payable.

(b) According to the information and explanations given to us, there are no dues of Income tax, Goods and Service tax, Sales tax, Value added tax, and Service tax, which have not been deposited with the appropriate authorities on account of any dispute, except as mentioned below:

Name of the statute	Nature of the dues	Amount (₹ in Lacs)*	Period to which the amount relates	Payment under protest/refund adjusted (₹ in Lacs)	Forum where dispute is pending
Income tax Act, 1961	Income tax	145.18	AY 2007-08	-	High Court
Income tax Act, 1961	Income tax	12.95	AY 2009-10	-	Income Tax Appellate Tribunal
Income tax Act, 1961	Income tax	72.52	AY 2010-11	72.52	Income Tax Appellate Tribunal
Income tax Act, 1961	Income tax	88.85	AY 2012-13	88.85	Income Tax Appellate Tribunal
Income tax Act, 1961	Income tax	60.98	AY 2017-18	-	Assessing officer
Finance Act, 1994	Service tax	39.04	Financial year 2003-04 to 2006-07	35.00	Sabka Vishwas Scheme, 2019
Finance Act, 1994	Service tax	718.25	Financial year 2008-09 to 2012-13	53.86	Director General of Central Excise Intelligence (India)

* amount as per demand orders including interest and penalty, wherever indicated in the order.

(viii) The Company does not have any loans or borrowings from any financial institutions, banks, government or debenture holders during the year. Accordingly, paragraph 3 (viii) of the Order is not applicable.

(ix) According to the information and explanations given to us, the Company has not raised moneys by way of initial public offer or further public offer (including debt instruments) or term loans.

(x) According to the information and explanations given to us, no material fraud by the Company or on the Company by its officers or employees has been noticed or reported during the year.

(xi) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the managerial remuneration has been paid or provided by the Company in accordance with provisions of section 197 read with Schedule V of the Act.

(xii) According to the information and explanations given to us, the Company is not a Nidhi Company. Accordingly, paragraph 3(xii) of the Order is not applicable.

(xiii) According to the information and explanations given to us and on the basis of our examination of the records of the Company, there are no transactions with the related parties which are not in compliance with Section 177 and 188 of the Act and the details have been disclosed in the Standalone Financial Statements, as required, by the applicable accounting standards.

(xiv) According to the information and explanation given to us and on the basis of our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year. Accordingly, paragraph 3(xiv) of the Order is not applicable.

(xv) According to information and explanations given to us, the Company has not entered into any non-cash transactions with directors or persons connected with them. Accordingly, paragraph 3(xv) of the Order is not applicable.

(xvi) According to the information and explanations given to us, the Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934.

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

Shashank Agarwal
Partner
Membership No. 095109
ICAI UDIN: 20095109AAAADH4554

Place: Gurugram
Date: 19 May 2020

Annexure B to the Independent Auditors' report on the standalone financial statements of MPS Limited for the year ended 31 March 2020.

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

(Referred to in paragraph 1(A)(f) under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

Opinion

We have audited the internal financial controls with reference to financial statements of MPS Limited ("the Company") as of 31 March 2020 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

In our opinion, the Company has, in all material respects, adequate internal financial controls with reference to financial statements and such internal financial controls were operating effectively as at 31 March 2020, based on the internal financial controls with reference to financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (the "Guidance Note").

Management's Responsibility for Internal Financial Controls

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

Auditors' Responsibility

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

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

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

Meaning of Internal Financial controls with Reference to Financial Statements

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

Inherent Limitations of Internal Financial controls with Reference to Financial Statements

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

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

Shashank Agarwal
Partner

Place: Gurugram — Membership No. 095109
Date: 19 May 2020 — ICAI UDIN: 20095109AAAADH4554

Balance Sheet as at 31 March 2020

₹ in Lacs

	Note	As at 31 March 2020	As at 31 March 2019
ASSETS			
Non-current assets			
Property, plant and equipment	3.1	1,626.55	1,725.74
Investment property	3.2	107.58	110.76
Right-of-use assets	4	841.05	-
Goodwill	5	50.27	50.27
Other intangible assets	5	416.74	682.04
Financial assets			
Investments	6 (i)	13,957.69	13,980.49
Loans	7 (i)	1,619.71	2,216.58
Other financial assets	8 (i)	26.97	26.54
Income tax assets (net)	9	523.06	624.33
Other non-current assets	10 (i)	165.61	276.93
Total non-current assets		**19,335.23**	**19,693.68**
Current assets			
Financial assets			
Investments	6 (ii)	5,573.79	16,771.70
Trade receivables	11	3,239.45	3,782.30
Cash and cash equivalents	12 (i)	2,994.91	571.42
Other bank balances	12 (ii)	865.00	2,780.00
Loans	7 (ii)	608.46	248.26
Other financial assets	8 (ii)	167.95	371.25
Other current assets	10 (ii)	4,232.80	4,082.62
Total current assets		**17,682.36**	**28,607.55**
TOTAL ASSETS		**37,017.59**	**48,301.23**
EQUITY AND LIABILITIES			
Equity			
Equity share capital	13	1,861.69	1,861.69
Other equity		32,326.07	44,102.18
Total equity		**34,187.76**	**45,963.87**
Liabilities			
Non-current liabilities			
Financial liabilities			
Lease liabilities	14 (i)	898.28	-
Deferred tax liabilities (net)	15	19.23	514.25
Total non-current liabilities		**917.51**	**514.25**
Current liabilities			
Financial liabilities			
Lease liabilities	14 (ii)	222.12	-
Trade payables			
Due to Micro and Small enterprises	16	9.70	26.52
Due to Others	16	360.81	478.84
Other financial liabilities	17	353.58	304.41
Other current liabilities	18	620.34	626.71
Provisions	19	137.86	251.00
Income tax liabilities (net)	20	207.91	135.63
Total current liabilities		**1,912.32**	**1,823.11**
TOTAL EQUITY AND LIABILITIES		**37,017.59**	**48,301.23**
Significant accounting policies	2		
Notes to financial statements	3-43		
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
Partner
Membership Number: 095109

Place: Gurugram
Date : 19 May 2020

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

Rahul Arora
Managing Director
DIN: 05353333

Ajay Mankotia
Director
DIN: 03123827

Sunit Malhotra
Chief Financial Officer & Company Secretary

Place: Gurugram
Date : 19 May 2020

Statement of Profit & Loss for the year ended 31 March 2020

₹ in Lacs

	Note	Year ended 31 March 2020	Year ended 31 March 2019
Revenue from operations	21	18,764.76	22,396.25
Other income	22	1,841.85	2,601.75
Total income		**20,606.61**	**24,998.00**
Expenses			
Employee benefits expense	23	8,854.78	8,619.59
Finance costs	24	138.01	19.05
Depreciation and amortization expense	25	744.72	646.08
Other expenses	26	3,900.43	5,127.01
Total expenses		**13,637.94**	**14,411.73**
Profit before tax		**6,968.67**	**10,586.27**
Tax expense:	27		
Current tax		2,197.11	2,970.97
Adjustment of tax relating to earlier years		23.19	6.41
Deferred tax	15	(528.50)	134.89
Total tax expenses		**1,691.80**	**3,112.27**
Profit for the year		**5,276.87**	**7,474.00**
Other comprehensive income			
Items that will not be reclassified subsequently to profit or loss			
Remeasurement of net defined benefit liability/assets		(20.94)	(13.47)
Income tax relating to items that will not be reclassified to profit or loss		5.27	3.92
Total other comprehensive income for the year , net of tax		**(15.67)**	**(9.55)**
Total comprehensive income for the year		**5,261.20**	**7,464.45**
Earnings per equity share (nominal value of share ₹10)			
Basic and diluted (earnings per equity share expressed in absolute amount in ₹)	28	28.34	40.14
Significant accounting policies	2		
Notes to financial statements	3-43		
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
Partner
Membership Number: 095109

Place: Gurugram
Date : 19 May 2020

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

Rahul Arora
Managing Director
DIN: 05353333

Ajay Mankotia
Director
DIN: 03123827

Sunit Malhotra
Chief Financial Officer & Company Secretary

Place: Gurugram
Date : 19 May 2020

Statement of change in equity for the year ended 31 March 2020

A. Equity share capital

	₹ in Lacs
Balance as at 1 April 2018	**1,861.69**
Changes in equity share capital during the year	-
Balance as at 31 March 2019	**1,861.69**
Changes in equity share capital during the year	-
Balance as at 31 March 2020	**1,861.69**

B. Other equity ₹ in Lacs

Particulars	Reserve and Surplus (refer note 1 below)			Total
	Securities premium account	General reserve	Retained earnings	
As at 1 April 2018	**14,600.33**	**2,849.32**	**21,881.32**	**39,330.97**
Profit for the year	-	-	7,474.00	7,474.00
Other comprehensive income	-	-	(9.55)	(9.55)
Total comprehensive income for the year	**-**	**-**	**7,464.45**	**7,464.45**
Dividends	-	-	(2,234.03)	(2,234.03)
Income tax on dividend	-	-	(459.21)	(459.21)
As at 31 March 2019	**14,600.33**	**2,849.32**	**26,652.53**	**44,102.18**
As at 1 April 2019	**14,600.33**	**2,849.32**	**26,652.53**	**44,102.18**
Transition impact of Ind AS 116 (refer note 31 (iii))	-	-	(204.55)	(204.55)
Restated balance as at 1 April 2019	**14,600.33**	**2,849.32**	**26,447.98**	**43,897.63**
Profit for the year	-	-	5,276.87	5,276.87
Other comprehensive income	-	-	(15.67)	(15.67)
Total comprehensive income for the year	**-**	**-**	**5,261.20**	**5,261.20**
Dividends	-	-	(13,962.69)	(13,962.69)
Income tax on dividend	-		(2,870.07)	(2,870.07)
As at 31 March 2020	**14,600.33**	**2,849.32**	**14,876.42**	**32,326.07**

Notes:

1 Nature and purpose of other equity:

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

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

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

As per our report of even date attached

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

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

Shashank Agarwal
Partner
Membership Number: 095109

Rahul Arora
Managing Director
DIN: 05353333

Ajay Mankotia
Director
DIN: 03123827

Sunit Malhotra
Chief Financial Officer & Company Secretary

Place: Gurugram
Date : 19 May 2020

Place: Gurugram
Date : 19 May 2020

Cash Flow Statement for the year ended 31 March 2020

₹ in Lacs

	Year ended 31 March 2020	Year ended 31 March 2019
A. Cash flows from operating activities		
Net profit before tax	**6,968.67**	**10,586.27**
Adjustments:		
Depreciation and amortisation expense	744.72	646.08
Interest income	(679.61)	(235.95)
Dividend income	(2.73)	(13.28)
Net loss/ (gain) on sale of current investment	22.72	(159.09)
Finance costs	138.01	19.05
Gain on sale/disposal/discard of property, plant and equipment (net)	(0.39)	(0.83)
Gain on investment carried at fair value through profit or loss (net)	(776.16)	(1,322.13)
Liabilities/provisions no longer required written back	(163.52)	(183.97)
Allowances/ (reversal) for expected credit loss	36.26	(15.82)
Bad debts written off	-	8.05
Allowances/(reversal) for doubtful advances	3.08	(0.28)
Income from government grants	-	(566.93)
Advances written off	3.00	-
Unrealised foreign exchange loss/(gain) (net)	86.23	(81.19)
Unrealised foreign exchange loss/(gain) on mark-to-market on forward contracts	177.26	(137.22)
Operating cash flows before working capital changes	**6,557.54**	**8,542.76**
Decrease/(increase) in trade receivables	395.92	(81.60)
(Increase) in loans	(13.80)	(5.17)
(Increase)/decrease in other financial assets	(28.59)	1,795.21
(Increase) in other current assets	(153.18)	(2,744.92)
Decrease in other non current assets	111.32	93.36
(Decrease) in trade payables	(125.86)	(204.83)
Increase/(decrease) in other financial liabilities	51.21	(51.53)
Increase in other current liabilities	1.69	16.57
(Decrease) in provisions	(14.02)	(52.37)
Cash generated from operations	**6,782.23**	**7,307.48**
Income tax paid (net of refund)	(1,897.94)	(3,012.89)
Net cash generated from operating activities (A)	**4,884.29**	**4,294.59**
B. Cash flows from investing activities		
Purchase of property, plant and equipment (including capital work-in-progress)	(141.20)	(130.98)
Purchase of other intangible assets	(0.40)	(23.72)
Sale of property, plant and equipment	0.45	1.15
Investment in subsidiaries	-	(9,809.57)
Loan given to subsidiary	-	(2,300.00)
Loan repaid by subsidiary	247.40	-
Purchase of current investments	(20,915.78)	(18,437.75)
Sale of current investments	32,855.95	32,033.47
Purchase of term deposits	(865.00)	(2,780.00)
Redemption of term deposits	2,780.00	-

Cash Flow Statement for the year ended 31 March 2020 *(contd...)*

₹ in Lacs

	Year ended 31 March 2020	Year ended 31 March 2019
Dividends received	2.73	13.28
Interest received*	741.74	132.28
Net cash generated from/(used in) investing activities (B)	**14,705.89**	**(1,301.84)**
C. Cash flows from financing activities		
Repayment of lease liabilities including interest expenses	(374.43)	-
Finance costs	(0.82)	(8.69)
Dividend paid	(13,962.69)	(2,234.03)
Tax on dividend	(2,870.07)	(459.21)
Net cash used in financing activities (C)	**(17,208.01)**	**(2,701.93)**
Net increase in cash and cash equivalents (A+B+C)	**2,382.17**	**290.82**
Effects of exchange differences on cash and cash equivalents held in foreign currency	41.32	(1.58)
Cash and cash equivalents at the beginning of the year	571.42	282.19
Cash and cash equivalents at the end of the year (see below)	**2,994.91**	**571.42**
Components of cash and cash equivalents:		
Cash on hand	1.56	-
Balances with banks		
- Current accounts	950.43	125.12
- EEFC accounts	592.92	416.30
- Demand deposit accounts (demand deposits and deposits having original maturity of 3 months or less)	1,450.00	30.00
	2,994.91	**571.42**

Notes:

1. Statement of Cash Flows has been prepared under the indirect method as set out in the Ind AS 7 "Statement of Cash Flows".
2. During the year, the Company paid in cash ₹186 Lacs (31 March 2019: ₹196.36 Lacs) towards corporate social responsibility (CSR) expenditure (refer note 38).

* Includes dividend received on preference shares of ₹176.00 Lacs for the year ended 31 March 2020 (refer note 35).

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
Partner
Membership Number: 095109

Place: Gurugram
Date : 19 May 2020

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

Rahul Arora
Managing Director
DIN: 05353333

Ajay Mankotia
Director
DIN: 03123827

Sunit Malhotra
Chief Financial Officer & Company Secretary

Place: Gurugram
Date : 19 May 2020

Notes forming part of Financial Statements

All amount in ₹ Lacs, unless otherwise stated

1. **Corporate Information**

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

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

2. **Significant accounting policies**

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

   2.1 **Basis of preparation of financial statements**

   a) **Statement of compliance**

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

   b) Effective 1 April 2016, the Company had transitioned to Ind AS while the financial statements were being prepared in accordance with the Companies (Accounting Standards) Rules, 2006 (previous GAAP) till 31 March 2017 and the transition was carried out in accordance of Ind AS 101 "First time adoption of Indian Accounting Standards". While carrying out transition, in addition to the mandatory exemptions, the Company had elected to certain exemption which are listed as below:

   - The Company elected to apply Ind AS 103 prospectively to business combinations occurring after its transition date. As such previous GAAP balances relating to business combinations consummated before that date, including goodwill, have been carried forward.
   - The Company elected to continue with the carrying value for all of its property, plant and equipment, intangible assets and investment property as recognised in the financial statements as at the date of transition to Ind AS, measured as per the previous GAAP and use that as its deemed cost as at the date of transition.
   - The Company has elected to consider previous GAAP carrying amount of its investments in subsidiaries on the date of transition to Ind AS as its deemed cost for the purpose of determining cost in accordance with principles of Ind AS 27-"Separate financial statements".

   The financial statements of the Company for the year ended 31 March 2020 were approved for issue in accordance with the resolution of the Board of Directors on 19 May 2020.

   c) **Basis of measurement**

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

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

d) **Critical estimates and judgement**

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

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

- Assessment of useful life of items of property, plant and equipment and intangible asset – refer note 2.3
- Estimated impairment of financial instrument and non-financial assets – refer note 2.5 and 2.6
- Recognition and estimation of tax expense including deferred tax– refer note 15
- Estimation of assets and obligations relating to employee benefits – refer note 30
- Fair value measurement – refer note 32
- Measurement and likelihood of occurrence of provisions and contingencies – refer note 36
- Measurement of consideration and assets acquired as part of business combination
- Assessment of revenue based on the progress of project using percentage of completion method, measured on the basis of effort involved which is akin to output to customer- refer note 2.9
- In assessing the recoverability of receivables including unbilled receivables, contract assets and contract costs, goodwill, intangible assets, and certain investments, the Company has considered internal and external information up to the date of approval of these financial statements including credit reports and economic forecasts considering emerging situations due to COVID-19. Based on current indicators of future economic conditions, the Company expects to recover the carrying amount of these assets. Due to the nature of the pandemic, the Company will continue to monitor developments to identify significant uncertainties in future periods.

2.2 Current–non-current classification

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

Assets

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

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

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

Liabilities

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

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

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

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

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

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

a) Items of property, plant and equipment

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

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

b) Investment Properties

Property that is held for long term rental yields or for capital appreciation or for both, and that is not occupied by the Company, is classified as investment property. Investment property is measured initially at its cost, including related transaction cost and where applicable borrowing costs. Subsequent expenditure is capitalised to assets carrying amount only when it is probable that future economic benefits associated with the expenditure will flow to the Company and the cost of the item can be measured reliably. All other repairs and maintenance are charged to the Statement of Profit and Loss during the period in which they are incurred. When part of an investment property is replaced, the carrying amount of the replaced part is derecognised.

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

c) Intangible assets

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

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

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

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

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

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

- Software – 2 to 5 years
- Customer relationship- 5 years
- Trademark- 10 years

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

e) **Derecognition**

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

2.4 Business Combination:

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

Transaction costs are expensed as incurred. Any contingent consideration payable is measured at fair value at the acquisition date. Subsequent changes in the fair value of contingent consideration are recognised in the Statement of Profit and Loss.

2.5 Impairment of non-financial assets

The Company’s non-financial assets, other than deferred tax are reviewed at each reporting date to determine whether there is any such indication. If any such indication 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

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

Financial assets

Initial recognition and measurement

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

Subsequent measurement

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

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

Debt instruments at amortised cost

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

i. The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows, and

ii. Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

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

Debt instrument at FVOCI

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

i. The objective of the business model is achieved both by collecting contractual cash flows and selling the financial assets, and

ii. The asset's contractual cash flows represent SPPI.

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

Debt instrument at FVPL

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

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

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

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

Equity investments

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

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

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

Investments in Subsidiaries

Investments in subsidiaries are carried at cost less accumulated impairment losses, if any. Where an indication of impairment exists, the carrying amount of the investment is assessed and written down immediately to its recoverable amount. On disposal of investments in subsidiaries, the difference between net disposal proceeds and the carrying amounts are recognised in the Statement of Profit and Loss.

Impairment of financial instrument

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

Derecognition

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

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

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

Financial liabilities

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

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

Derecognition

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

Derivative financial instruments

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

Offsetting

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

2.7 Cash and cash equivalents

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

2.8 Provisions and Contingent Liabilities

Provision

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

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

Contingent Liabilities

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

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

2.9 Revenue recognition

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

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

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

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

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

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

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

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

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

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

The Company disaggregates revenue from contracts with customers geography and nature of services.

Use of significant judgements in revenue recognition

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

2.10 Recognition of dividend income and interest income

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

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

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

2.11 Government Grants

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

a) the Company will comply with the conditions attached to them; and

b) the grant will be received.

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

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

2.12 Employee benefits

a) **Short-term employee benefits:** All employee benefits falling due within twelve months of the end of the period in which the employees render the related services are classified as short term employee benefits, which include benefits like salaries, wages, short term compensated absences, performance incentives, etc measured on an undiscounted basis and are recognised as expenses in the period in which the employee renders the related service and measured accordingly.

b) **Post-employment benefits:** Post employment benefit plans are classified into defined benefits plans and defined contribution plans as under:

- **Gratuity:** The Company has an obligation towards gratuity, a defined benefit retirement plan covering eligible employees. The plan provides for a lump sum payment to vested employees at retirement, death while in employment or on termination of employment of an amount based on the respective employee's salary and the tenure of employment. The liability in respect of Gratuity is recognised in the books of accounts based on actuarial valuation by an independent actuary. The gratuity liability for the employees of the Company is funded with an insurance company in the form of a qualifying insurance policy. The gratuity benefit obligation recognised in the balance sheet represents the present value of the obligations as reduced by fair value of assets held by the Insurance Company. Actuarial gain/losses are recognised immediately in the other comprehensive income.

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

- **Provident fund:** For employees in India, provident fund is deposited with Regional Provident Fund Commissioner. This is treated as defined contribution plan. Company's contribution to the provident fund is charged to Statement of Profit and Loss.

- **Employee State Insurance:** For employees in India, Employee State Insurance (ESI) is deposited with Employee State Insurance Corporation. This is treated as defined contribution plan. Company's contribution to the ESI is charged to Statement of Profit and Loss.

- **Social security plans:** For employees outside India, Employees contributions payable to the social security plan, which is a defined contribution scheme, is charged to the statement of profit and loss in the period in which the employee renders services.

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

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

d) **Termination benefits:**

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

Actuarial valuation

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

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

2.13 Tax Expense

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

a) **Current tax:**

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

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

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.

2.14 Dividend Distributions

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

2.15 Foreign currency transactions and translations

a) Functional and presentation currency

The financial statements are presented in Indian Rupees (₹), 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 amount have been rounded-off to the nearest lakhs, unless otherwise stated.

b) Transactions and balances

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

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

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

2.16 Leases

Effective 1 April 2019, the Company has applied Ind AS 116, 'Leases'. Ind AS 116 replaces Ind AS 17 – Leases and related interpretation and guidance. The standard sets out principles for recognition, measurement, presentation and disclosure of leases for both parties to a contract i.e., the lessee and the lessor. Ind AS 116 introduces a single lessee accounting model and requires a lessee to recognise assets and liabilities for all leases with a term of more than 12 months, unless the underlying asset is of low value. The Company has applied Ind AS 116 using the modified retrospective approach, under which the cumulative effect of initial application is recognised in retained earnings at 1 April 2019. As a result, the comparative information has not been restated. Refer note 2.16 – Significant accounting policies – Leases in the Annual report of the Company for the year ended 31 March 2019, for the leases policy as per Ind AS 17 and related interpretation and guidance. The impact of the adoption of the standard on the financial statements of the Company is insignificant. Refer note 31 for further details.

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

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

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

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

The Company has elected not to recognise right-of-use assets and lease liabilities for short-term leases that have a lease term of 12 months or less and leases of low-value assets (assets of less than USD 5,000 in value). The Company recognises the lease payments associated with these leases as an expense over the lease term.

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

2.17 Earnings per share

Basic earnings/ (loss) per share is calculated by dividing the net profit or loss for the year attributable to equity shareholders by the weighted average number of equity shares outstanding during the year. The weighted average number of equity shares outstanding during the 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.

Cash Flows Statement

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

2.18 Measurement of fair values

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

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

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

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

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

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

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

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

2.19 New standards and interpretations not yet adopted

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

Notes forming part of Financial Statements for the year ended 31 March 2020

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

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

₹ in Lacs

Particulars	Freehold land (refer note 1 below)	Buildings (refer note 1 below)	Plant & equipment	Furniture & fixtures	Vehicles	Leasehold improvements	Capital Work-in-Progress	Total
Gross carrying value								
As at 1 April 2018	400.00	901.23	1,317.14	22.10	0.18	-	-	2,640.65
Additions	-	-	106.32	24.66	-	-	-	130.98
Disposals/adjustments	-	-	(6.38)	(4.36)	-	-	-	(10.74)
As at 31 March 2019	**400.00**	**901.23**	**1,417.08**	**42.40**	**0.18**	-	-	**2,760.89**
Additions	-	-	139.51	1.69	-	-	-	141.20
Disposals/adjustments	-	-	(0.54)	(0.03)	-	-	-	(0.57)
As at 31 March 2020	**400.00**	**901.23**	**1,556.05**	**44.06**	**0.18**	**-**	**-**	**2,901.52**
Accumulated depreciation								
As at 1 April 2018	-	40.66	672.15	17.39	0.13	-	-	730.33
Depreciation charge for the year	-	20.34	269.53	25.46	0.03	-	-	315.36
Disposals/adjustments	-	-	(6.12)	(4.42)	-	-	-	(10.54)
As at 31 March 2019	**-**	**61.00**	**935.56**	**38.43**	**0.16**	**-**	**-**	**1,035.15**
Depreciation charge for the year	-	20.39	216.54	3.40	-	-	-	240.33
Disposals/adjustments	-	-	(0.48)	(0.03)	-	-	-	(0.51)
As at 31 March 2020	**-**	**81.39**	**1,151.62**	**41.80**	**0.16**	**-**	**-**	**1,274.97**

Net carrying value	Freehold land (refer note 1 below)	Buildings (refer note 1 below)	Plant & equipment	Furniture & fixtures	Vehicles	Leasehold improvements	Capital Work-in-Progress	Total
As at 31 March 2019	400.00	840.23	481.52	3.97	0.02	-	-	1,725.74
As at 31 March 2020	400.00	819.84	404.43	2.26	0.02	-	-	1,626.55

Net carrying value	31 March 2020	31 March 2019
Property, plant and equipment	1,626.55	1,725.74
Capital work in progress	-	-

1. Freehold land and Buildings include property located at Bengaluru (HMG Ambassador) at a cost of ₹400 Lacs and ₹901.23 Lacs respectively. The title to this property is in the name of HMG Ambassador Property Management Private Limited, represented by 1,47,50,000 equity shares of ₹10/- each representing the value of land and buildings with irrevocable right of permanent occupation.

Notes forming part of Financial Statements for the year ended 31 March 2020

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

3.2 Investment property

₹ in Lacs

Particulars	Freehold land	Buildings	Total
Gross carrying value			
As at 1 April 2018	4.36	114.93	119.29
Additions	-	-	-
Disposals/adjustments	-	-	-
As at 31 March 2019	**4.36**	**114.93**	**119.29**
Additions	-	-	-
Disposals/adjustments	-	-	-
As at 31 March 2020	**4.36**	**114.93**	**119.29**
Accumulated depreciation			
As at 1 April 2018	-	5.35	5.35
Depreciation charge for the year	-	3.18	3.18
Disposals/adjustments	-	-	-
As at 31 March 2019	-	**8.53**	**8.53**
Depreciation charge for the year	-	3.18	3.18
Disposals/adjustments	-	-	-
As at 31 March 2020	-	**11.71**	**11.71**

₹ in Lacs

Net carrying value	Freehold land	Buildings	Total
As at 31 March 2019	4.36	106.40	110.7
As at 31 March 2020	4.36	103.22	107.58

₹ in Lacs

Amount recognised in profit or loss for Investment property	Year ended 31 March 2020	Year ended 31 March 2019
Rental income derived from investment properties	-	-
Direct operating expenses (including repairs and maintenance) generating rental income	-	-
Direct operating expenses (including repairs and maintenance) that did not generate rental income	(34.74)	(35.77)
Loss arising from investment properties before depreciation	**(34.74)**	**(35.77)**
Less: Depreciation for the year	(3.18)	(3.18)
Loss arising from investment properties	**(37.92)**	**(38.95)**

₹ in Lacs

Fair value of investment property	Freehold land and buildings
As at 31 March 2019	3,211.88
As at 31 March 2020	3,211.88

1. Investment property comprises land and building for basement, ground floor, first floor, eighth floor and parking areas situated in Bengaluru. The title deeds for land and building for basement, ground floor and first floor are in the name of Brigade Marketing Company Private Limited, erstwhile Company that was merged with Macmillan India Limited (now MPS Limited) in 2001 under section 391 to 394 of the Companies Act, 1956 in terms of the approval of the Honorable High Court at Karnataka. The title deeds for land and building for remaining areas are in the name of the Company.
2. The Company has obtained an independent valuation for the fair value of its investment property based on the market value approach. The valuer has relied on the prevalent real estate rates and realisable price of similar property in the same vicinity. All resulting fair value estimates for investment property are included in Level 3.

Notes forming part of Financial Statements for the year ended 31 March 2020

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

4 Right-of-use asset*

₹ in Lacs

Particulars	Buildings	Total
Gross carrying value		
As at 1 April 2019	-	-
Impact of Ind AS 116	1,076.56	1,076.56
Additions	-	-
Disposals/adjustments	-	-
Depreciation charge for the year	235.51	235.51
As at 31 March 2020	**841.05**	**841.05**

₹ in Lacs

Net carrying value	Buildings	Total
As at 31 March 2020	841.05	841.05

* Refer note 31

5 Intangible assets

₹ in Lacs

Particulars	Goodwill	Other intangible assets			Total
		Trademark	Customer relationship	Computer software (acquired)	
Gross carrying value					
As at 1 April 2018	50.27	69.12	196.71	1,116.59	1,432.69
Additions	-	-	-	23.72	23.72
Disposals/adjustments	-	-	-	(2.61)	(2.61)
As at 31 March 2019	**50.27**	**69.12**	**196.71**	**1,137.70**	**1,453.80**
Additions	-	-	-	0.40	0.40
Disposals/adjustments	-	-	-	-	-
As at 31 March 2020	**50.27**	**69.12**	**196.71**	**1,138.10**	**1,454.20**
Accumulated depreciation/amortisation					
As at 1 April 2018	-	4.12	39.28	353.15	396.55
Amortisation expense for the year	-	7.81	42.49	277.24	327.54
Disposals/adjustments	-	-	-	(2.60)	(2.60)
As at 31 March 2019	**-**	**11.93**	**81.77**	**627.79**	**721.49**
Amortisation expense for the year	-	7.88	43.26	214.56	265.70
Disposals/adjustments	-	-	-	-	-
As at 31 March 2020	**-**	**19.81**	**125.03**	**842.35**	**987.19**

5 Intangible assets *(contd...)*

₹ in Lacs

Net carrying value	Goodwill	Trademark	Customer relationship	Computer software (acquired)	Total
As at 31 March 2019	50.27	57.19	114.94	509.91	732.31
As at 31 March 2020	50.27	49.31	71.68	295.75	467.01

₹ in Lacs

Net carrying value	31 March 2020	31 March 2019
Goodwill	50.27	50.27
Other Intangible assets	416.74	682.04

5(a) Impairment testing of goodwill

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

The aggregate carrying amounts of goodwill allocated to platform solutions operating segment as follows:

₹ in Lacs

Particulars	As at 31 March 2020	As at 31 March 2019
Platform solutions	50.27	50.27
	50.27	**50.27**

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

Value in use was determined by discounting the future cash flows generat*ed* 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 are based on past experience, actual operating results and the 5 years business plan in all periods presented.

ii. The terminal growth rate 1% for the year ended 31 March 2020 (31 March 2019: 1%) representing management view on the future long-term growth rate.

iii. Discount rate of 15% for the year ended 31 March 2020 (31 March 2019: 16.29%) was applied in determining the recoverable amount of the CGUs. The discount rate was estimated based on past experience and historical industry average weighted-average cost of capital.

The 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.

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

6(i) Non-current investments

₹ in Lacs

Particulars	As at 31 March 2020	As at 31 March 2019
Investments carried at cost :		
Equity instruments of subsidiaries (unquoted)		
66,500 Units (31 March 2019: 66,500 Units) of USD 100 each fully paid up of MPS North America LLC, USA	4,257.39	4,257.39
6,20,00,000 Shares (31 March 2019: 6,20,00,000 Shares) of ₹10 each fully paid up of MPS Interactive Systems Limited (refer note 1 below)	6,200.00	6,200.00
22,860 Shares (31 March 2019: 22,860 Shares) of Euro 10 each fully paid up of equity share of TOPSIM GmbH (refer note 2 below)	599.18	599.18
10,000 Shares (31 March 2019: 10,000) of CHF 10 each fully paid up of MPS Europa AG (refer note 3 below)	810.39	810.39
Preference instruments of subsidiaries (unquoted)		
22,00,000 Shares of ₹100 each fully paid up of MPS Interactive Systems Limited (refer note 4 below)	2,090.73	-
Investments carried at fair value through profit and loss:		
Preference instruments of subsidiaries (unquoted)		
22,00,000 Shares of ₹100 each fully paid up of MPS Interactive Systems Limited (refer note 4 below)	-	2,113.53
	13,957.69	**13,980.49**

Note

1. The Company had acquired enterprise eLearning business of Tata Interactive Systems (a division of Tata Industries Limited) having its branches at USA, UK, Canada and UAE through MPS Interactive Systems Limited, a wholly owned subsidiary of the Company.
2. The Company had acquired through Share Purchase Agreement the entire paid up equity share capital held by Tata Industries Limited in Tata Interactive Systems GmbH, Germany (now known as TOPSIM GmbH) on 2 July 2018.
3. The Company had acquired through Share Purchase Agreement the entire paid up equity share capital held by Tata Industries Limited in Tata Interactive Systems AG, Switzerland (now known as MPS Europa AG) on 5 July 2018.
4. The Subsidiary Company has revised the terms of preference shares vide AGM dated 23 July 2019 by way of Special Resolution as detailed below :

   a) Payment of dividend from non-cumulative to cumulative basis; and

   b) Redemption of shares on the call of the company anytime earlier than previous redemption terms i.e. in two equal instalments 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. Hence the Company has carried investment at amortised cost from investments carried at fair value through profit and loss on the date of modification i.e. 23 July 2019.

Notes forming part of Financial Statements for the year ended 31 March 2020

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

6(ii) Current investments

₹ in Lacs

Particulars	As at 31 March 2020 Units in '000	As at 31 March 2020 ₹ in Lacs	As at 31 March 2019 Units in '000	As at 31 March 2019 ₹ in Lacs
Investment in mutual funds carried at fair value through profit or loss (unquoted, fully paid up)				
Kotak Liquid- Direct Plan- Daily Dividend*	-	-	16.87	206.36
Kotak Money Market Scheme - Direct Plan - Growth (Erstwhile Kotak Floater Short Term- Direct Plan - Growth)	-	-	6.83	210.80
Axis Liquid Fund-Direct Plan-Growth	29.79	656.61	42.14	873.82
Aditya BSL Money Manager Fund -Direct Growth (Erstwhile ABSL Floating Rate Fund Short Term Plan - Direct -Growth)	-	-	169.22	425.92
Aditya Birla Sun Life Savings Fund -Direct Plan-Growth	-	-	0.17	0.64
Aditya Birla Sun Life Savings Fund- Growth	-	-	639.54	2,360.79
ICICI Prudential Savings Fund-Growth (Erstwhile ICICI Prudential Flexible Income - Growth)	-	-	547.14	1,962.76
Axis Liquid Fund-Growth	-	-	121.00	2,498.79
HDFC Credit Risk Debt Fund-Direct Plan - Growth (Erstwhile HDFC Regular Savings Fund-Direct Plan - Growth)	-	-	8,769.51	1,395.98
ICICI Prudential Credit Risk Fund -Direct Plan - Growth (Erstwhile ICICI Prudential Regular Savings Fund -Direct Plan - Growth)	-	-	6,704.80	1,410.08
UTI Credit Risk Fund - Direct Growth Plan (Erstwhile UTI-Income Opportunities Fund-Direct Plan - Growth)	-	-	8,322.24	1,498.85
Franklin India Credit Risk Fund-Direct Plan-Growth (Erstwhile Franklin India Corporate Bond Opportunities Fund -Direct Plan-Growth)	-	-	7,987.73	1,645.12
Franklin India Short Term Income Plan-Retail Plan-Direct Growth	-	-	39.36	1,651.60
ICICI Prudential Liquid Fund-Direct Plan Growth	-	-	227.98	630.19
Kotak Liquid Fund- Direct Plan- Growth*	5.42	217.50	-	-
Aditya Birla Sun Life Liquid Fund -Direct Growth	134.95	431.25	-	-
HDFC Overnight Fund-Direct Plan-Growth	62.15	1,845.41	-	-
SBI Overnight Fund-Direct Plan-Growth	21.48	698.88	-	-
DSP Liquidity Fund-Direct Plan-Growth	7.11	202.04	-	-
ICICI Prudential Overnight Fund-Direct Plan - Growth	911.42	982.04	-	-
Aditya Birla Sun Life Overnight Fund-Direct Plan-Growth	49.99	540.06	-	-
Total	**1,222.31**	**5,573.79**	**33,594.53**	**16,771.70**
Aggregate market value of unquoted investments		**5,573.79**		**16,771.70**

*Out of the same mutual fund units i.e., 5.20 (units in thousands) with an NAV of ₹0.04 Lacs as at 31 March 2020 (31 March 2019: Units 16.36 (units in thousands) as at NAV of ₹0.012 Lacs) have been pledged with Kotak Maçhindra Bank Limited as a security towards hedging facilities availed by the Company.

Notes forming part of Financial Statements for the year ended 31 March 2020

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

7 Loans

₹ in Lacs

Particulars	As at 31 March 2020	As at 31 March 2019
(i) Non current (unsecured, considered good)		
Financial instruments at amortized cost		
Interest bearing loan to subsidiary (refer note 35)	1,525.81	2,052.60
Security deposits (refer note below)	93.90	163.98
	1,619.71	**2,216.58**
Note: Includes ₹70.34 Lacs (31 March 2019: ₹65.55 Lacs) to holding company (ADI BPO Services Ltd.) as a deposit for premises and infrastructure facility taken on rent.		
(ii) Current (unsecured, considered good)		
Financial instruments at amortized cost		
Interest bearing loan to subsidiary (refer note 35)	526.79	247.40
Security deposits	80.39	0.46
Loan to employees	1.28	0.40
	608.46	**248.26**

8 Other financial assets

₹ in Lacs

Particulars	As at 31 March 2020	As at 31 March 2019
(i) Non current (unsecured, considered good)		
Bank deposits held as margin money or security against guarantees	26.97	26.54
	26.97	**26.54**
(ii) Current (unsecured, considered good)		
Unrealised MTM gain receivable on forward covers	-	102.38
Unbilled revenue	118.01	85.63
Interest accrued on loan to related parties	39.26	43.74
Interest accrued on deposits	10.68	60.40
Government grant receivables*	-	79.10
	167.95	**371.25**

*represents grant receivable under Service Export from India Scheme

9 Income taxes

₹ in Lacs

Particulars	As at 31 March 2020	As at 31 March 2019
Advance income tax (net of provisions of ₹13,566.15 Lacs (31 March 2019: ₹11,027.45 Lacs))	523.06	624.33
	523.06	**624.33**

10 Other assets

₹ in Lacs

Particulars	As at 31 March 2020	As at 31 March 2019
(i) Other non-current assets (Unsecured, Considered Good)		
Security deposits	24.52	24.52
Prepaid expenses	64.66	39.63
Balances with government authorities		
-Service tax credit receivable	-	128.19
-Others	55.39	55.39
Prepayment rent (refer note below)	21.04	29.20
	165.61	**276.93**
Note: Includes ₹20.98 Lacs (31 March 2019: ₹26.22 Lacs) to holding company (ADI BPO Services Ltd.) as a deposit for premises and infrastructure facility taken on rent.		
(ii) Other current assets (Unsecured, Considered Good)		
Security deposits		
Doubtful	1.13	1.13
	1.13	1.13
Less: Allowances for doubtful deposits	1.13	1.13
	-	-
Advances to employees		
Considered good	6.34	2.70
Doubtful	1.05	23.77
	7.39	26.47
Less: Allowances for doubtful advances to employees	1.05	23.77
	6.34	2.70
Government grant receivables*	487.83	487.83
Prepaid expenses	414.05	382.25
Contract assets (refer note 43)	2,034.97	2,140.68
Balances with government authorities		
-GST receivable	1,122.17	964.15
-Others	35.00	35.00
Capital advances	66.25	-
Others advances	58.04	60.11
Prepayment rent (refer note 1 below)	8.15	9.90
	4,232.80	**4,082.62**

Note:

1) Includes ₹5.24 Lacs (31 March 2019: ₹5.26 Lacs) to holding company (ADI BPO Services Ltd.) as a deposit for premises and infrastructure facility taken on rent.

*represents grant receivable under Service Export from India Scheme

Notes forming part of Financial Statements for the year ended 31 March 2020

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

11 Trade receivables

₹ in Lacs

Particulars	As at 31 March 2020	As at 31 March 2019
Current		
Trade receivables	2,995.98	3,451.29
Receivables from subsidiaries (refer note 35)	243.47	331.01
	3,239.45	**3,782.30**
Break-up for details:		
Trade receivables (Unsecured)		
Considered good	3,270.64	3,796.47
Less: Expected credit loss allowance (refer note 33)	50.43	14.17
	3,220.21	3,782.30
Trade Receivables which have significant increase in Credit Risk	19.24	-
Trade Receivables - credit impaired	-	-
Total	**3,239.45**	**3,782.30**

12(i) Cash and cash equivalents

₹ in Lacs

Particulars	As at 31 March 2020	As at 31 March 2019
Balances with banks		
- In current accounts	950.43	125.12
- In EEFC accounts	592.92	416.30
- In demand deposit accounts (demand deposits and deposits having original maturity of 3 months and less)	1,450.00	30.00
Cash on hand	1.56	-
Total	**2,994.91**	**571.42**

12 (ii) Other bank balances

₹ in Lacs

Particulars	As at 31 March 2020	As at 31 March 2019
Term deposits with original maturity for more than 3 months but less than 12 months	865.00	2,780.00
Total	**865.00**	**2,780.00**
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'	1,450.00	30.00
Bank deposits due to mature within 12 months of the reporting date included under 'Other Balances with banks'	865.00	2,780.00
Bank deposits due to mature after 12 months of the reporting date included under 'Other non-current financial assets' (refer note 8 (i))	26.97	26.54
	2,341.97	**2,836.54**

Notes forming part of Financial Statements for the year ended 31 March 2020

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

13 Share capital

₹ in Lacs

(i) Particulars	As at 31 March 2020	As at 31 March 2019
Authorised		
20,000,000 equity shares of ₹10 each (31 March 2019: 20,000,000 equity shares of ₹10 each)	2,000.00	2,000.00
	2,000.00	**2,000.00**
Issued, Subscribed & Paid-Up		
18,616,926 equity shares of ₹10 each fully paid up with voting rights (31 March 2019: 18,616,926 equity shares of ₹10 each)	1,861.69	1,861.69
	1,861.69	**1,861.69**

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

Particulars	As at 31 March 2020		As at 31 March 2019	
	Number	₹ in Lacs	Number	₹ in Lacs
Equity shares (with voting rights) outstanding at the beginning of the year	18,616,926	1,861.69	18,616,926	1,861.69
Issued during the year	-	-	-	-
Outstanding at the end of the year	**18,616,926**	**1,861.69**	**18,616,926**	**1,861.69**

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

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

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

Particulars	As at 31 March 2020		As at 31 March 2019	
	Number	₹ in Lacs	Number	₹ in Lacs
Equity shares of ₹10 each fully paid up and held by				
ADI BPO Services Limited, the holding company	1,26,16,996	1,261.70	1,26,16,996	1,261.70

Notes forming part of Financial Statements for the year ended 31 March 2020

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

13 Share capital *(contd...)*

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

Class of shares / Name of shareholder	As at 31 March 2020		As at 31 March 2019	
	Number	% holding in that class of shares	Number	% holding in that class of shares
Equity shares of ₹10 each fully paid up and held by				
ADI BPO Services Limited, the holding company	1,26,16,996	67.77%	1,26,16,996	67.77%

(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 during the period of five years immediately preceding the reporting date.

14 Lease liabilities*

₹ in Lacs

Particulars	As at 31 March 2020	As at 31 March 2019
(i) Non current		
Lease liabilities	898.28	-
	898.28	-
(ii) Current		
Lease liabilities	222.12	-
	222.12	-

(iii) Reconciliation of liabilities from financing activities

Particulars	₹ in Lacs
Opening as on 1 April 2019	-
Impact of Ind AS 116	1,365.14
Interest on lease liabilities	129.69
Repayment of lease liabilities including interest expenses	(374.43)
As at 31 March 2020	**1,120.40**

* Refer note 31

Notes forming part of Financial Statements for the year ended 31 March 2020

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

15 Deferred tax

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

Deferred tax assets:

₹ in Lacs

	Expected credit loss allowance	Gains on investment carried at fair value through profit or loss	Expenses allowable for tax purposes when paid	Lease assets net of lease liabilities (refer note 31)	Unrealised MTM loss receivables on forward covers	Others	Total
As at 1 April 2018	**12.03**	**-**	**7.92**	**-**	**10.15**	**27.53**	**57.63**
(Charged)/credited							
- to statement of profit and Loss	(7.89)	-	(5.45)	-	(39.96)	5.84	(47.46)
- to other comprehensive income	-	-	3.92	-	-	-	3.92
- transferred from deferred tax liabilities	-	-	-	-	29.81	-	29.81
As at 31 March 2019	**4.14**	**-**	**6.39**	**-**	**-**	**33.37**	**43.90**
(Charged)/credited							
- Impact of Ind AS 116	-	-	-	84.03	-	-	84.03
- to statement of profit and Loss	8.56	-	5.41	(13.73)	-	0.70	0.94
- to other comprehensive income	-	-	5.27	-	-	-	5.27
- transferred from provision for tax	-	-	-	-	-	(122.78)	(122.78)
- transferred from deferred tax liabilities	-	26.31	-	-	18.85	-	45.16
- transferred to deferred tax liabilities	-	-	-	-	-	88.71	88.71
As at 31 March 2020	**12.70**	**26.31**	**17.07**	**70.30**	**18.85**	**-**	**145.23**

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

15 **Deferred tax** *(contd...)*

Deferred tax liabilities:

₹ in Lacs

	Difference between book balance and tax balance of property, plant and equipment/Investment property/ Other intangible assets	Lease liabilities net of lease assets (refer note 31)	Unrealised MTM gain receivables on forward covers	Gains on investment carried at fair value through profit or loss	Others	Total
As at 1 April 2018	**(171.43)**	**-**	**-**	**(269.48)**	**-**	**(440.91)**
(Charged)/credited						
- to statement of profit and Loss	50.10	-	-	(137.53)	-	(87.43)
- to other comprehensive income	-	-	-	-	-	-
- transferred to deferred tax assets	-	-	(29.81)	-	-	(29.81)
As at 31 March 2019	**(121.33)**	**-**	**(29.81)**	**(407.01)**	**-**	**(558.15)**
(Charged)/credited						
- to statement of profit and Loss	45.58	-	48.66	433.32	-	527.56
- to other comprehensive income	-	-	-	-	-	-
- transferred to deferred tax assets	-	-	(18.85)	(26.31)	-	(45.16)
- transferred from deferred tax assets	-	-	-	-	(88.71)	(88.71)
As at 31 March 2020	**(75.75)**	**-**	**-**	**-**	**(88.71)**	**(164.46)**

Notes forming part of Financial Statements for the year ended 31 March 2020

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

15 **Deferred tax** *(contd...)*

Reflected in the Balance Sheet as follows:

₹ in Lacs

	As at 31 March 2020	As at 31 March 2019
Deferred tax assets	145.23	145.23
Deferred tax liabilities	(164.46)	(558.15)
Deferred tax liabilities (net)	**(19.23)**	**(514.25)**

Reconciliation of deferred tax liabilities (net):

₹ in Lacs

	Year ended 31 March 2020	Year ended 31 March 2019
Balance as at the commencement of the year	(514.25)	(383.28)
Impact of Ind AS 116 (refer note 31)	(84.03)	-
(Income)/ expense during the year recognised in Statement of profit and loss	(528.50)	134.89
(Credit) during the year recognised in other comprehensive income	(5.27)	(3.92)
Transferred from provision for tax	122.78	-
Balance as at the end of the year	**(19.23)**	**(514.25)**

DTA has not been recognized on temporary differences in relation to indexation benefit of investment in subsidiaries and freehold land amounting to ₹740.73 Lacs (31 March 2019: ₹585.08 Lacs) and ₹764.24 Lacs (31 March 2019: ₹727.85 Lacs) respectively, as the Company is able to control the timing of the reversal of the temporary difference and it is probable that the temporary differences will not reverse in foreseeable future.

Notes forming part of Financial Statements for the year ended 31 March 2020

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

16 Trade payables

₹ in Lacs

Particulars	As at 31 March 2020	As at 31 March 2019
Trade payables		
Due to Micro and Small Enterprises (refer note 29)	9.70	26.52
Due to Others	359.20	477.57
Trade payables to related parties (refer note 35)	1.61	1.27
	370.51	**505.36**

17 Other financial liabilities (Current)

₹ in Lacs

Particulars	As at 31 March 2020	As at 31 March 2019
Employee payable	278.70	304.41
Unrealised MTM loss payable on forward covers	74.88	-
	353.58	**304.41**

18 Other current liabilities

₹ in Lacs

Particulars	As at 31 March 2020	As at 31 March 2019
Income received in advance (Contract liabilities) (refer note 43(iii))	428.77	475.52
Payables on purchase of fixed assets (refer note 35)	15.34	0.32
Statutory remittances*	172.77	139.35
Others	3.46	11.52
	620.34	**626.71**

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

19 Provisions (Current)

₹ in Lacs

Particulars	Year ended 31 March 2020	As at 31 March 2019
Provision for service tax (refer note 40)	39.04	159.10
Provision for gratuity (refer note 30)	98.82	91.90
	137.86	**251.00**

20 Income tax liabilities (Current)

₹ in Lacs

Particulars	Year ended 31 March 2020	As at 31 March 2019
Provision for tax (net of advance tax of ₹2,064.07 Lacs (31 March 2019: ₹2,835.04 Lacs))	207.91	135.63
	207.91	**135.63**

Notes forming part of Financial Statements for the year ended 31 March 2020

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

21 Revenue from operations

₹ in Lacs

Particulars	Year ended 31 March 2020	Year ended 31 March 2019
Sale of services (refer note 43)		
Exports (earning in foreign currency)	18,638.48	22,316.52
Domestic	126.28	79.73
	18,764.76	**22,396.25**

22 Other income

₹ in Lacs

Particulars	Year ended 31 March 2020	Year ended 31 March 2019
Interest income on:		
Financial assets-carried at amortised cost	498.27	166.54
Deposits with banks	181.34	69.42
Dividend received on current investment carried at fair value through profit or loss (Mutual funds units)	2.73	13.28
Net gain on sale of current investment carried at fair value through profit or loss	-	159.09
Gain on investment carried at fair value through profit or loss	776.16	1,408.60
MTM and net gain on foreign currency transactions	205.19	-
Government Grants*	-	566.93
Other non-operating income (refer note (i) below)	178.16	217.89
	1,841.85	**2,601.75**

*represents grant under Service Export from India Scheme

Note (i) Other non-operating income comprises:

₹ in Lacs

Particulars	Year ended 31 March 2020	Year ended 31 March 2019
Liabilities/provisions no longer required written back	163.52	183.97
Reversal of allowances for expected credit loss	-	15.82
Bad debts and advances recovered	-	0.04
Gain on sale/disposal/discard of property, plant and equipment (net)	0.39	0.83
Miscellaneous income	14.25	17.23
	178.16	**217.89**

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

23 Employee benefits expense

₹ in Lacs

Particulars	Year ended 31 March 2020	Year ended 31 March 2019
Salaries and wages (refer note 30)	8,046.03	7,894.80
Contribution to provident and other funds (refer note 30)	509.03	453.42
Staff welfare expenses	299.72	271.37
	8,854.78	**8,619.59**

24 Finance costs

₹ in Lacs

Particulars	Year ended 31 March 2020	Year ended 31 March 2019
Interest on lease liabilities (refer note 31)	129.69	-
Interest expense on income tax, service tax & GST	8.32	19.05
	138.01	**19.05**

25 Depreciation and amortization expense

₹ in Lacs

Particulars	Year ended 31 March 2020	Year ended 31 March 2019
Depreciation on property, plant and equipment (refer note 3.1)	240.33	315.36
Depreciation on investment property (refer note 3.2)	3.18	3.18
Depreciation on right-of-use asset (refer note 4)	235.51	-
Amortization on intangible assets (refer note 5)	265.70	327.54
	744.72	**646.08**

Notes forming part of Financial Statements for the year ended 31 March 2020

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

26 Other expenses

₹ in Lacs

Particulars	Year ended 31 March 2020		Year ended 31 March 2019	
Consumables		10.13		15.77
Outsourcing cost		916.14		1,590.79
Power and fuel		439.23		446.66
Rent		13.34		372.12
Hire charges		7.04		10.17
Repairs and maintenance - buildings		334.77		299.94
Repairs and maintenance - plant and machinery		255.91		283.50
Repairs and maintenance - others		0.72		0.79
Insurance		23.13		23.85
Rates and taxes		157.70		33.58
Communication		415.11		433.42
Travelling and conveyance		384.44		450.98
Expenditure on corporate social responsibility (refer note 38)		186.00		196.36
Legal and professional		213.98		252.09
Directors sitting fees		21.40		33.60
Commission to non-executive directors		-		46.40
Payments to auditors (refer note (i) below)		53.80		45.74
Bad debts written off	-		19.39	
Less: Allowances for expected credit loss utilised for the above	-	-	11.30	8.09
MTM and net loss on foreign currency transactions		-		39.70
Advances written off		3.00		-
Allowances for expected credit loss and doubtful advances		39.34		-
Loss on investment carried at fair value through profit or loss		-		86.47
Net loss on sale of current investment carried at fair value through profit or loss		22.72		-
Software expenses		119.84		110.55
Sales and marketing expenses		192.05		151.21
Miscellaneous expenses		90.64		195.23
		3,900.43		**5,127.01**

₹ in Lacs

(i) Payments to the auditors comprises (net of input credit, where applicable):	Year ended 31 March 2020	Year ended 31 March 2019
To Statutory auditors		
for statutory audit	25.00	25.00
for tax audit	2.00	2.00
for other services	22.50	15.51
for reimbursement of expenses	4.30	3.23
	53.80	**45.74**

27 Income tax

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

₹ in Lacs

	Year ended 31 March 2020	Year ended 31 March 2019
Current income tax:		
Current income tax charge for the year	2,197.11	2,970.97
Adjustments in respect of current income tax of previous years	23.19	6.41
	2,220.30	**2,977.38**
Deferred tax:		
Deferred tax on profits for the year	(528.50)	134.89
	(528.50)	**134.89**
Tax expense reported in the Statement of Profit and Loss	**1,691.80**	**3,112.27**
OCI section		
Tax related to items that will not be reclassified to Profit and Loss	5.27	3.92
Income tax charged to OCI	**5.27**	**3.92**

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

₹ in Lacs

	Year ended 31 March 2020	Year ended 31 March 2019
Accounting profit before income tax	6,968.67	10,586.27
At India's statutory income tax rate	25.168%	29.120%
Computed Tax Expense	**1,753.87**	**3,082.72**
Change in tax rate	(58.38)	-
Tax exempt income	(44.98)	(3.87)
Non-deductible expenses	21.73	33.08
Others	(3.64)	(6.07)
Tax relating to earlier years	23.19	6.41
Income tax charged to Statement of Profit and Loss at effective rate of 24.28% (March 31, 2019: 29.40 %) (refer point (a) below)	**1,691.80**	**3,112.27**

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

(b) Income tax rates had reduced from 25% to 22% effective 1 April 2019 for the domestic companies. Consequential deferred tax income of ₹58.38 Lacs has been appropriately adjusted in the tax expense for the year ended 31 March 2020.

28 Earnings per equity share

₹ in Lacs

	Year ended 31 March 2020	Year ended 31 March 2019
Profit for the year attributable to the owners of the Company	5,276.87	7,474.00
Weighted average number of equity shares outstanding	18,616,926	18,616,926
Face value per share (₹)	10.00	10.00
Earnings per share- basic & diluted (₹)	**28.34**	**40.14**

29 Micro, small and medium enterprises

There are no Micro, Small and Medium enterprises, to whom the company owes dues, which are outstanding for more than 45 days as at the end of year except for the amount of ₹ Nil Lacs (31 March 2019: ₹4.61 Lacs) against which interest has been accrued (refer below(ii)). The information as required to be disclosed in relation to Micro, Small and Medium enterprises has been determined to the extent such parties have been identified on the basis of information available with the Company.

₹ in Lacs

Particulars	As at 31 March 2020	As at 31 March 2019
(i) The principal amount remaining unpaid to any supplier as at the end of the year	9.39	26.21
(ii) The interest due on principal amount remaining unpaid to any supplier as at the end of the year	0.31	0.31
(iii) The amount of interest paid by the Company in terms of section 16 of the Micro, Small and Medium Enterprises Development Act, 2006 (MSMED Act), along with the amount of the payment made to the supplier beyond the appointed day during the year	-	-
(iv) The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under the MSMED Act	-	-
(v) The amount of interest accrued and remaining unpaid at the end of the year	-	-
(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	-	-

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

(A) Defined Contribution Plans

The Company has certain defined contribution plan such as provident fund, 401(k) plan and employee state insurance (ESI), 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:

₹ in Lacs

Particulars	Year ended 31 March 2020	Year ended 31 March 2019
Employer's contribution to provident fund	437.98	353.18
Employer's contribution to 401(k) plan	1.24	2.36
Employer's contribution to employee state insurance	69.81	97.88
	509.03	**453.42**

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

30 Employee benefits in respect of the Company have been calculated as under: *(contd...)*

(B) Defined Benefit Plans

Gratuity

In accordance with Ind AS 19 "Employee Benefits", an actuarial valuation has been carried out in respect of gratuity. The discount rate assumed is 6.43% p.a. (31 March 2019: 7.22% p.a.) which is determined by reference to market yield at the Balance Sheet date on Government bonds.

The retirement age has been considered at 58 to 65 years (31 March 2019: 58 to 65 years) and mortality table is as per IALM (2006-08) (31 March 2019: IALM (2006-08)).

The estimates of future salary increases, considered in actuarial valuation is 6% p.a. (31 March 2019: 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 6.43% p.a. (31 March 2019: 7.22% p.a.).

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

₹ in Lacs

Particulars	As at 31 March 2020	As at 31 March 2019
Present value of obligation at the beginning of the year	652.19	623.63
Current service cost	75.58	72.56
Interest cost	47.09	47.71
Actuarial loss	11.02	11.40
Benefits paid	(81.01)	(103.11)
Present value of obligation at the end of the year	**704.87**	**652.19**

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

₹ in Lacs

Particulars	As at 31 March 2020	As at 31 March 2019
Present value of obligation at the end of the year	704.87	652.19
Fair value of plan assets at the end of the year	(606.05)	(560.29)
Net liabilities recognised in the Balance Sheet	**98.82**	**91.90**

Fair Value of Plan Assets

₹ in Lacs

Particulars	As at 31 March 2020	As at 31 March 2019
Plan assets at the beginning of the year	560.29	492.83
Expected return on plan assets	40.45	37.71
Contribution by employer	96.24	134.93
Actual benefits paid	(81.01)	(103.11)
Actuarial loss	(9.92)	(2.07)
Plan assets at the end of the year	**606.05**	**560.29**

Company's best estimate of contribution during next year is ₹178.01 Lacs (31 March 2019: ₹167.48 Lacs)

30 **Employee benefits in respect of the Company have been calculated as under:** *(contd...)*

Composition of the plan assets is as follows:

Particulars	As at 31 March 2020	As at 31 March 2019
Central government securities	19.35%	18.75%
State government securities	56.02%	49.70%
Debentures and bonds	20.94%	22.71%
Equity shares	3.67%	3.92%
Money market instruments	0.02%	4.92%

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

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

₹ in Lacs

Particulars	Year ended 31 March 2020	Year ended 31 March 2019
Current service cost	75.58	72.56
Interest cost	6.64	10.00
Expense recognised in the Statement of Profit and Loss	**82.22**	**82.56**

Amount recognised in the other comprehensive income:

₹ in Lacs

Particulars	Year ended 31 March 2020	Year ended 31 March 2019
Actuarial loss due to financial assumption change	32.29	16.14
Actuarial (gain) due to experience adjustment	(21.27)	(4.74)
Actuarial loss on plan assets	9.92	2.07
Amount recognised in the other comprehensive income	**20.94**	**13.47**

Sensitivity analysis

₹ in Lacs

Particulars	Year ended 31 March 2020		Year ended 31 March 2020	
Assumptions	Discount rate		Future salary	
Sensitivity level	0.5% increase	0.5% decrease	0.5% increase	0.5% decrease
Impact on defined benefit	(20.78)	22.03	22.02	(20.95)

₹ in Lacs

Particulars	Year ended 31 March 2019		Year ended 31 March 2019	
Assumptions	Discount rate		Future salary	
Sensitivity level	0.5% increase	0.5% decrease	0.5% increase	0.5% decrease
Impact on defined benefit	(18.70)	19.80	19.94	(18.99)

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

31 Leases

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

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

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

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

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

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

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

₹ in Lacs

Particulars	As at 1 April 2019
Right-of-use assets (refer note 4)	1,076.56
Lease liabilities (refer note 14)	(1,365.14)
Deferred tax (credit) (refer note 15)	84.03
Impact on the retained earnings	**(204.55)**

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

₹ in Lacs

Particulars	Year ended 31 March 2020
Interest on lease liabilities (refer note 24)	129.69
Depreciation of Right-of-use assets (refer note 25)	235.51
Deferred tax (credit) (refer note 15)	(13.73)
Impact on the statement of profit and loss for the year	**351.47**

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

₹ in Lacs

Particulars	Year ended 31 March 2020
Expense related to short-term leases	356.60
Expense related to leases of low value assets, excluding short team leases of low value	38.98
Total	**395.58**

(vi) Amount recognised in the statement of cash flows

₹ in Lacs

Particulars	Year ended 31 March 2020
Repayment of lease liabilities including interest expenses	374.43
Impact on the statement of cash flows for the year	**374.43**

(vii) Refer note 33 (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.

Notes forming part of Financial Statements

₹ in Lacs, except share and per share data, unless otherwise stated

32 Fair value measurements

₹ in Lacs

Particulars	Note	Level of hierarchy*	As at 31 March 2020			As at 31 March 2019		
			FVPL	FVOCI	Amortised cost	FVPL	FVOCI	Amortised cost
Financial assets								
Investments in mutual fund (excluding investment in subsidiaries)	(d)	1	5,573.79	-	-	16,771.70	-	-
Investments in preference shares of subsidiary	(e, h)	3	-	-	2,090.73	2,113.53	-	-
Trade receivables	(a)		-	-	3,239.45	-	-	3,782.30
Loans	(a, b)		-	-	175.57	-	-	164.84
Loans given to subsidiary	(f, g)	3	-	-	2,052.60	-	-	2,300.00
Cash and cash equivalents	(a)		-	-	2,994.91	-	-	571.42
Other bank balances	(a)		-	-	865.00	-	-	2,780.00
Derivative financial assets	(c)	2	-	-	-	102.38	-	-
Other financial assets	(a, b)		-	-	194.92	-	-	295.41
Total financial assets			**5,573.79**	**-**	**11,613.18**	**18,987.61**	**-**	**9,893.97**
Financial liabilities								
Lease liabilities	(a)		-	-	1,120.40	-	-	-
Trade payables	(a)		-	-	370.51	-	-	505.36
Derivative financial liabilities	(c)	2	74.88	-	-	-	-	-
Other financial liabilities	(a)		-	-	278.70	-	-	304.41
Total financial liabilities			**74.88**	**-**	**1,769.61**	**-**	**-**	**809.77**

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) Derivatives are carried at fair value at each reporting date. The fair values of the derivative financial instruments has been determined using valuation techniques with market observable inputs. The models incorporate various inputs including the credit quality of counter-parties and foreign exchange forward rates.

(d) The fair value of the mutual funds are based on net assets value of the funds as at reporting date.

(e) The following table shows the valuation techniques and the significant unobservable inputs used in determination of fair value of the Level 3 financial instruments measured at fair value:

Type	Valuation technique	Significant unobservable inputs	Inter-relationship between key unobservable inputs and fair value measurement
Investments in Preference shares of subsidiary (Non-Cumulative Redeemable Preference Shares)	Discounted cash flows: The valuation model considers the present value of expected receipts discounted using an adjusted discount rate	31 March 2019: 12.50% p.a.	The estimated fair value would increase 31 March 2019: ₹74.68 Lacs (decrease by 31 March 2019: ₹71.21 Lacs) if the adjusted discount rate was lower by 1% (higher by 1%)

* Refer note 6 (i) (4) for Investments in Preference shares of subsidiary company

32 Fair value measurements *(contd...)*

f. The following table shows the valuation techniques and the significant unobservable inputs used in determination of fair value of the Level 3 financial instruments not measured at fair value:

Type	Valuation technique	Significant unobservable inputs	Inter-relationship between key unobservable inputs and fair value measurement
Other financial assets (Loans to subsidiary)	Discounted cash flows: The valuation model considers the present value of expected receipts discounted using an adjusted discount rate	Adjusted discount rate 9.40% p.a. (31 March 2019: 9.40% p.a.)	The estimated fair value would increase by ₹31.91 Lacs (31 March 2019: ₹64.08 Lacs) (decrease by ₹30.97 Lacs (31 March 2019: ₹61.68 Lacs)) if the adjusted discount rate was lower by 1% (higher by 1%)

(g) Fair value of loans is as below

₹ in Lacs

Particulars	Level of hierarchy	As at 31 March 2020	As at 31 March 2019
Other financial assets (Loans to subsidiary)	3	2,072.06	2,247.87

(h) Reconciliation of Investment measured at fair value using level 3 of fair value hierarchy is as below:

₹ in Lacs

Particulars	As at 31 March 2019
Addition during the year	2,200.00
Income/ (Loss) recognised in profit or loss	(86.47)
Closing balance	**2,113.53**

* Refer note 6 (i) (4) for Investments in Preference shares of subsidiary company

(i) The fair value of the financial assets and liabilities is included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale. The fair-value of the financial-instruments factor the uncertainties arising out of COVID-19, where applicable.

* Refer note 2.18 for Level of hierarchy

33 Financial risk management

Risk management framework

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

i Market risk

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

Currency risk

The Company is exposed to currency risk to the extent that there is a mismatch between the currencies in which revenue and expense are denominated and the functional currency of the Company. The currencies in which the Company is exposed to risk are USD, EUR, GBP and Others. The Company takes adequate foreign exchange forward covers as per the guidelines approved by the Board to mitigate currency risk.

Notes forming part of Financial Statements
(₹ *in Lacs, except share and per share data, unless otherwise stated*)

33 Financial risk management *(contd...)*

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:

₹ in Lacs

	As at 31 March 2020				As at 31 March 2019			
	USD	EUR	GBP	Others	USD	EUR	GBP	Others
Cash and cash equivalents	653.18	26.96	68.28	0.13	349.47	3.75	129.66	1.81
Trade receivables	2,835.03	36.57	307.30	31.07	3,185.78	110.84	390.56	86.63
Trade payables	(61.49)	(6.85)	(9.42)	(2.55)	(99.01)	(5.34)	-	(1.76)
Other financial liabilities	(158.10)	-	3.41	-	(75.09)	-	-	-
Net statement of financial position exposure	**3,268.62**	**56.68**	**369.57**	**28.65**	**3,361.15**	**109.25**	**520.22**	**86.68**

Sensitivity analysis

A reasonably possible strengthening (weakening) of the USD, EUR and GBP against ₹ 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.

₹ in Lacs

	Profit or Loss (before tax)			
	Year ended 31 March 2020		Year ended 31 March 2019	
	Strengthening	Weakening	Strengthening	Weakening
USD (1% movement)	32.69	(32.69)	33.61	(33.61)
EUR (1% movement)	0.57	(0.57)	1.09	(1.09)
GBP (1% movement)	3.70	(3.70)	5.20	(5.20)
Others (1% movement)	0.29	(0.29)	0.87	(0.87)

Forward covers

The Company takes adequate foreign exchange forward covers to mitigate the risk of changes in exchange rates on foreign currency exposures. The counterparty for these contracts is bank. These forward covers are value based on quoted prices for similar assets and liabilities in active markets or input that are directly or indirectly observable in the marketplace.

The details in respect of outstanding foreign currency forward contract are as follows:

Forward exchange contract	Buy/Sell	As at 31 March 2020		As at 31 March 2019	
		FC in Lacs	₹ in Lacs	FC in Lacs	₹ in Lacs
USD	Sell	28.50	2,091.03	40.00	2,875.28
GBP	Sell	5.00	473.23	9.00	838.98

Pricing risk:

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

Interest rate risk

The Company is not exposed to interest rate risk.

33 Financial risk management *(contd...)*

ii Credit risk

Trade receivables and other financial assets

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

₹ in Lacs

Particulars	Year ended 31 March 2020	Year ended 31 March 2019
Revenue from top 2 customers (more than 10% revenue individually)	6,527.69	8,487.41
Revenue from top 15 customers	15,060.41	19,495.83

Expanding the customer base is mitigating this risk. Within the current customers, the Company is looking to deepen the partnership by supporting publishers in new areas of outsourcing.

Expected credit loss for trade receivables:

Trade receivables of ₹3,239.45 Lacs as at 31 March 2020 forms a significant part of the financial assets carried at amortised cost, which is valued considering provision for allowance using expected credit loss method. In addition to the historical pattern of credit loss, we have considered the likelihood of increased credit risk and consequential default considering emerging situations due to COVID-19. This assessment is not based on any mathematical model but an assessment considering the nature of segment, impact immediately seen in the demand outlook of these segments and the financial strength of the customers in respect of whom amounts are receivable.

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

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

₹ in Lacs

Particulars	As at 31 March 2020	As at 31 March 2019
Balance at the beginning of the year	14.17	41.29
Add: Provided during the year (net of reversal)	36.26	(15.82)
Less: Amount written off	-	(11.30)
Balance at the end of the year	**50.43**	**14.17**

Expected credit loss on financial assets other than trade receivables:

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

Investments

The Company limits its exposure to credit risk by investing in liquid securities and short term bonds and only with counterparties that have a good credit rating. The Company invests as per the guidelines approved by the Board to mitigate this risk.

Notes forming part of Financial Statements

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

33 Financial risk management *(contd...)*

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:

₹ in Lacs

Particulars	Contractual Cash flows					
	As at 31 March 2020			As at 31 March 2019		
	Carrying Amount	Within 1 year	More than 1 Year	Carrying Amount	Within 1 year	More than 1 Year
Non-derivative financial liabilities						
Lease liabilities	1,120.40	222.12	898.28	-	-	-
Trade payables	370.51	370.51	-	505.36	505.36	-
Other financial liabilities	278.70	278.70	-	304.41	304.41	-
Derivative financial liabilities						
Other financial liabilities (forward covers)	74.88	74.88	-	-	-	-

34 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:

₹ in Lacs

Particulars	As at 31 March 2020	As at 31 March 2019
Total equity attributable to the equity share holders of the Company	1,861.69	1,861.69
As percentage of total capital	100%	100%
Total lease liabilities	1,120.40	-
As a percentage of total capital	60%	-
Total capital (lease liabilities and equity)	**2,982.09**	**1,861.69**

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

Notes forming part of Financial Statements

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

35 Related party transactions

The related parties as per the terms of Ind AS-24, "Related Party Disclosures", (specified under section 133 of the Companies Act, 2013) are disclosed below:-

A Names of related parties and description of relationship:

S.No.	Description of relationship	Names of related parties
1	Holding Company	ADI BPO Services Limited
2	Subsidiary Company	MPS North America LLC MPS Interactive Systems Limited (w.e.f 10 May 2018) TOPSIM GmbH (w.e.f 2 July 2018) MPS Europa AG (w.e.f 5 July 2018)
3	Company Under Common Control	ADI Media Private Limited Nishith Arora Family Trust (w.e.f. 27 February 2020) Neha Family Trust (w.e.f. 27 February 2020)
4	Key management personnel (KMP)	Mr. Nishith Arora, Non-Executive Chairman
		Mr. Rahul Arora, Managing Director w.e.f 12 August 2018 (Chief Executive Officer and Whole Time Director till 11 August 2018)
		Ms. Yamini Tandon, Non- Executive Director
		Mr. D E Udwadia, Non-Executive Director (till 29 March 2019)
		Mr. Vijay Sood, Non-Executive Director (till 25 January 2020)
		Mr. Ambarish Raghuvanshi, Non-Executive Director w.e.f 01 May 2018 and till 27 January 2020
		Mr. Sunil Shah, Non-Executive Director (Additional Director) w.e.f 11 December 2018 and till 31 July 2019
		Ms. Jayantika Dave, Non-Executive Director (Additional Director) w.e.f 30 October 2019
		Ms. Achal Khanna, Non-Executive Director (Additional Director) w.e.f 30 October 2019
		Mr. Ajay Mankotia,Non-Executive Director (Additional Director) w.e.f. 29 January 2020
		Dr. Piyush Kumar Rastogi, Non-Executive Director (Additional Director) w.e.f. 29 January 2020
		Mr. Sunit Malhotra, CFO & Company Secretary and Director of the holding company w.e.f 28 March 2019
		Ms. Gagan Sahni Tyagi, Director of holding company
		Ms. Pooja Singh, Director of the holding company till 1 August 2019
5	Firm in which KMP is a partner	M/s Udwadia & Co.
		M/s Ajay Mankotia Associates

Notes forming part of Financial Statements

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

35 Related party transactions *(contd...)*

B Transactions during the year

₹ in Lacs

S. No.	Description of transactions:	Name of related party	Relationship	Year ended 31 March 2020	Year ended 31 March 2019
1	Rentals paid	ADI BPO Services Limited	Holding Company	184.23	160.20
		ADI Media Private Limited	Company Under Common Control	5.28	5.28
2	Infrastructure charges	ADI BPO Services Limited	Holding Company	51.60	51.60
3	Reimbursement of expenses-paid	ADI BPO Services Limited	Holding Company	54.31	128.48
		ADI Media Private Limited	Company Under Common Control	3.67	4.01
		TOPSIM GmbH	Subsidiary Company	-	1.41
		MPS Europa AG	Subsidiary Company	-	9.70
		MPS North America LLC	Subsidiary Company	2.45	-
4	Reimbursement of expenses-received	MPS Interactive Systems Limited	Subsidiary Company	38.65	0.36
5	Rendering of services	MPS North America LLC	Subsidiary Company	1,466.56	1,500.68
		TOPSIM GmbH	Subsidiary Company	-	32.70
6	Interest Income on loan	MPS Interactive Systems Limited	Subsidiary Company	190.51	152.78
7	Sale of Property, Plant and Equipment	MPS North America LLC	Subsidiary Company	-	0.32
8	Purchase of Property, Plant and Equipment	MPS Interactive Systems Limited	Subsidiary Company	6.51	22.74
9	Investment in Equity Shares	MPS Interactive Systems Limited	Subsidiary Company	-	6,200.00
		TOPSIM GmbH	Subsidiary Company	-	599.18
		MPS Europa AG	Subsidiary Company	-	810.39
10	Investment in Preference Shares	MPS Interactive Systems Limited	Subsidiary Company	-	2,200.00

Notes forming part of Financial Statements

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

35 Related party transactions *(contd...)*

S. No.	Description of transactions:	Name of related party	Relationship	Year ended 31 March 2020	Year ended 31 March 2019
11	Loan given	MPS Interactive Systems Limited	Subsidiary Company	-	2,300.00
12	Repayment of loan	MPS Interactive Systems Limited	Subsidiary Company	247.40	-
13	Dividend income received	MPS Interactive Systems Limited	Subsidiary Company	176.00	-
14	Remuneration				
(i)	Short-term employee benefits	Mr. Rahul Arora	KMP	249.27	228.44
		Mr. Sunit Malhotra	KMP	63.57	63.44
		Ms. Gagan Sahni Tyagi	KMP	20.72	18.31
		Ms. Pooja Singh	KMP	6.53	18.76
(ii)	Post-employment benefits	Mr. Sunit Malhotra	KMP	1.33	2.24
		Ms. Gagan Sahni Tyagi	KMP	0.97	0.29
		Ms. Pooja Singh	KMP	0.32	0.76
15	Director Sitting Fees	Mr. D E Udwadia	KMP	-	10.20
		Mr. Vijay Sood	KMP	5.40	13.60
		Mr. Ambarish Raghuvanshi	KMP	5.40	8.40
		Mr. Sunil Shah	KMP	1.60	1.40
		Ms. Jayantika Dave	KMP	2.60	-
		Ms. Achal Khanna	KMP	2.00	-
		Mr. Ajay Mankotia	KMP	2.20	-
		Dr. Piyush Kumar Rastogi	KMP	2.20	-
16	Commission	Mr. D E Udwadia	KMP	-	14.12
		Mr. Vijay Sood	KMP	-	19.16
		Mr. Ambarish Raghuvanshi	KMP	-	11.10
		Mr. Sunil Shah	KMP	-	2.02
17	Professional services rendered	M/s Udwadia & Co.	Firm in which KMP is a partner	-	0.57

Notes forming part of Financial Statements

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

35 Related party transactions *(contd...)*

C Balances at the year end

₹ in Lacs

S. No.	Balances at the year end	Name of related party	Relationship	As at 31 March 2020	As at 31 March 2019
1	Security deposit placed	ADI BPO Services Limited	Holding Company	70.34	65.55
		ADI Media Private Limited	Company Under Common Control	0.77	0.72
2	Prepayment rent	ADI BPO Services Limited	Holding Company	26.22	31.48
		ADI Media Private Limited	Company Under Common Control	0.11	0.15
3	Trade receivables	MPS North America LLC	Subsidiary Company	208.14	298.72
		TOPSIM GmbH	Subsidiary Company	35.33	32.29
4	Trade payables	ADI BPO Services Limited	Holding Company	1.31	1.27
		ADI Media Private Limited	Company Under Common Control	0.30	-
5	Payables on purchase of fixed assets	MPS Interactive Systems Limited	Subsidiary Company	-	0.32
6	Other receivables	MPS North America LLC	Subsidiary Company	-	0.15
		MPS Interactive Systems Limited	Subsidiary Company	-	0.43
7	Interest accrued on deposits	MPS Interactive Systems Limited	Subsidiary Company	39.26	48.60
8	Projected benefit obligation	Mr. Sunit Malhotra	KMP	11.08	9.48
		Ms. Gagan Sahni Tyagi	KMP	3.03	2.00
		Ms. Pooja Singh	KMP	-	2.32

Notes:

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

36 Contingent liabilities to the extent not provided for:

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

₹ in Lacs

	As at 31 March 2020	As at 31 March 2019
(a) Income tax	683.45	706.39
(b) Service tax	43.14	380.92
(c) Employee state insurance (ESI) and Provident fund (PF)	-	2.44

The above amounts are based on the notice of demand / Assessment Orders / claims by the relevant authorities / parties and the Company is contesting these claims. Outflows, if any, arising out of these claims would depend on the outcome of the decisions of the appellate authorities and the Company's rights for future appeals before the judiciary. The management believes that the ultimate outcome of these proceedings will not have a material adverse effect on the Company's financial position and results of operations.

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

37 Commitments as at year end

Estimated amount of contracts remaining to be executed on capital account (net of advances) ₹119.54 Lacs (31 March 2019: ₹0.07 Lacs).

38 Corporate Social Responsibility (CSR) Expense

As required by Section 135 of the Companies Act 2013, a Corporate Social Responsibility (CSR) committee has been formed by the Company. The areas for CSR activities include imparting primary education to under privileged girls, computer education to underprivileged children and building intellect and instill higher values of life through education and any other area the Board may find appropriate. Gross amount required to be spent by the Company during the year was ₹186 Lacs (for the year ended 31 March 2019; ₹196.94 Lacs).

Amount spent by the company on its CSR activities are as follows:

₹ in Lacs

Purpose	Year ended 31 March 2020	Year ended 31 March 2019
Promotion of education and skills	144.00	152.68
Health care	42.00	43.68
Total	**186.00**	**196.36**

39 There has been no delay in transferring amounts and shares, required to be transferred, to the Investor Education and Protection Fund by the Company.

Notes forming part of Consolidated Financial Statements

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

40 **Details of provisions**

The Company has made provision for pending litigation matter based on its assessment of the amount it estimates to incur to meet such obligation, details of which are given below:

₹ in Lacs

Provision for service tax matter	As at 31 March 2020	As at 31 March 2019
As at commencement of the year	159.10	154.28
Additions	4.84	4.82
Reversal/utilisation	(124.90)	-
As at end of the year	**39.04**	**159.10**
Out of the above following amount are expected to be incurred within year	39.04	159.10

41 The Company publishes this financial statement along with the consolidated financial statements. In accordance with Ind AS 108, Operating Segments, the Company has disclosed the segment information in the consolidated financial statements.

42 **Disclosure pursuant to section 186(4) of the Companies Act, 2013 in respect of unsecured loans to subsidiary company (refer note 35):**

₹ in Lacs

MPS Interactive Systems Limited	Purpose/Term of loan	As at 31 March 2020	As at 31 March 2019
Outstanding as at the beginning of year	General business purpose for a tenure of 5 years	2,300.00	-
Given during the year		-	2,300.00
Repaid during the year		(247.40)	-
Maximum balance outstanding		2,300.00	2,300.00
Outstanding as at the end of year		**2,052.60**	**2,300.00**

43 **Revenue from contracts with customers**

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

Revenues for the year ended 31 March 2020 and 31 March 2019 are as follows:

₹ in Lacs

Particulars	Year ended 31 March 2020	Year ended 31 March 2019
Content solutions	15,443.55	18,439.18
Platform solutions	3,321.21	3,957.07
	18,764.76	**22,396.25**

43 Revenue from contracts with customers *(contd...)*

(ii) Disaggregation of revenue from contracts with customers

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

₹ in Lacs

Revenue by geographical markets	Year ended 31 March 2020			Year ended 31 March 2019		
	Content solutions	Platform solutions	Total	Content solutions	Platform solutions	Total
India (country of domicile)	76.96	49.32	**126.28**	21.71	58.02	**79.73**
Europe	5,928.90	1,677.87	**7,606.77**	9,786.58	1,889.61	**11,676.19**
USA	9,100.90	1,287.21	**10,388.11**	8,320.07	1,845.31	**10,165.38**
Rest of the World	336.79	306.81	**643.60**	310.82	164.13	**474.95**
Total	**15,443.55**	**3,321.21**	**18,764.76**	**18,439.18**	**3,957.07**	**22,396.25**

Refer note 33 (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

₹ in Lacs

Particulars	As at 31 March 2020	As at 31 March 2019
Receivables, which are included in 'Trade and other receivables' (refer note 11)	3,239.45	3,782.30
Unbilled revenue (refer note 8(ii))	118.01	85.63
Contract assets (refer note 10(ii))	2,034.97	2,140.68
Contract liabilities (refer note 18)	428.77	475.52

Trade receivables are non-interest bearing and are generally on terms of 0 to 60 days.

Significant changes in the contract assets and the contract liabilities balances during the year are as follows

₹ in Lacs

Particulars	Year ended 31 March 2020		Year ended 31 March 2019	
	Contract assets	Contract liabilities	Contract assets	Contract liabilities
Balance as at beginning of the year	**2,140.68**	**475.52**	**1,527.12**	**392.97**
Revenue recognised that was included in the unearned balance at the beginning of the year	-	(448.96)	-	(372.58)
Increases due to cash received, excluding amounts recognised as revenue during the year	-	402.21	-	455.13
Transfers from contract assets recognised at the beginning of the year to receivables	(2,015.52)	-	(1,430.69)	-
Increases as a result of changes in the measure of progress	1,909.81	-	2,044.25	-
Balance at the end of the year	**2,034.97**	**428.77**	**2,140.68**	**475.52**

(iv) The amount of revenue recognised from performance obligations satisfied (or partially satisfied) in previous years, mainly due to the changes in the transaction price is Nil (31 March 2019 : ₹46.45 Lacs)

43 **Revenue from contracts with customers** *(contd...)*

(v) **Reconciliation of revenue recognized with the contracted price is as follows:**

₹ in Lacs

	Year ended 31 March 2020	Year ended 31 March 2019
Contracted price	18,830.90	22,443.50
Reductions towards variable consideration components	(66.14)	(47.25)
Revenue recognised	**18,764.76**	**22,396.25**

The reduction towards variable consideration comprises of volume discounts, bulk discount and price discount, etc.

(vi) **Transaction price allocated to the remaining performance obligations**

The Company applies the practical expedient in paragraph 121 of Ind AS 115 and does not disclose information about remaining performance obligations that have original expected durations of one year or less.

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

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

Shashank Agarwal
Partner
Membership Number: 095109

Place: Gurugram
Date : 19 May 2020

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

Rahul Arora
Managing Director
DIN: 05353333

Ajay Mankotia
Director
DIN: 03123827

Sunit Malhotra
Chief Financial Officer & Company Secretary

Place: Gurugram
Date : 19 May 2020

Independent Auditors' Report

To the Members of MPS Limited

Report on the Audit of Consolidated Financial Statements

Opinion

We have audited the consolidated financial statements of MPS Limited (hereinafter referred to as the 'Holding Company") and its subsidiaries (Holding Company and its subsidiaries together referred to as "the Group"), which comprise the consolidated balance sheet as at 31 March 2020, and the consolidated statement of profit and loss (including other comprehensive income), consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated financial statements").

In our opinion and to the best of our information and according to the explanations given to us, and based on the consideration of reports of other auditors on separate financial statements of such subsidiaries as were audited by the other auditors, the aforesaid consolidated financial statements give the information required by the Companies Act, 2013 ("Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the consolidated state of affairs of the Group as at 31 March 2020, of its consolidated profit and other comprehensive income, consolidated changes in equity and consolidated cash flows for the year then ended.

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Act. Our responsibilities under those SAs are further described in the *Auditor's Responsibilities for the Audit of the Consolidated Financial Statements* section of our report. We are independent of the Group in accordance with the ethical requirements that are relevant to our audit of the consolidated financial statements in terms of the Code of Ethics issued by the Institute of Chartered Accountants of India and the relevant provisions of the Act, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence obtained by us along with the consideration of audit reports of the other auditors referred to in sub paragraph (a) of the "Other Matters" paragraph below, is sufficient and appropriate to provide a basis for our opinion on the consolidated financial statements.

Key Audit Matters

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

Description of Key Audit Matter

The key audit matter	How the matter was addressed in our audit
Revenue recognition involves certain key judgements relating to identification of contract and terms specified therein including measuring performance using percentage-of-completion method. Refer note 2.9 to the consolidated financial statements.	Our audit procedures on revenue recognized from contracts included: □ Tested the effectiveness of control related to revenue recognition. □ Selected a sample of contracts and performed the following procedures: • Read, analysed and identified the distinct performance obligations in these contracts. • Compared these performance obligations with that identified and recorded by the Company. • Evaluating communication, agreed price list and payment terms of invoice in these contracts. • In respect of samples relating to fixed price contracts, progress towards satisfaction of performance obligation used to compute recorded revenue was verified with estimated efforts computed.

Other Information

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

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

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed and based on the work done/ audit report of other auditors, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Management's and Board of Directors' Responsibilities for the Consolidated Financial Statements

The Holding Company's Management and Board of Directors are responsible for the preparation and presentation of these consolidated financial statements in term of the requirements of the Act that give a true and fair view of the consolidated state of affairs, consolidated profit/ loss and other comprehensive income, consolidated statement of changes in equity and consolidated cash flows of the Group in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under section 133 of the Act. The respective Management and Board of Directors of the companies included in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of each company and for preventing and detecting frauds and other irregularities; the selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring accuracy and completeness of the accounting records, relevant to the preparation and presentation of the consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Management and Directors of the Holding Company, as aforesaid.

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

The respective Board of Directors of the companies included in the Group is responsible for overseeing the financial reporting process of each company.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

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

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on the internal financial controls with reference to the consolidated financial statements and the operating effectiveness of such controls based on our audit.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Management and Board of Directors.
- Conclude on the appropriateness of Management and Board of Directors use of the going concern basis of accounting in preparation of consolidated financial statements and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the appropriateness of this assumption. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of such entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the audit of financial information of such entities included in the consolidated financial statements of which we are the independent auditors. For the other entities included in the consolidated financial statements, which have been audited by other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion. Our responsibilities in this regard are further described in para (a) of the section titled 'Other Matters' in this audit report.

  We believe that the audit evidence obtained by us along with the consideration of audit reports of the other auditors referred to in sub-paragraph (a) of the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the consolidated financial statements.

We communicate with those charged with governance of the Holding Company and such other entities included in the consolidated financial statements of which we are the independent auditors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Other Matters

(a) We did not audit the financial statements of 2 subsidiaries, whose financial statements reflect total assets of ₹2,598.29 Lacs as at 31 March 2020, total revenues of ₹2,940.03 Lacs and net cash flows amounting to ₹140.21 Lacs for the year ended on that date, as considered in the consolidated financial statements. These financial statements have been audited by other auditors whose reports have been furnished to us by the Management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries, and our report in terms of sub-section (3) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiaries is based solely on the audit reports of the other auditors.

Certain of these subsidiaries are located outside India whose financial statements and other financial information have been prepared in accordance with accounting principles generally accepted in their respective countries and which have been audited by other auditors under generally accepted auditing standards applicable in their respective countries. The Company's management has converted the financial statements of such subsidiaries located outside India from accounting principles generally accepted in their respective countries to accounting principles generally accepted in India. We have audited these conversion adjustments made by the Company's management. Our opinion in so far as it relates to the balances and affairs of such subsidiaries located outside India is based on the report of other auditors and the conversion adjustments prepared by the management of the Company and audited by us.

Our opinion on the consolidated financial statements, and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditors and the financial statements/financial information certified by the Management.

Report on Other Legal and Regulatory Requirements

A. As required by Section 143(3) of the Act, based on our audit and on the consideration of reports of the other auditors on separate financial statements of such subsidiaries as were audited by other auditors, as noted in the 'Other Matters' paragraph, we report, to the extent applicable, that:

   a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated financial statements.

   b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books and the reports of the other auditors.

   c) The consolidated balance sheet, the consolidated statement of profit and loss (including other comprehensive income), the consolidated statement of changes in equity and the consolidated statement of cash flows dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements.

   d) In our opinion, the aforesaid consolidated financial statements comply with the Ind AS specified under section 133 of the Act.

   e) On the basis of the written representations received from the directors of the Holding Company as on 31 March 2020 taken on record by the Board of Directors of the Holding Company and the reports of the statutory auditors of its subsidiary companies incorporated in India, none of the directors of the Group companies in India is disqualified as on 31 March 2020 from being appointed as a director in terms of Section 164(2) of the Act.

   f) With respect to the adequacy of the internal financial controls with reference to financial statements of the Holding Company and its subsidiary company incorporated in India and the operating effectiveness of such controls, refer to our separate Report in "Annexure A".

B. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditor's) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us and based on the consideration of the reports of the other auditors on separate financial statements of the subsidiaries, as noted in the 'Other Matters' paragraph:

   i. The consolidated financial statements disclose the impact of pending litigations as at 31 March 2020 on the consolidated financial position of the Group. Refer Note 37 to the consolidated financial statements.

   ii. The Group did not have any material foreseeable losses on long-term contracts including derivative contracts during the year ended 31 March 2020.

iii. There has been no delay in transferring amounts to the Investor Education and Protection Fund by the Holding Company or its subsidiary company incorporated in India during the year ended 31 March 2020.

iv. The disclosures in the consolidated financial statements regarding holdings as well as dealings in specified bank notes during the period from 8 November 2016 to 30 December 2016 have not been made in the financial statements since they do not pertain to the financial year ended 31 March 2020.

C. With respect to the matter to be included in the Auditor's report under section 197(16):

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

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

Shashank Agarwal
Partner
Membership No. 095109
ICAI UDIN: 20095109AAAADI9728

Place: Gurugram
Date: 19 May 2020

Annexure A to the Independent Auditors' report on the consolidated financial statements of MPS Limited for the year ended 31 March 2020

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

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

Opinion

In conjunction with our audit of the consolidated financial statements of the Company as of and for the year ended 31 March 2020, we have audited the internal financial controls with reference to consolidated financial statements of MPS Limited (hereinafter referred to as "the Holding Company") and such company incorporated in India under the Companies Act, 2013 which are its subsidiary company, as of that date.

In our opinion, the Holding Company and such company incorporated in India which are its subsidiary company, have, in all material respects, adequate internal financial controls with reference to consolidated financial statements and such internal financial controls were operating effectively as at 31 March 2020, based on the internal financial controls with reference to consolidated financial statements criteria established by such companies considering the essential components of such internal controls stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (the "Guidance Note").

Management's Responsibility for Internal Financial Controls

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

Auditors' Responsibility

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

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

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

Meaning of Internal Financial controls with Reference to Consolidated Financial Statements

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

Inherent Limitations of Internal Financial controls with Reference to consolidated Financial Statements

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

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

Shashank Agarwal
Partner
Membership No. 095109
ICAI UDIN: 20095109AAAADI9728

Place: Gurugram
Date: 19 May 2020

Consolidated Balance Sheet as at 31 March 2020

₹ in Lacs

	Note	As at 31 March 2020	As at 31 March 2020
ASSETS			
Non-current assets			
Property, plant and equipment	3.1	1,998.23	2,137.04
Capital work in progress	3.1	3.06	18.38
Investment property	3.2	107.58	110.76
Right-of-use assets	4	1,543.42	-
Goodwill	5	6,177.24	6,006.87
Other intangible assets	5	1,673.15	2,031.77
Financial assets			
Loans	6 (i)	181.75	243.67
Other financial assets	7 (i)	51.43	26.54
Income tax assets (net)	8 (i)	973.15	970.07
Deferred tax assets (net)	15	39.48	86.53
Other non-current assets	9 (i)	286.28	462.39
Total non-current assets		**13,034.77**	**12,094.02**
Current assets			
Financial assets			
Investments	10	8,572.27	21,204.93
Trade receivables	11	6,227.65	6,871.11
Cash and cash equivalents	12 (i)	8,170.08	4,752.45
Other bank balances	12 (ii)	1,276.10	2,915.51
Loans	6 (ii)	112.58	29.87
Other financial assets	7 (ii)	189.19	441.43
Income tax assets (net)	8 (ii)	-	41.95
Other current assets	9 (ii)	6,776.29	5,390.19
Total current assets		**31,324.16**	**41,647.44**
TOTAL ASSETS		**44,358.93**	**53,741.46**
EQUITY AND LIABILITIES			
Equity			
Equity share capital	13	1,861.69	1,861.69
Other equity		34,829.03	45,253.85
Total equity		**36,690.72**	**47,115.54**
Liabilities			
Non-current liabilities			
Financial liabilities			
Lease liabilities	14 (i)	1,279.25	-
Provisions	19 (i)	57.13	47.02
Deferred tax liabilities (net)	15	391.86	668.69
Total non-current liabilities		**1,728.24**	**715.71**
Current liabilities			
Financial liabilities			
Lease liabilities	14 (ii)	604.86	-
Trade payables			
Due to Micro and Small enterprises	16	9.70	26.52
Due to Others	16	1,209.84	1,304.98
Other financial liabilities	17	753.00	707.73
Other current liabilities	18	2,933.64	3,467.15
Provisions	19 (ii)	165.66	268.20
Income tax liabilities (net)	20	263.27	135.63
Total current liabilities		**5,939.97**	**5,910.21**
TOTAL EQUITY AND LIABILITIES		**44,358.93**	**53,741.46**
Significant accounting policies	2		
Notes to financial statements	3-45		
The accompanying notes form an integral part of consolidated 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
Partner
Membership Number: 095109

Place : Gurugram
Date : 19 May 2020

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

Rahul Arora
Managing Director
DIN: 05353333

Ajay Mankotia
Director
DIN: 03123827

Sunit Malhotra
Chief Financial Officer & Company Secretary

Place : Gurugram
Date : 19 May 2020

Consolidated Statement of Profit & Loss for the year ended 31 March 2020

₹ in Lacs

	Note	Year ended 31 March 2020	Year ended 31 March 2019
Revenue from operations	21	33,165.28	36,253.64
Other income	22	1,997.82	2,526.06
Total income		**35,163.10**	**38,779.70**
Expenses			
Employee benefits expense	23	16,562.48	16,445.91
Finance costs	24	214.87	19.05
Depreciation and amortization expense	25	1,536.66	1,106.60
Other expenses	26	8,707.23	10,472.97
Total expenses		**27,021.24**	**28,044.53**
Profit before exceptional items and tax		**8,141.86**	**10,735.17**
Exceptional items		-	-
Profit before tax		**8,141.86**	**10,735.17**
Tax expense:	27		
Current tax		2,379.51	3,051.55
Adjustment of tax relating to earlier years		35.67	35.83
Deferred tax	15	(259.16)	44.26
Total tax expenses		**2,156.02**	**3,131.64**
Profit for the year		**5,985.84**	**7,603.53**
Other comprehensive income			
Items that will not be reclassified subsequently to profit or loss			
Remeasurement of net defined benefit liability/assets		(53.05)	88.88
Income tax relating to items that will not be reclassified to profit or loss		13.35	(28.01)
Items that will be reclassified subsequently to profit or loss			
Exchange differences on translation of foreign operations		686.36	276.83
Total other comprehensive income for the year , net of tax		**646.66**	**337.70**
Total comprehensive income for the year		**6,632.50**	**7,941.23**
Earnings per equity share (nominal value of share ₹ 10)			
- Basic and diluted (earnings per equity share expressed in absolute amount in ₹)	28	32.15	40.83
Significant accounting policies	2		
Notes to financial statements	3-45		
The accompanying notes form an integral part of consolidated 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
Partner
Membership Number: 095109

Place: Gurugram
Date : 19 May 2020

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

Rahul Arora
Managing Director
DIN: 05353333

Ajay Mankotia
Director
DIN: 03123827

Sunit Malhotra
Chief Financial Officer & Company Secretary

Place: Gurugram
Date : 19 May 2020

Consolidated Statement of change in equity for the year ended 31 March 2020

A. Equity share capital

	₹ in Lacs
Balance as at 1 April 2018	**1,861.69**
Changes in equity share capital during the year	-
Balance as at 31 March 2019	**1,861.69**
Changes in equity share capital during the year	-
Balance as at 31 March 2020	**1,861.69**

B. Other equity ₹ in Lacs

Particulars	Reserve and Surplus (refer note 1 below)			Other Comprehensive income (refer note 1 below)	Total
	Securities premium account	General reserve	Retained earnings	Foreign currency translation reserve	
As at 1 April 2018	**14,600.33**	**2,849.32**	**22,666.90**	**(110.69)**	**40,005.86**
Profit for the year	-	-	7,603.53	-	7,603.53
Other comprehensive income	-	-	60.87	276.83	337.70
Total comprehensive income for the year	**-**	**-**	**7,664.40**	**276.83**	**7,941.23**
Dividends	-	-	(2,234.03)	-	(2,234.03)
Income tax on dividend	-	-	(459.21)	-	(459.21)
As at 31 March 2019	**14,600.33**	**2,849.32**	**27,638.06**	**166.14**	**45,253.85**
As at 1 April 2019	**14,600.33**	**2,849.32**	**27,638.06**	**166.14**	**45,253.85**
Transition impact of Ind AS 116 (refer note 31 (iii))	-	-	(224.56)	-	(224.56)
Restated balance as at 1 April 2019	**14,600.33**	**2,849.32**	**27,413.50**	**166.14**	**45,029.29**
Profit for the year	-	-	5,985.84	-	5,985.84
Other comprehensive income	-	-	(39.70)	686.36	646.66
Total comprehensive income for the year	**-**	**-**	**5,946.15**	**686.36**	**6,632.50**
Dividends	-	-	(13,962.69)	-	(13,962.69)
Income tax on dividend	-	-	(2,870.07)	-	(2,870.07)
As at 31 March 2020	**14,600.33**	**2,849.32**	**16,526.88**	**852.50**	**34,829.03**

Notes:

1 Nature and purpose of other equity:

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

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

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

Foreign currency translation reserve: Exchange differences arising on translation of the foreign operations are recognised in other comprehensive income as described in accounting policy and accumulated in a separate reserve within equity. The cumulative amount is reclassified to profit or loss when the Group dispose or partially dispose off its interest in a foreign operation through sale, liquidation,repaymentof share capital or abandonment of all, or part of, that entity.

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
Partner
Membership Number: 095109

Place: Gurugram
Date : 19 May 2020

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

Rahul Arora
Managing Director
DIN: 05353333

Ajay Mankotia
Director
DIN: 03123827

Sunit Malhotra
Chief Financial Officer & Company Secretary

Place: Gurugram
Date : 19 May 2020

Consolidated Cash Flows Statement for the year ended 31 March 2020

₹ in Lacs

Particulars	Year ended 31 March 2020	Year ended 31 March 2019
A. Cash flows from operating activities		
Net profit before tax	**8,141.86**	**10,735.17**
Adjustments:		
Depreciation and amortisation expense	1,536.66	1,106.60
Interest income	(362.38)	(87.24)
Dividend income	(2.73)	(13.28)
Net loss/(gain) on sale of current investment	13.43	(159.09)
Finance costs	214.87	19.05
(Gain)/loss on sale/disposal/discard of property, plant and equipment (net)	(4.70)	17.37
Gain on investment carried at fair value through profit or loss (net)	(1,005.95)	(1,441.83)
Liabilities/provisions no longer required written back	(254.60)	(198.32)
Allowances/(reversal) for expected credit loss	120.01	(15.95)
Bad debts written off	3.88	73.64
Allowances/(reversal) for doubtful advances	3.08	(0.28)
Income from government grants	-	(566.93)
Advances written off	3.00	-
Unrealised foreign exchange loss/(gain) (net)	105.04	(7.88)
Unrealised foreign exchange loss/(gain) on mark-to-market on forward contracts	177.26	(137.22)
Operating cash flows before working capital changes	**8,688.73**	**9,323.81**
Decrease/(increase) in trade receivables	389.71	(1,127.83)
(Increase)/decrease in loans	(23.86)	232.07
Decrease in other financial assets	28.97	2,271.52
(Increase) in other current assets	(1,389.10)	(2,799.38)
Decrease in other non current assets	176.11	132.15
(Decrease) in trade payables	(101.50)	(52.17)
Increase/(decrease) in other financial liabilities	82.26	(102.59)
(Decrease)/increase in other current liabilities	(452.38)	1,134.76
(Decrease) in provisions	(25.42)	(122.14)
Cash generated from operations	**7,373.52**	**8,890.20**
Income tax paid (net of refund)	(2,099.86)	(3,527.25)
Net cash generated from operating activities (A)	**5,273.66**	**5,362.95**
B. Cash flows from investing activities		
Purchase of property, plant and equipment (including capital work-in-progress)	(255.51)	(280.90)
Purchase of other intangible assets	(220.37)	(36.63)
Sale of property, plant and equipment	15.13	63.36
Acquisition of business# (refer note 40)	-	(6,450.26)
Purchase of current investments	(23,329.78)	(22,837.76)
Sale of current investments	36,954.95	32,033.47
Purchase of term deposits	(1,307.20)	(2,915.51)
Redemption of term deposits	2,922.15	-
Dividends received	2.73	13.28
Interest received	381.91	25.38
Net cash generated from/(used in) investing activities (B)	**15,164.01**	**(385.57)**

Consolidated Cash Flows Statement for the year ended 31 March 2020

₹ in Lacs

	Year ended 31 March 2020	Year ended 31 March 2019
C. Cash flows from financing activities		
Repayment of lease liabilities including interest expenses	(697.34)	-
Finance costs	(0.82)	(8.69)
Dividend paid	(13,962.69)	(2,234.03)
Tax on dividend	(2,870.07)	(459.21)
Net cash used in financing activities (C)	**(17,530.92)**	**(2,701.93)**
Net increase in cash and cash equivalents (A+B+C)	**2,906.75**	**2,275.45**
Impact on cash flows on account of foreign currency translation reserve	469.56	179.57
Effects of exchange differences on cash and cash equivalents held in foreign currency	41.32	(1.58)
Cash and cash equivalents at the beginning of the year	4,752.45	2,299.01
Cash and cash equivalents at the end of the year (see below)	**8,170.08**	**4,752.45**
Components of cash and cash equivalents:		
Cash on hand	2.02	0.09
Balances with banks		
- Current accounts	5,316.31	3,959.34
- EEFC accounts	902.75	763.02
- Demand deposit accounts (demand deposits and deposits having original maturity of 3 months or less)	1,949.00	30.00
	8,170.08	**4,752.45**

Notes:

1. Statement of Cash Flows has been prepared under the indirect method as set out in the Ind AS 7 "Statement of Cash Flows".
2. During the year, the Company paid in cash ₹ 186.00 Lacs (31 March 2019: ₹ 196.36 Lacs) towards corporate social responsibility (CSR) expenditure (refer note 39).

Net of cash and cash equivalents acquired (refer note 40).

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
Partner
Membership Number: 095109

Place: Gurugram
Date : 19 May 2020

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

Rahul Arora
Managing Director
DIN: 05353333

Ajay Mankotia
Director
DIN: 03123827

Sunit Malhotra
Chief Financial Officer & Company Secretary

Place: Gurugram
Date : 19 May 2020

1. **Corporate Information**

   MPS Limited ("the Company" or the "Parent Company") is a public limited Company domiciled in India and incorporated under the provisions of Companies Act, 1956 having its registered office located at RR Towers IV, Super A, 16/17, Thiru-vi-ka Industrial State, Guindy, Chennai-600032. Its equity shares are listed on the Bombay Stock Exchange Limited and the National Stock Exchange of India Limited.

   MPS provides platforms and services for content creation, full-service production, and distribution to the world's leading publishers, learning companies, corporate institutions, libraries, and content aggregators.

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

   The Company has a wholly owned subsidiary namely MPS North America LLC (MPS NA LLC) as a Limited Liability Company under the laws of the State of Florida in the United States of America.

   The Company had incorporated a wholly owned subsidiary namely MPS Interactive Systems Limited on 10 May 2018 as a public limited company under the provisions of Companies Act, 2013 domiciled in India.

   The Company had acquired TOPSIM GmbH, a company based in Germany on 2 July 2018 and MPS Europa AG, a company based in Switzerland on 5 July 2018 and eLearning business of Tata Interactive Systems (a division of Tata Industries Limited) having its branches at USA, UK, Canada and UAE through MPS Interactive Systems Limited.

   The consolidated financial statements of the Company as at and for the year ended on 31 March 2020 comprise the Company and its subsidiaries (together referred to as "the Group").

2. **Significant accounting policies**

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

   2.1 Basis of preparation of consolidated financial statements

   a) **Statement of compliance**

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

      The consolidated financial statements of the Group for the year ended 31 March 2020 were approved for issue in accordance with the resolution of the Board of Directors on 19 May 2020.

   b) Effective 1 April 2016, the Group had transitioned to Ind AS while the financial statements were being prepared in accordance with the Companies (Accounting Standards) Rules, 2006 (previous GAAP) till 31 March 2017 and the transition was carried out in accordance of Ind AS 101 "First time adoption of Indian Accounting Standards". While carrying out transition, in addition to the mandatory exemptions, the Group had elected to certain exemption which are listed as below

      - The Group elected to apply Ind AS 103 prospectively to business combinations occurring after its transition date. As such previous GAAP balances relating to business combinations consummated before that date, including goodwill, have been carried forward. Business combination occurring prior to the transition date has not been restated.
      - The Group elected to continue with the carrying value for all of its property, plant and equipment, intangible assets and investment property as recognised in the financial statements as at the date of

All amount in ₹ Lacs, unless otherwise stated

transition to Ind AS, measured as per the previous GAAP and use that as its deemed cost as at the date of transition.

- The Group has elected to consider previous GAAP carrying amount of its investments in subsidiaries on the date of transition to Ind AS as its deemed cost for the purpose of determining cost in accordance with principles of Ind AS 27-"Separate financial statements".
- The group has elected to reset all cumulative translation gains and losses to zero by transferring it to opening retained earnings at its transition date.

c) **Basis of consolidation:**

The consolidated financial statements comprise the financial statements of the Parent Company and its subsidiaries as at 31 March 2020. Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Specifically, the Group controls an investee if and only if the Group has:

- Power over the investee (i.e. existing rights that give it the current ability to direct the relevant activities of the investee)
- Exposure, or rights, to variable returns from its involvement with the investee, and
- The ability to use its power over the investee to affect its returns

The group re-assesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of controls listed above. The group considers all relevant facts and circumstances in assessing whether it has power over the investee, including:

- The size of Group's holding of voting rights;
- Potential voting rights held by the Group;
- Rights arising from other contractual arrangements.

Consolidation of a subsidiary begins when the group obtains control over the subsidiary and ceases when the Group losses control of the subsidiary. Assets, liabilities, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated financial statements from the date the Group gains control until the date the Group ceases to control the subsidiary.

Consolidated financial statements are prepared using uniform accounting policies for like transactions and other events in similar circumstances. If a member of the Group uses accounting policies other than those adopted in the consolidated financial statements for like transactions and events in similar circumstances, appropriate adjustments are made to that Group member's financial statements in preparing the consolidated financial statements to ensure conformity with the Group's accounting policies.

The details of the consolidated entities are as follows:

S. No.	Name	Country of incorporation	Name of Parent	Percentage of ownership
1	MPS North America LLC	USA	MPS Limited	100%
2	MPS Interactive Systems Limited (w.e.f 10 May 2018)	India	MPS Limited	100%
3	TOPSIM GmbH (w.e.f 2 July 2018)	Germany	MPS Limited	100%
4	MPS Europa AG (w.e.f 5 July 2018)	Switzerland	MPS Limited	100%

d) **Consolidation procedure**

i. Combine like items of assets, liabilities, equity, income, expenses and cash flows of the parent with those of its subsidiaries.

ii. Offset (eliminate) the carrying amount of the parent's investment in each subsidiary and the parent's portion of equity of each subsidiary. Business combinations policy explains how to account for any related goodwill.

iii. Eliminate in full, intragroup assets and liabilities, equity, income, expenses and cash flows relating to transactions between entities of the Group (profits or losses resulting from intragroup transactions that are recognised in assets, such as inventory and fixed assets, are eliminated in full). Intragroup losses may indicate an impairment that requires recognition in the consolidated financial statements. Ind AS 12 "Income Taxes" applies to temporary differences that arise from the elimination of profits and losses resulting from intragroup transactions.

Profit or loss and each component of other comprehensive income (OCI) are attributed to the equity holders of the parent of the Group.

e) **Basis of measurement**

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

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

f) **Critical estimates and judgements**

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

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

- Assessment of useful life of items of property, plant and equipment and intangible asset – refer note 2.3
- Estimated impairment of financial instrument and non-financial assets – refer note 2.5 and 2.6
- Recognition and estimation of tax expense including deferred tax– refer note 15
- Estimation of assets and obligations relating to employee benefits – refer note 30
- Fair value measurement – refer note 32
- Measurement and likelihood of occurrence of provisions and contingencies – refer note 37
- Measurement of consideration and assets acquired as part of business combination – refer note 40
- Assessment of revenue based on the progress of project using percentage of completion method, measured on the basis of effort involved which is akin to output to customer- refer note 2.9

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

2.2 Current–non-current classification

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

Assets

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

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

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

Liabilities

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

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

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

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

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

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

a) Item of property, plant and equipment

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

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

b) **Investment Properties**

Property that is held for long term rental yields or for capital appreciation or for both, and that is not occupied by the Group, is classified as investment property. Investment property is measured initially at its cost, including related transaction cost and where applicable borrowing costs. Subsequent expenditure is capitalised to assets carrying amount only when it is probable that future economic benefits associated with the expenditure will flow to the Group and the cost of the item can be measured reliably. All other repairs and maintenance are charged to the Statement of Profit and Loss during the period in which they are incurred. When part of an investment property is replaced, the carrying amount of the replaced part is derecognised.

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

c) **Intangible assets**

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

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

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

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

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

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

- Software – 2 to 5 years
- Customer relationship- 5 years
- Trademark- 10 years
- Order Book – 3 years

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

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

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

For overseas entities, depreciation is charged using the straight line method, over the estimated useful life considered as follows:

- Plant and equipment- 3 to 5 years
- Leasehold improvement- over the life of lease period
- Fixtures and fixtures- 10 years
- Office equipment- 3 to 10 years
- Trademark- 10 years
- Computer software- 1 to 10 years

e) **Derecognition**

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

2.4 Business Combination:

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

Transaction costs are expensed as incurred. Any contingent consideration payable is measured at fair value at the acquisition date. Subsequent changes in the fair value of contingent consideration are recognised in the Statement of Profit and Loss.

2.5 Impairment of non-financial assets

The Group's non-financial assets, other than deferred tax are reviewed at each reporting date to determine whether there is any such indication. If any such indication 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 Group reviews at each reporting date whether there is any indication that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. Such a reversal is made only to the extent that the asset's carrying amount does not exceeds the carrying amount that would have been determined, net of depreciation or amortization, if no impairment loss had been recognised.

2.6 Financial instrument

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

Financial assets

Initial recognition and measurement

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

Subsequent measurement

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

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

Debt instruments at amortised cost

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

i. The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows, and

ii. Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

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

Debt instrument at FVOCI

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

i. The objective of the business model is achieved both by collecting contractual cash flows and selling the financial assets, and

ii. The asset's contractual cash flows represent SPPI.

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

Debt instrument at FVPL

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

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

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

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

Equity investments

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

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

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

Impairment of financial instrument

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

Derecognition

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

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

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

Financial liabilities

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

Derecognition

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

Derivative financial instruments

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

Offsetting

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

2.7 Cash and cash equivalents

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

2.8 Provisions and Contingent Liabilities

Provision

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

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

Contingent Liabilities

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

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

2.9 Revenue recognition

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

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

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

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

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

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

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

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

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

The Group disaggregates revenue from contracts with customers geography and nature of services.

Use of significant judgements in revenue recognition

- The Group's contracts with customers could include promises to transfer multiple products and services to a customer. The Group assesses the products / services promised in a contract and identifies distinct performance obligations in the contract. Identification of distinct performance obligation involves judgement to determine the deliverables and the ability of the customer to benefit independently from such deliverables.
- Judgement is also required to determine the transaction price for the contract. The transaction price could be either a fixed amount of customer consideration or variable consideration with elements such as volume discounts, service level credits, performance bonuses, price concessions and incentives. The transaction price is also adjusted for the effects of the time value of money if the contract includes a significant financing component. Any consideration payable to the customer is adjusted to the transaction price, unless it is a payment for a distinct product or service from the customer. The estimated amount of variable consideration is adjusted in the transaction price only to the extent that it is highly probable that a significant reversal in the amount of cumulative revenue recognised will not occur and is reassessed at the end of each reporting period. The Group allocates the elements of variable considerations to all the performance obligations of the contract unless there is observable evidence that they pertain to one or more distinct performance obligations.
- The Group uses judgement to determine an appropriate standalone selling price for a performance obligation. The Group allocates the transaction price to each performance obligation on the basis of the relative standalone selling price of each distinct product or service promised in the contract. Where standalone selling price is not observable, the Group uses the expected cost plus margin approach to allocate the transaction price to each distinct performance obligation.
- The Group exercises judgement in determining whether the performance obligation is satisfied at a point in time or over a period of time. The Group considers indicators such as how customer consumes benefits

as services are rendered or who controls the asset as it is being created or existence of enforceable right to payment for performance to date and alternate use of such product or service, transfer of significant risks and rewards to the customer, acceptance of delivery by the customer, etc.

- Revenue for fixed-price contract is recognised using percentage-of-completion method. The Group uses judgement to estimate the efforts incurred which is used to determine the degree of completion of the performance obligation.

2.10 Recognition of dividend income and interest income

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

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

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

2.11 Government Grants

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

a) the Group will comply with the conditions attached to them; and

b) the grant will be received.

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

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

2.12 Employee benefits

a) **Short-term employee benefits:** All employee benefits falling due within twelve months of the end of the period in which the employees render the related services are classified as short term employee benefits, which include benefits like salaries, wages, short term compensated absences, performance incentives, etc. measured on an undiscounted basis and are recognised as expenses in the period in which the employee renders the related service and measured accordingly.

b) **Post-employment benefits:** Post employment benefit plans are classified into defined benefits plans and defined contribution plans as under:

- **Gratuity:** The Group has an obligation towards gratuity, a defined benefit retirement plan covering eligible employees. The plan provides for a lump sum payment to vested employees at retirement, death while in employment or on termination of employment of an amount based on the respective employee's salary and the tenure of employment. The liability in respect of Gratuity is recognised in the books of accounts based on actuarial valuation by an independent actuary. The gratuity liability for the employees of the Group is funded with an insurance company in the form of a qualifying insurance policy. The gratuity benefit obligation recognised in the balance sheet represents the present value of the obligations as reduced by fair value of assets held by the Insurance Group. Actuarial gain/losses are recognised immediately in the other comprehensive income.

- **Superannuation:** Certain employees of the Group are also participants in the superannuation plan ('the Plan'), a defined contribution plan. Contribution made by the Group to the plan is charged to Statement of Profit and Loss.

- **Provident fund:** For employees in India, provident fund is deposited with Regional Provident Fund Commissioner. This is treated as defined contribution plan. Group's contribution to the provident fund is charged to Statement of Profit and Loss.

- **Employee State Insurance:** For employees in India, Employee State Insurance (ESI) is deposited with Employee State Insurance Corporation. This is treated as defined contribution plan. Group's contribution to the ESI is charged to Statement of Profit and Loss.

- **Social security plans:** For employees outside India, Employees contributions payable to the social security plan, which is a defined contribution scheme, is charged to the statement of profit and loss in the period in which the employee renders services.

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

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

d) **Termination benefits:**

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

Actuarial valuation

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

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

2.13 Tax Expense

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

a) **Current tax:**

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

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

b) **Deferred tax:**

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

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

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

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

2.14 Dividend Distributions

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

2.15 Foreign currency transactions and translations

a) **Functional and presentation currency**

The consolidated financial statements are presented in Indian Rupees (₹), which is also the Parent Company's functional currency. Items included in the consolidated financial statements of the Group are recorded using the currency of the primary economic environment in which the Group operates (the 'functional currency'). All the amount have been rounded-off to the nearest lakhs, unless otherwise stated.

b) **Transactions and balances**

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

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

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

c) **Group companies**

The results and financial position of foreign operations (none of which has the currency of a hyperinflationary economy) that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

- Share capital and opening reserves and surplus are carried at historical cost.
- All assets and liabilities, both monetary and non-monetary, (excluding share capital, opening reserves and surplus) are translated using closing rates at Balance Sheet date.
- Profit and Loss items are translated at the respective monthly average rates or the exchange rate that approximates the actual exchange rate on date of specific transaction.
- Contingent liabilities are translated at the closing rates at Balance Sheet date.
- All resulting exchange differences are recognised in Other Comprehensive Income.

When a foreign operation is sold, the associated cumulative exchange differences are reclassified to profit or loss, as part of the gain or loss on sale.

The items of Consolidated Cash Flows Statement are translated at the respective average rates or the exchange rate that approximates the actual exchange rate on date of specific transaction. The impact of changes in exchange rate on cash and cash equivalent held in foreign currency is included in effect of exchange rate changes.

2.16 Leases

Effective 1 April 2019, the Group has applied Ind AS 116, 'Leases'. Ind AS 116 replaces Ind AS 17 – Leases and related interpretation and guidance. The standard sets out principles for recognition, measurement, presentation and disclosure of leases for both parties to a contract i.e., the lessee and the lessor. Ind AS 116 introduces a single lessee accounting model and requires a lessee to recognise assets and liabilities for all leases with a term of more than 12 months, unless the underlying asset is of low value. The Group has applied Ind AS 116 using the modified retrospective approach, under which the cumulative effect of initial application is recognised in retained earnings at 1 April 2019. As a result, the comparative information has not been restated. Refer note 2.16 – Significant accounting policies – Leases in the Annual report of the Company for the year ended 31 March 2019, for the leases policy as per Ind AS 17 and related interpretation and guidance. The impact of the adoption of the standard on the financial statements of the Group is insignificant. Refer note 31 for further details.

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

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

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

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

The Group has elected not to recognise right-of-use assets and lease liabilities for short-term leases that have a lease term of 12 months or less and leases of low-value assets (assets of less than USD 5,000 in value). The Group recognises the lease payments associated with these leases as an expense over the lease term.

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

2.17 Earnings per share

Basic earnings/ (loss) per share is calculated by dividing the net profit or loss for the year attributable to equity shareholders by the weighted average number of equity shares outstanding during the year. The weighted average number of equity shares outstanding during the 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.

2.18 Cash Flows Statement

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

2.19 Measurement of fair values

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

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

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

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

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

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

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

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

2.20 New standards and interpretations not yet adopted

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

Notes forming part of Consolidated Financial Statements for the year ended 31 March 2020

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

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

₹ in Lacs

Particulars	Freehold land (refer note 1 below)	Buildings (refer note 1 below)	Plant & equipment	Furniture & fixtures	Vehicles	Leasehold improvements	Capital Work-in-Progress	Total
Gross carrying value								
As at 1 April 2018	400.00	901.23	1,432.84	40.37	0.18	9.81	-	2,784.43
Acquisitions through business combinations (refer note 40)	-	-	516.89	320.83	94.29	56.31	19.47	1,007.79
Additions	-	-	212.30	60.95	-	7.65	-	280.90
Disposals/adjustments	-	-	(7.52)	(77.67)	(8.39)	-	(1.09)	(94.67)
Foreign currency translation reserve	-	-	(18.56)	(3.40)	(0.91)	1.11	-	(21.76)
As at 31 March 2019	**400.00**	**901.23**	**2,135.95**	**341.08**	**85.17**	**74.88**	**18.38**	**3,956.69**
Additions	-	-	220.34	26.40	6.06	-	2.71	255.51
Disposals/adjustments	-	-	(4.30)	(12.83)	(6.06)	-	(18.03)	(41.22)
Foreign currency translation reserve	-	-	55.13	21.23	7.00	5.23	-	88.59
As at 31 March 2020	**400.00**	**901.23**	**2,407.12**	**375.88**	**92.17**	**80.11**	**3.06**	**4,259.57**
Accumulated depreciation								
As at 1 April 2018	-	40.66	765.04	24.82	0.13	4.93	-	835.58
Acquisitions through business combinations (refer note 40)	-	-	257.93	156.69	77.88	32.71	-	525.21
Depreciation charge for the year	-	20.34	371.51	52.24	5.26	27.33	-	476.68
Disposals/adjustments	-	-	(5.54)	(7.58)	(0.95)	-	-	(14.07)
Foreign currency translation reserve	-	-	(14.98)	(4.15)	(0.92)	(2.08)	-	(22.13)
As at 31 March 2019	**-**	**61.00**	**1,373.96**	**222.02**	**81.40**	**62.89**	**-**	**1,801.27**
Depreciation charge for the year	-	20.39	324.40	36.69	1.88	9.52	-	392.88
Disposals/adjustments	-	-	(2.40)	(6.67)	(0.57)	(3.11)	-	(12.75)
Foreign currency translation reserve	-	-	47.11	17.69	7.00	5.08	-	76.88
As at 31 March 2020	**-**	**81.39**	**1,743.07**	**269.73**	**89.71**	**74.38**	**-**	**2,258.28**

Net carrying value	Freehold land (refer note 1 below)	Buildings (refer note 1 below)	Plant & equipment	Furniture & Fixtures	Vehicles	Leasehold improvements	Capital Work-in-Progress	Total
As at 31 March 2019	400.00	840.23	761.99	119.06	3.77	11.99	18.38	2,155.42
As at 31 March 2020	400.00	819.84	664.05	106.15	2.46	5.73	3.06	2,001.29

Net carrying value	31 March 2020	31 March 2019
Property, plant and equipment	1,998.23	2,137.04
Capital work in progress	3.06	18.38

1. Freehold land and Buildings include property located at Bengaluru (HMG Ambassador) at a cost of ₹ 400 Lacs and ₹ 901.23 Lacs respectively. The title to this property is in the name of HMG Ambassador Property Management Private Limited, represented by 1,47,50,000 equity shares of ₹ 10/- each representing the value of land and buildings with irrevocable right of permanent occupation.

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

3.2 Investment property

₹ in Lacs

Particulars	Freehold land	Buildings	Total
Gross carrying value			
As at 1 April 2018	4.36	114.93	119.29
Additions	-	-	-
Disposals/adjustments	-	-	-
As at 31 March 2019	**4.36**	**114.93**	**119.29**
Additions	-	-	-
Disposals/adjustments	-	-	-
As at 31 March 2020	**4.36**	**114.93**	**119.29**
Accumulated depreciation			
As at 1 April 2018	-	5.35	5.35
Depreciation charge for the year	-	3.18	3.18
Disposals/adjustments	-	-	-
As at 31 March 2019	**-**	**8.53**	**8.53**
Depreciation charge for the year	-	3.18	3.18
Disposals/adjustments	-	-	-
As at 31 March 2020	**-**	**11.71**	**11.71**

₹ in Lacs

Net carrying value	Freehold land	Buildings	Total
As at 31 March 2019	4.36	106.40	110.76
As at 31 March 2020	4.36	103.22	107.58

₹ in Lacs

Amount recognised in profit or loss for investment property	Year ended 31 March 2020	Year ended 31 March 2019
Rental income derived from investment properties	-	-
Direct operating expenses (including repairs and maintenance) generating rental income	-	-
Direct operating expenses (including repairs and maintenance) that did not generate rental income	(34.74)	(35.77)
Loss arising from investment properties before depreciation	**(34.74)**	**(35.77)**
Less: Depreciation for the year	(3.18)	(3.18)
Loss arising from investment properties	**(37.92)**	**(38.95)**

Notes forming part of Consolidated Financial Statements for the year ended 31 March 2020

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

3.2 Investment property *(contd...)*

₹ in Lacs

Fair value of investment property	Freehold land and buildings
As at 31 March 2019	3,211.88
As at 31 March 2020	3,211.88

1. Investment property comprises land and building for basement, ground floor, first floor, eighth floor and parking areas situated in Bengaluru. The title deeds for land and building for basement, ground floor and first floor are in the name of Brigade Marketing Company Private Limited, erstwhile Company that was merged with Macmillan India Limited (now MPS Limited) in 2001 under section 391 to 394 of the Companies Act, 1956 in terms of the approval of the Honorable High Court at Karnataka. The title deeds for land and building for remaining areas are in the name of the Company.

2. The Company has obtained an independent valuation for the fair value of its investment property based on the market value approach.The valuer has relied on the prevalent real estate rates and realisable price of similar property in the same vicinity. All resulting fair value estimates for investment property are included in Level 3.

4 Right-of-use asset*

₹ in Lacs

Particulars	Buildings	Vehicles	Total
Gross carrying value			
As at 1 April 2019	-	-	-
Impact of Ind AS 116	1,966.72	35.73	2,002.45
Additions	54.51	-	54.51
Disposals/adjustments	-	-	-
Depreciation charge for the year	504.43	12.38	516.81
Foreign currency translation reserve	3.27	-	3.27
As at 31 March 2020	**1,520.07**	**23.35**	**1,543.42**

₹ in Lacs

Net carrying value	Buildings	Vehicles	Total
As at 31 March 2020	1,520.07	23.35	1,543.42

* Refer note 31

5 Intangible assets

₹ in Lacs

Particulars	Goodwill	Other intangible assets				Total
		Trademark	Customer relationship	Computer software	Order Book	
Gross carrying value						
As at 1 April 2018	1,794.27	111.57	196.71	1,222.41	-	3,324.96
Acquisitions through business combinations (refer note 40)	4,108.44	-	671.60	1,575.96	151.62	6,507.62
Additions	-	-	-	36.63	-	36.63
Disposals/adjustments	-	-	-	(2.61)	-	(2.61)
Foreign currency translation reserve	104.16	2.16	-	(39.52)	-	66.80
As at 31 March 2019	**6,006.87**	**113.73**	**868.31**	**2,792.87**	**151.62**	**9,933.40**
Additions	-	-	-	220.37	-	220.37
Disposals/adjustments	-	-	-	-	-	-
Foreign currency translation reserve	170.37	3.53	-	151.28	-	325.18
As at 31 March 2020	**6,177.24**	**117.26**	**868.31**	**3,164.52**	**151.62**	**10,478.95**
Accumulated depreciation/ amortisation						
As at 1 April 2018	-	17.41	39.28	453.22	-	509.91
Acquisitions through business combinations (refer note 40)	-	-	-	793.85	-	793.85
Amortisation charge for the year	-	11.61	154.45	418.03	42.65	626.74
Disposals/adjustments	-	-	-	(2.60)	-	(2.60)
Foreign currency translation reserve	-	0.34	-	(33.48)	-	(33.14)
As at 31 March 2019	**-**	**29.36**	**193.73**	**1,629.02**	**42.65**	**1,894.76**
Amortisation expense for the year	-	11.73	177.49	384.59	49.98	623.79
Disposals/adjustments	-	-	-	-	-	-
Foreign currency translation reserve	-	1.24	-	108.77	-	110.01
As at 31 March 2020	**-**	**42.33**	**371.22**	**2,122.38**	**92.63**	**2,628.56**

₹ in Lacs

Net carrying value	Goodwill	Other intangible assets				Total
		Trademark	Customer relationship	Computer software	Order Book	
As at 31 March 2019	6,006.87	84.37	674.58	1,163.85	108.97	8,038.64
As at 31 March 2020	6,177.24	74.93	497.09	1,042.14	58.99	7,850.39

₹ in Lacs

Net carrying value	31 March 2020	31 March 2019
Goodwill	6,177.24	6,006.87
Other Intangible assets	1,673.15	2,031.77

Notes forming part of Consolidated Financial Statements for the year ended 31 March 2020

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

5 Intangible assets *(contd...)*

5(a) Impairment testing of goodwill

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

The aggregate carrying amounts of goodwill allocated to content solution and platform solutions operating segments as follows:

₹ in Lacs

Particulars	As at 31 March 2020	As at 31 March 2019
Content solutions	1,319.58	1,209.13
eLearning solutions	3,878.77	3,878.77
Platform solutions	978.89	918.97
	6,177.24	**6,006.87**

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

Value in use was determined by discounting the future cash flows generated from the continuing use of the CGU. The calculation was based on the following key assumptions:

i. The anticipated annual revenue growth and margin included in the cash flow projections are based on past experience, actual operating results and the 5-years business plan in all periods presented.

ii. The terminal growth rate 1% to 4% for the year ended 31 March 2020 (31 March 2019: 1% to 4%) representing management view on the future long-term growth rate.

iii. Discount rate ranging from 12% to 19% for the year ended 31 March 2020 (31 March 2019: ranging from 11% to 18%) was applied in determining the recoverable amount of the CGUs. The discount rate was estimated based on past experience and historical industry average weighted-average cost of capital.

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

Notes forming part of Consolidated Financial Statements for the year ended 31 March 2020

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

6 Loans

₹ in Lacs

Particulars	As at 31 March 2020	As at 31 March 2019
(i) Non current (unsecured, considered good)		
Security deposits (refer note below)	181.75	243.67
	181.75	**243.67**
Note: Includes ₹ 70.34 Lacs (31 March 2019: ₹ 65.55 Lacs) to holding company (ADI BPO Services Ltd.) as a deposit for premises and infrastructure facility taken on rent.		
(ii) Current (unsecured, considered good)		
Security deposits	111.30	29.47
Loan to employees	1.28	0.40
	112.58	**29.87**

7 Other financial assets

₹ in Lacs

Particulars	As at 31 March 2020	As at 31 March 2019
(i) Non current (Unsecured, considered good)		
Bank deposits held as margin money or security against guarantees	51.43	26.54
	51.43	**26.54**
(ii) Current (Unsecured, considered good)		
Unrealised MTM gain receivable on forward covers	-	102.38
Unbilled revenue	118.01	85.63
Interest accrued on deposits	16.75	62.33
Government grant receivables*	-	79.10
Other receivables	54.43	111.99
	189.19	**441.43**

*represents grant receivable under Service Export from India Scheme

8 Income taxes

₹ in Lacs

Particulars	As at 31 March 2020	As at 31 March 2019
(i) Non current		
Advance income tax (net of provisions of ₹ 13,566.15 Lacs (31 March 2019: ₹ 11,037.59 Lacs))	973.15	970.07
	973.15	**970.07**
(ii) Current		
Advance income tax (net of provisions of 31 March 2019: ₹ 132.65 Lacs)	-	41.95
	-	**41.95**

Notes forming part of Consolidated Financial Statements for the year ended 31 March 2020

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

9 Other assets

₹ in Lacs

Particulars	As at 31 March 2020	As at 31 March 2019
(i) Other non-current assets (Unsecured, Considered Good)		
Security deposits	26.11	24.52
Prepaid expenses	64.66	39.69
Advances to employees	-	4.04
Balances with government authorities		
-Service tax credit receivable	105.88	234.07
-Others	55.39	55.39
Excess of plan asset over gratuity liability (refer note 30)	-	57.02
Prepayment rent (refer note below)	34.24	47.66
	286.28	**462.39**
Note: Includes ₹ 20.98 Lacs (31 March 2019: ₹ 26.22 Lacs) to holding company (ADI BPO Services Ltd.) as a deposit for premises and infrastructure facility taken on rent.		
(ii) Other current assets (Unsecured, Considered Good)		
Security deposits		
Unsecured, considered good	-	0.89
Doubtful	1.13	1.13
	1.13	2.02
Less: Allowances for doubtful deposits	1.13	1.13
	-	0.89
Advances to employees		
Considered good	24.55	30.88
Doubtful	1.05	23.77
	25.60	54.65
Less: Allowances for doubtful advances to employees	1.05	23.77
	24.55	30.88
Government grant receivables*	487.83	487.83
Advance to Suppliers	12.73	0.25
Prepaid expenses	738.85	540.87
Contract assets (refer note 45(iii))	3,931.24	3,040.90
Balances with government authorities		
-GST receivable	1,232.30	1,020.79
-Others	178.26	174.07
Capital advances	66.25	-
Others advances	86.69	78.53
Prepayment rent (refer note 1 below)	17.59	15.18
	6,776.29	**5,390.19**

Note:

1) Includes ₹ 5.24 Lacs (31 March 2019: ₹ 5.26 Lacs) to holding company (ADI BPO Services Ltd.) as a deposit for premises and infrastructure facility taken on rent.

*represents grant receivable under Service Export from India Scheme

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

10 Current investments

Particulars	As at 31 March 2020		As at 31 March 2019	
	Units in '000	₹ in Lacs	Units in '000	₹ in Lacs
Investment in mutual funds carried at fair value through profit or loss (unquoted, fully paid up)				
Kotak Liquid - Direct Plan- Daily Dividend*	-	-	16.87	206.36
Kotak Money Market Scheme - Direct Plan - Growth (Erstwhile Kotak Floater Short Term- Direct Plan - Growth)	-	-	6.83	210.80
Axis Liquid Fund-Direct Plan-Growth	29.79	656.61	42.14	873.82
Aditya BSL Money Manager Fund -Direct Growth (Erstwhile ABSL Floating Rate Fund Short Term Plan - Direct -Growth)	-	-	169.22	425.92
Aditya Birla Sun Life Savings Fund -Direct Plan-Growth	-	-	0.17	0.64
Aditya Birla Sun Life Savings Fund- Growth	-	-	639.54	2,360.79
ICICI Prudential Savings Fund-Growth (Erstwhile ICICI Prudential Flexible Income - Growth)	-	-	547.14	1,962.76
Axis Liquid Fund-Growth	-	-	121.00	2,498.79
HDFC Credit Risk Debt Fund-Direct Plan - Growth (Erstwhile HDFC Regular Savings Fund-Direct Plan - Growth)	-	-	8,769.51	1,395.98
ICICI Prudential Credit Risk Fund -Direct Plan - Growth (Erstwhile ICICI Prudential Regular Savings Fund -Direct Plan - Growth)	-	-	6,704.80	1,410.08
UTI Credit Risk Fund - Direct Growth Plan (Erstwhile UTI-Income Opportunities Fund-Direct Plan - Growth)	-	-	8,322.24	1,498.85
Franklin India Credit Risk Fund-Direct Plan- Growth (Erstwhile Franklin India Corporate Bond Opportunities Fund - Direct Plan-Growth)	-	-	7,987.73	1,645.12
Franklin India Short Term Income Plan-Retail Plan-Direct Growth	-	-	39.36	1,651.60
ICICI Prudential Liquid Fund-Direct Plan Growth	-	-	227.98	630.19
HDFC Overnight Fund-Direct Plan-Growth	84.36	2,504.73	51.71	1,459.39
ICICI Prudential Liquid Fund-Direct Plan Growth	0.10	0.29	538.00	1,487.12
Kotak Liquid Direct Plan Growth	10.40	417.54	39.29	1,486.72
Aditya Birla Sun Life Liquid Fund -Direct Growth	134.95	431.25	-	-
SBI Overnight Fund-Direct Plan-Growth	21.48	698.88	-	-
Kotak Liquid Fund- Direct Plan- Growth*	5.42	217.50	-	-
DSP Liquidity Fund-Direct Plan-Growth	7.11	202.04	-	-
ICICI Prudential Overnight Fund-Direct Plan - Growth	911.42	982.04	-	-
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	-	-
Aditya Birla Sun Life Overnight Fund-Direct Plan- Growth	113.15	741.89	-	-
Total	**2,207.84**	**8,572.27**	**34,223.53**	**21,204.93**
Aggregate market value of unquoted investments		**8,572.27**		**21,204.93**

*Out of the same mutual fund units i.e., 5.20 (units in thousands) with an NAV of ₹ 0.04 Lacs as at 31 March 2020 (31 March 2019: Units 16.36 (units in thousands) as at NAV of ₹ 0.012 Lacs) have been pledged with Kotak Mahindra Bank Limited as a security towards hedging facilities availed by the Company.

Notes forming part of Consolidated Financial Statements for the year ended 31 March 2020

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

11 Trade receivables

₹ in Lacs

Particulars	As at 31 March 2020	As at 31 March 2019
Current		
Trade receivables	6,227.65	6,871.11
	6,227.65	**6,871.11**
Break-up for details:		
Trade receivables (Unsecured)		
Considered good	6,397.33	6,935.67
Less: Expected credit loss allowance (refer note 33)	188.92	64.56
	6,208.41	**6,871.11**
Trade Receivables which have significant increase in Credit Risk	19.24	-
Trade Receivables - credit impaired	-	-
Total	**6,227.65**	**6,871.11**

12 (i) Cash and cash equivalents

₹ in Lacs

Particulars	As at 31 March 2020	As at 31 March 2019
Balances with banks		
-In current accounts	5,316.31	3,959.34
-In EEFC accounts	902.75	763.02
-In demand deposit accounts (demand deposits and deposits having original maturity of 3 months and less)	1,949.00	30.00
Cash on hand	2.02	0.09
Total	**8,170.08**	**4,752.45**

12 (ii) Other bank balances

₹ in Lacs

Particulars	As at 31 March 2020	As at 31 March 2019
Term deposits with orinigal maturity for more than 3 months but less than 12 months	1,276.10	2,915.51
Total	**1,276.10**	**2,915.51**
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'	1,949.00	30.00
Bank deposits due to mature within 12 months of the reporting date included under 'Other Balances with banks'	1,276.10	2,915.51
Bank deposits due to mature after 12 months of the reporting date included under 'Other non-current financial assets' (refer note 7 (i))	51.43	26.54
	3,276.53	**2,972.05**

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

13 Share capital

₹ in Lacs

(i) Particulars	As at 31 March 2020	As at 31 March 2019
Authorised		
20,000,000 equity shares of ₹ 10 each	2,000.00	2,000.00
(31 March 2019: 20,000,000 equity shares of ₹ 10 each)		
	2,000.00	**2,000.00**
Issued, Subscribed & Paid-Up		
18,616,926 equity shares of ₹ 10 each fully paid up with voting rights	1,861.69	1,861.69
(31 March 2019: 18,616,926 equity shares of ₹ 10 each)		
	1,861.69	**1,861.69**

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

Particulars	As at 31 March 2020		As at 31 March 2019	
	Number	₹ in Lacs	Number	₹ in Lacs
Equity shares (with voting rights) outstanding at the beginning of the year	18,616,926	1,861.69	18,616,926	1,861.69
Issued during the year	-	-	-	-
Outstanding at the end of the year	**18,616,926**	**1,861.69**	**18,616,926**	**1,861.69**

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

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

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

Particulars	As at 31 March 2020		As at 31 March 2019	
	Number	₹ in Lacs	Number	₹ in Lacs
Equity shares of ₹ 10 each fully paid up and held by				
ADI BPO Services Limited, the holding company	12,616,996	1,261.70	12,616,996	1,261.70

Notes forming part of Consolidated Financial Statements for the year ended 31 March 2020

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

13 Share capital *(contd...)*

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

Class of shares / Name of shareholder	As at 31 March 2020		As at 31 March 2019	
	Number	% holding in that class of shares	Number	% holding in that class of shares
Equity shares of ₹ 10 each fully paid up and held by				
ADI BPO Services Limited, the holding company	12,616,996	67.77%	12,616,996	67.77%

(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 during the period of five years immediately preceding the reporting date.

14 Lease liabilities*

₹ in Lacs

Particulars	As at 31 March 2020	As at 31 March 2019
(i) Non current		
Lease liabilities	1,279.25	-
	1,279.25	
(ii) Current		
Lease liabilities	604.86	-
	604.86	**-**

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

Particulars	₹ in Lacs
Opening as on 1 April 2019	-
Impact of Ind AS 116	2,318.85
Addition during the year	54.51
Interest on lease liabilities	206.55
Repayment of lease liabilities including interest expenses	(697.34)
Exchange difference on lease liabilities	1.54
As at 31 March 2020	**1,884.11**

* Refer note 31

15 Deferred tax

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

Deferred tax assets:

₹ in Lacs

	Expected credit loss allowance	Expenses allowable for tax purposes when paid	Gains on investment carried at fair value through profit or loss	Lease assets net of lease liabilities (refer note 31)	Unrealised MTM loss receivables on forward covers	Tax loss carry forward	Others	Total
As at 1 April 2018	**18.97**	**7.92**	**-**	**-**	**10.15**	**-**	**27.53**	**64.57**
(Charged)/credited								
- addition due to business combination	-	-	-	-	-	116.11	58.92	175.03
- to statement of profit and Loss	(3.55)	-	-	-	(39.96)	399.57	22.17	378.23
- to other comprehensive income	-	-	-	-	-	-	-	-
- to foreign currency translation reserve	0.57	-	-	-	-	-	1.65	2.22
- transferred from deferred tax liabilities	-	(7.92)	-	-	29.81	-	-	21.89
As at 31 March 2019	**15.99**	**-**	**-**	**-**	**-**	**515.68**	**110.27**	**641.94**
(Charged)/credited								
- impact of Ind AS 116	-	-	-	91.84	-	-	-	91.84
- to statement of profit and Loss	28.89	-	-	(6.73)	-	(62.73)	(23.17)	(63.74)
- to other comprehensive income	-	-	-	-	-	-	-	-
- transferred from provision for tax	-	-	-	-	-	-	(122.78)	(122.78)
- to foreign currency translation reserve	1.14	-	-	0.09	-	4.96	-	6.19
- transferred to deferred tax liabilities	-	5.65	5.37	-	18.85	-	35.68	65.55
As at 31 March 2020	**46.02**	**5.65**	**5.37**	**85.20**	**18.85**	**457.91**	**-**	**619.00**

Notes forming part of Consolidated Financial Statements for the year ended 31 March 2020

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

15 **Deferred tax** *(contd...)*

Deferred tax liabilities:

₹ in Lacs

	Expenses allowable for tax purposes when paid	Lease liabilities net of lease assets (refer note 31)	Difference between book balance and tax balance of property, plant and equipment/ Investment property/ Other intangible assets	Unrealised MTM gain receivables on forward covers	Gains on investment carried at fair value through profit or loss	Others	Total
As at 1 April 2018	**(9.69)**	**-**	**(275.15)**	**-**	**(269.48)**	**-**	**(554.32)**
(Charged)/credited							
- addition due to business combination	-	-	(192.11)	-	-	-	(192.11)
- to statement of profit and Loss	27.35	-	(301.94)	-	(147.90)	-	(422.49)
- to other comprehensive income	(28.01)	-	-	-	-	-	(28.01)
- to foreign currency translation reserve	(0.44)	-	(4.84)	-	-	-	(5.28)
- transferred to deferred tax assets	7.92	-	-	(29.81)	-	-	(21.89)
As at 31 March 2019	**(2.87)**	**-**	**(774.04)**	**(29.81)**	**(417.38)**	**-**	**(1,224.10)**
(Charged)/credited							
- to statement of profit and Loss	(1.63)	-	(146.88)	48.66	422.75	-	322.90
- to other comprehensive income	13.35	-	-	-	-	-	13.35
- to foreign currency translation reserve	(3.20)	-	(14.78)	-	-	-	(17.98)
- transferred from deferred tax assets	(5.65)	-	-	(18.85)	(5.37)	(35.68)	(65.55)
As at 31 March 2020	**-**	**-**	**(935.70)**	**-**	**-**	**(35.68)**	**(971.38)**

15 Deferred tax *(contd...)*

Net deferred tax liabilities:

₹ in Lacs

	As at 31 March 2020	As at 31 March 2019
Deferred tax assets	619.00	641.94
Deferred tax liabilities	(971.38)	(1,224.10)
Deferred tax liabilities (net)	**(352.38)**	**(582.16)**

Reflected in the Balance Sheet as follows:

₹ in Lacs

	As at 31 March 2020	As at 31 March 2019
Deferred tax assets	39.48	86.53
Deferred tax liabilities	(391.86)	(668.69)
Deferred tax liabilities (net)	**(352.38)**	**(582.16)**

Reconciliation of deferred tax liabilities (net):

₹ in Lacs

	Year ended 31 March 2020	Year ended 31 March 2019
Balance as at the commencement of the year	(582.16)	(489.75)
Addition due to business combination (refer note 40)	-	(17.08)
Impact of Ind AS 116 (refer note 31)	(91.84)	-
Expense/(credit) during the year recognised in Statement of profit and loss	(259.16)	44.26
Expense/(credit) during the year recognised in OCI	(13.35)	28.01
Transferred from provision for tax	122.78	-
Foreign currency translation reserve	11.79	3.06
Balance as at the end of the year	**(352.38)**	**(582.16)**

DTA has not been recognized on temporary differences in relation to indexation benefit of freehold land amounting to ₹ 764.24 Lacs (31 March 2019: ₹ 727.85 Lacs) respectively, as the Group is able to control the timing of the reversal of the temporary difference and it is probable that the temporary differences will not reverse in foreseeable future.

Notes forming part of Consolidated Financial Statements for the year ended 31 March 2020

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

16 Trade payables

₹ in Lacs

Particulars	As at 31 March 2020	As at 31 March 2019
Trade payables		
Due to Micro and Small enterprises (refer note 29)	9.70	26.52
Due to Others	1,208.23	1,303.71
Trade payables to related parties (refer note 36)	1.61	1.27
	1,219.54	**1,331.50**

17 Other financial liabilities (current)

₹ in Lacs

Particulars	As at 31 March 2020	As at 31 March 2019
Employee payable	678.12	707.73
Unrealised MTM loss payable on forward covers	74.88	-
	753.00	**707.73**

18 Other current liabilities

₹ in Lacs

Particulars	As at 31 March 2020	As at 31 March 2019
Income received in advance (contract liabilities) (refer note 45(iii))	2,298.85	2,760.86
Payables on purchase of fixed assets	15.34	-
Statutory remittances*	564.61	543.38
Others	54.84	162.91
	2,933.64	**3,467.15**

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

19 Provisions

₹ in Lacs

Particulars	As at 31 March 2020	As at 31 March 2019
(i) Non current		
Provision for compensated absences (refer note 30)	57.13	47.02
	57.13	**47.02**
(ii) Current		
Provision for service tax (refer note 42)	39.04	159.10
Provision for compensated absences (refer note 30)	18.18	17.20
Provision for gratuity (refer note 30)	108.44	91.90
	165.66	**268.20**

20 Income tax liabilities (current)

₹ in Lacs

Particulars	As at 31 March 2020	As at 31 March 2019
Provision for tax (net of advance tax of ₹2,157.21 Lacs (31 March 2019: ₹2,835.04 Lacs))	263.27	135.63
	263.27	**135.63**

Notes forming part of Consolidated Financial Statements for the year ended 31 March 2020

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

21 Revenue from operations

₹ in Lacs

Particulars	Year ended 31 March 2020	Year ended 31 March 2019
Sale of services (refer note 45)		
Exports (earning in foreign currency)	31,922.62	34,323.31
Domestic	1,242.66	1,930.33
	33,165.28	**36,253.64**

22 Other income

₹ in Lacs

Particulars	Year ended 31 March 2020	Year ended 31 March 2019
Interest income on:		
Financial assets-carried at amortised cost	165.73	13.75
Deposits with banks	196.65	73.49
Dividend received on current investment carried at fair value through profit or loss (Mutual funds units)	2.73	13.28
Net gain on sale of current investment carried at fair value through profit or loss	-	159.09
Gain on investment carried at fair value through profit or loss	1,005.95	1,441.83
MTM and net gain on foreign currency transactions	260.03	-
Government grants*	-	566.93
Other non-operating income (Refer note (i) below)	366.73	257.69
	1,997.82	**2,526.06**

*represents grant under Service Export from India Scheme

Note (i) Other non-operating income comprises:

₹ in Lacs

Particulars	Year ended 31 March 2020	Year ended 31 March 2019
Liabilities/provisions no longer required written back	254.60	198.32
Reversal of allowances for expected credit loss	1.85	21.94
Bad debts and advances recovered	-	10.98
Gain on sale/disposal/discard of property, plant and equipment (net)	4.70	-
Miscellaneous income	105.58	26.45
	366.73	**257.69**

Notes forming part of Consolidated Financial Statements for the year ended 31 March 2020

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

23 Employee benefits expense

₹ in Lacs

Particulars	Year ended 31 March 2020	Year ended 31 March 2019
Salaries and wages (refer note 30)	15,204.21	15,154.19
Contribution to provident and other funds (refer note 30)	951.72	829.60
Staff welfare expenses	406.55	462.12
	16,562.48	**16,445.91**

24 Finance costs

₹ in Lacs

Particulars	Year ended 31 March 2020	Year ended 31 March 2019
Interest on lease liabilities (refer note 31)	206.55	-
Interest expense on income tax, service tax & GST	8.32	19.05
	214.87	**19.05**

25 Depreciation and amortization expense

₹ in Lacs

Particulars	Year ended 31 March 2020	Year ended 31 March 2019
Depreciation on property, plant and equipment (refer note 3.1)	392.88	476.68
Depreciation on investment property (refer note 3.2)	3.18	3.18
Depreciation on right-of-use asset (refer note 4)	516.81	-
Amortization on intangible assets (refer note 5)	623.79	626.74
	1,536.66	**1,106.60**

26 Other expenses

₹ in Lacs

Particulars	Year ended 31 March 2020		Year ended 31 March 2019	
Consumables		10.13		15.77
Outsourcing cost		3,959.22		4,784.97
Power and fuel		538.68		526.47
Rent		153.98		869.33
Hire charges		8.10		11.13
Repairs and maintenance - buildings		401.06		412.92
Repairs and maintenance - plant and machinery		258.43		286.89
Repairs and maintenance - others		56.51		92.21
Insurance		47.52		61.26
Rates and taxes		169.10		132.30
Communication		527.04		549.44
Travelling and conveyance		799.49		780.67
Expenditure on corporate social responsibility (refer note 39)		186.00		196.36
Legal and professional		361.08		421.53
Directors sitting fees		26.40		38.60
Commission to non-executive directors		-		46.40
Payments to auditors (refer note (i) below)		69.80		57.74
Bad debts written off	3.88		100.91	
Less: Allowances for expected credit loss utilised for the above	-	3.88	16.28	84.63
MTM and net loss on foreign currency translations		7.47		24.28
Advances written off		3.00		-
Allowances for expected credit loss and doubtful advances		124.93		5.99
Loss on sale/disposal/discard of property, plant and equipment (net)		-		17.37
Net loss on sale of current investment carried at fair value through profit or loss		13.43		-
Software expenses		304.24		259.77
Sales and marketing expenses		383.43		332.65
Miscellaneous expenses		294.31		464.29
		8,707.23		**10,472.97**

₹ in Lacs

Payments to the auditors comprises (net of input credit, where applicable):	Year ended 31 March 2020	Year ended 31 March 2019
To Statutory auditors		
for statutory audit	37.00	35.50
for tax audit	3.50	3.50
for other services	25.00	15.51
for reimbursement of expenses	4.30	3.23
	69.80	**57.74**

Notes forming part of Consolidated Financial Statements for the year ended 31 March 2020

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

27 Income tax

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

₹ in Lacs

	Year ended 31 March 2020	Year ended 31 March 2019
Current income tax:		
Current income tax charge for the year	2,379.51	3,051.55
Adjustments in respect of current income tax of previous year	35.67	35.83
	2,415.18	**3,087.38**
Deferred tax:		
Deferred tax on profits for the year	(259.16)	44.26
	(259.16)	**44.26**
Tax expense reported in the Statement of Profit and Loss	**2,156.02**	**3,131.64**
OCI section		
Tax related to items that will not be reclassified to Profit and Loss	13.35	(28.01)
Income tax charged to OCI	**13.35**	**(28.01)**

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

₹ in Lacs

	Year ended 31 March 2020	Year ended 31 March 2019
Accounting profit before income tax	8,141.86	10,735.17
At India's statutory income tax rate	25.168%	29.120%
Computed Tax Expense	**2,049.14**	**3,126.08**
Change in tax rate	(98.46)	(56.06)
Tax exempt income	(44.98)	(3.87)
Non-deductible expenses	84.91	112.69
Additional allowances for tax purpose	(8.91)	-
Others	138.65	(83.03)
Tax relating to earlier years	35.67	35.83
Income tax charged to Statement of Profit and Loss at effective rate of 26.48 % (31 March 2019: 29.17 %) (refer note below)	**2,156.02**	**3,131.64**

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

(b) Income tax rates had reduced from 25% to 22% effective 1 April 2019 for the domestic companies. Consequential deferred tax income of ₹97.91 Lacs has been appropriately adjusted in the tax expense for the year ended 31 March 2020.

28 Earnings per equity share

₹ in Lacs

	Year ended 31 March 2020	Year ended 31 March 2019
Profit for the year attributable to the owners of the Group	5,985.84	7,603.53
Weighted average number of equity shares outstanding	18,616,926	18,616,926
Face value per share (₹)	10.00	10.00
Earnings per share- basic & diluted (₹)	**32.15**	**40.83**

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

29 Micro, Small and Medium enterprises

There are no Micro, Small and Medium enterprises, to whom the Group owes dues, which are outstanding for more than 45 days as at the end of year except for the amount of ₹ Nil Lacs (31 March 2019: ₹4.61 Lacs) against which interest has been accrued (refer below(ii)). The information as required to be disclosed in relation to Micro, Small and Medium enterprises has been determined to the extent such parties have been identified on the basis of information available with the Group.

₹ in Lacs

Particulars	As at 31 March 2020	As at 31 March 2019
(i) The principal amount remaining unpaid to any supplier as at the end of the year	9.39	26.52
(ii) The interest due on principal amount remaining unpaid to any supplier as at the end of the year	0.31	0.31
(iii) The amount of interest paid by the Group in terms of section 16 of the Micro, Small and Medium Enterprises Development Act, 2006 (MSMED Act), along with the amount of the payment made to the supplier beyond the appointed day during the year	-	-
(iv) The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under the MSMED Act	-	-
(v) The amount of interest accrued and remaining unpaid at the end of the year	-	-
(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	-	-

30 Employee benefits in respect of the Group have been calculated as under:

(A) Defined contribution plans

The Group has certain defined contribution plan such as provident fund, 401(k) plan, superannuation fund and employee state insurance (ESI), scheme for qualifying employees, etc. Under the schemes, the Group is required specified percentage of payroll costs to fund the benefits. During the year, the Group has contributed following amounts to:

₹ in Lacs

Particulars	Year ended 31 March 2020	Year ended 31 March 2019
Employer's contribution to provident fund	573.62	484.60
Employer's contribution to 401(k) plan	28.03	38.46
Employer's contribution to superannuation fund	34.86	37.26
Employer's contribution to canada pension plan	-	3.93
Employer's contribution to employee state insurance	70.29	97.94
Employer's contribution to labour welfare fund	0.02	0.02
Employer's contribution to social security fund and pension scheme	244.90	167.39
	951.72	**829.60**

30 Employee benefits in respect of the Group have been calculated as under: *(contd...)*

(B) Defined benefit plans

Gratuity

In accordance with Ind AS 19 "Employee Benefits", an actuarial valuation has been carried out in respect of gratuity. The discount rate assumed for the Company is 6.43% p.a. (31 March 2019: 7.22% p.a.) and for subsidiariy is 6.24% p.a (31 March 2019: 7.07% p.a) which is determined by reference to market yield at the Balance Sheet date on Government bonds.

The retirement age has been considered at 58 to 65 years (31 March 2019: 58 to 65 years) and mortality table is as per IALM (2006-08) (31 March 2019: IALM (2006-08)).

The estimates of future salary increases, considered in actuarial valuation is 6% p.a. (31 March 2019: 6% p.a.), taking into account of inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market.

The plans assets are maintained with Life Insurance Corporation of India in respect of gratuity scheme for employees of the Group. The expected rate of return on plan assets for the Company is 6.43% p.a. (31 March 2019: 7.22% p.a.) and for subsidiary is 6.24% p.a (31 March 2019:7.07% p.a)

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

₹ in Lacs

Particulars	As at 31 March 2020	As at 31 March 2019
Present value of obligation at the beginning of the year	1,316.90	623.63
Current service cost	116.39	118.96
Interest cost	94.08	113.48
Liability transferred on acquisition	5.14	1,004.18
Actuarial loss/(gain)	33.33	(125.17)
Benefits paid	(263.93)	(418.18)
Present value of obligation at the end of the year	**1,301.91**	**1,316.90**

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

₹ in Lacs

Particulars	As at 31 March 2020	As at 31 March 2019
Present value of obligation at the end of the year	1,301.91	1,316.90
Fair value of plan assets at the end of the year	(1,193.47)	(1,282.01)
Net liabilities recognised in the Balance Sheet (refer note below)	**108.44**	**34.89**

Note: Reflected in the Balance Sheet as follows:

₹ in Lacs

Particulars	As at 31 March 2020	As at 31 March 2019
Excess of plan asset over gratuity liability (refer note 9 (i))	-	(57.02)
Provision for gratuity (refer note 19(ii))	108.44	91.90
Net liabilities	**108.44**	**34.89**

Fair value of plan assets

₹ in Lacs

Particulars	As at 31 March 2020	As at 31 March 2019
Plan assets at the beginning of the year	1,282.01	492.83
Expected return on plan assets	91.48	103.55
Contribution by employer	98.49	134.93
Assets transferred in on acquisition	5.14	1,005.17
Actual benefits paid	(263.93)	(418.18)
Actuarial loss	(19.72)	(36.29)
Plan assets at the end of the year	**1,193.47**	**1,282.01**

Group's best estimate of contribution during next year is ₹229.94 Lacs (31 March 2019: ₹167.48 Lacs)

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

30 **Employee benefits in respect of the Group have been calculated as under:** *(contd...)*

Composition of the plan assets is as follows:

Particulars	As at 31 March 2020	As at 31 March 2019
Central government securities	19.35%	18.75%
State government securities	56.02%	49.70%
Debentures and bonds	20.94%	22.71%
Equity shares	3.67%	3.92%
Money market instruments	0.02%	4.92%

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

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

₹ in Lacs

Particulars	Year ended 31 March 2020	Year ended 31 March 2019
Current service cost	116.39	118.96
Interest cost	2.60	9.93
Expense recognised in the Statement of Profit and Loss	**118.99**	**128.89**

Amount recognised in the other comprehensive income:

₹ in Lacs

Particulars	Year ended 31 March 2020	Year ended 31 March 2019
Actuarial loss due to demographic assumption change	-	2.45
Actuarial loss/(gain) due to financial assumption change	55.93	(20.95)
Actuarial loss gain due to experience adjustment	(22.60)	(106.67)
Actuarial loss on plan assets	19.72	36.29
Amount recognised in the other comprehensive income	**53.05**	**(88.88)**

Sensitivity analysis

₹ in Lacs

Particulars	Year ended 31 March 2020		Year ended 31 March 2020	
Assumptions	Discount rate		Future salary	
Sensitivity level	0.5% increase	0.5% decrease	0.5% increase	0.5% decrease
Impact on defined benefit	(35.06)	37.03	36.99	(35.09)

₹ in Lacs

Particulars	Year ended 31 March 2019		Year ended 31 March 2019	
Assumptions	Discount rate		Future salary	
Sensitivity level	0.5% increase	0.5% decrease	0.5% increase	0.5% decrease
Impact on defined benefit	(33.34)	35.16	35.41	(33.52)

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

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

₹ in Lacs

Particulars	As at 31 March 2020	As at 31 March 2019
Present value of obligation at the end of the year	75.31	64.22

31 Leases

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

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

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

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

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

(ii) The Group has discounted lease payments using the applicable incremental borrowing rate as at 1 April 2019, which is ranging from 1.50% to 9.50% for measuring the lease liability.

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

₹ in Lacs

Particulars	As at 1 April 2019
Right-of-use assets (refer note 4)	2,002.45
Lease liabilities (refer note 14)	(2,318.85)
Deferred tax (credit) (refer note 15)	91.84
Impact on the retained earnings	**(224.57)**

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

₹ in Lacs

Particulars	Year ended 31 March 2020
Interest on lease liabilities (refer note 24)	206.55
Depreciation of Right-of-use assets (refer note 25)	516.81
Deferred tax (credit) (refer note 15)	(6.73)
Impact on the statement of profit and loss for the year	**716.63**

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

₹ in Lacs

Particulars	Year ended 31 March 2020
Expense related to short-term leases	439.49
Expense related to leases of low value assets, excluding short team leases of low value	74.03
Total	**513.52**

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

₹ in Lacs

Particulars	Year ended 31 March 2020
Repayment of lease liabilities including interest expenses	697.34
Impact on the statement of cash flows for the year	**697.34**

(vii) Refer note 33 (iii) for contractual maturities of lease liabilities.

(viii) The group does not foresee significant down-sizing of its employee base rendering the physical infrastructure redundant. The leases that the Group 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.

32 Fair value measurements

₹ in Lacs

Particulars	Note	Level of hierarchy*	As at 31 March 2020			As at 31 March 2019		
			FVPL	FVOCI	Amortised cost	FVPL	FVOCI	Amortised cost
Financial assets								
Investments in mutual fund	(d)	1	8,572.27	-	-	21,204.93	-	-
Trade receivables	(a)		-	-	6,227.65	-	-	6,871.11
Loans	(a, b)		-	-	294.33	-	-	273.54
Cash and cash equivalents	(a)		-	-	8,170.08	-	-	4,752.45
Other bank balances	(a)		-	-	1,276.10	-	-	2,915.51
Derivative financial assets	(c)	2	-	-	-	102.38	-	-
Other financial assets	(a, b)		-	-	240.62	-	-	365.59
Total financial assets			**8,572.27**	**-**	**16,208.78**	**21,307.31**	**-**	**15,178.20**
Financial liabilities								
Lease liabilities	(a)		-	-	1,884.11	-	-	-
Trade payables	(a)		-	-	1,219.54	-	-	1,331.50
Derivative financial liabilities	(c)	2	74.88	-	-	-	-	-
Other financial liabilities	(a)		-	-	678.12	-	-	707.73
Total financial liabilities			**74.88**	**-**	**3,781.77**	**-**	**-**	**2,039.23**

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) Derivatives are carried at fair value at each reporting date. The fair values of the derivative financial instruments has been determined using valuation techniques with market observable inputs. The models incorporate various inputs including the credit quality of counter-parties and foreign exchange forward rates.

(d) The fair value of the mutual funds are based on net assets value of the funds as at reporting date.

(e) The fair value of the financial assets and liabilities is included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale. The fair-value of the financial-instruments factor the uncertainties arising out of COVID-19, where applicable.

* Refer note 2.19 for Level of hierarchy

33 Financial risk management

Risk management framework

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

i Market risk

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

Currency risk

The Group is exposed to currency risk to the extent that there is a mismatch between the currencies in which revenue and expense are denominated and the functional currency of the Group. The currencies in which the Group is exposed to risk are USD, EUR, GBP and Others. The Group takes adequate foreign exchange forward covers as per the guidelines approved by the Board to mitigate currency risk.

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

33 **Financial risk management** *(contd...)*

Exposure to currency risk

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

₹ in Lacs

	As at 31 March 2020				As at 31 March 2019			
	USD	EUR	GBP	Others	USD	EUR	GBP	Others
Cash and cash equivalents	844.42	36.26	68.28	156.54	813.47	38.96	129.66	50.65
Trade receivables	3,413.64	36.57	312.22	416.06	3,603.09	110.84	395.43	241.85
Other financial assets	7.02	-	-	18.18	-	-	-	-
Trade payables	(125.38)	(7.17)	(19.46)	(48.57)	(240.02)	(13.22)	(11.79)	(52.17)
Other financial liabilities	(186.12)	-	3.41	-	(102.70)	-	-	-
Net statement of financial position exposure	**3,953.58**	**65.66**	**364.45**	**542.21**	**4,073.84**	**136.58**	**513.30**	**240.33**

Sensitivity analysis

A reasonably possible strengthening (weakening) of the USD, EUR and GBP against ₹ 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.

₹ in Lacs

	Profit or Loss (before tax)			
	Year ended 31 March 2020		Year ended 31 March 2019	
	Strengthening	Weakening	Strengthening	Weakening
USD (1% movement)	39.54	(39.54)	40.74	(40.74)
EUR (1% movement)	0.66	(0.66)	1.37	(1.37)
GBP (1% movement)	3.64	(3.64)	5.13	(5.13)
Others (1% movement)	5.42	(5.42)	2.40	(2.40)

Forward covers

The Group takes adequate foreign exchange forward covers to mitigate the risk of changes in exchange rates on foreign currency exposures. The counterparty for these contracts is bank. These forward covers are value based on quoted prices for similar assets and liabilities in active markets or input that are directly or indirectly observable in the marketplace.

The details in respect of outstanding foreign currency forward contract are as follows:

Forward exchange contract	Buy/Sell	As at 31 March 2020		As at 31 March 2019	
		FC in Lacs	₹ in Lacs	FC in Lacs	₹ in Lacs
USD	Sell	28.50	2,091.03	40.00	2,875.28
GBP	Sell	5.00	473.23	9.00	838.98

Pricing risk:

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

Interest rate risk

The Group is not exposed to interest rate risk.

33 **Financial risk management** *(contd...)*

ii **Credit risk**

Trade receivables and other financial assets

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

₹ in Lacs

Particulars	Year ended 31 March 2020	Year ended 31 March 2019
Revenue from top 2 customers (more than 10% revenue individually)	7,696.06	8,673.47
Revenue from top 15 customers	21,704.70	24,021.41

Expanding the customer base is mitigating this risk. Within the current customers, the Group is looking to deepen the partnership by supporting publishers in new areas of outsourcing.

Expected credit loss for trade receivables:

Trade receivables of ₹6,227.65 Lacs as at 31 March 2020 forms a significant part of the financial assets carried at amortised cost, which is valued considering provision for allowance using expected credit loss method. In addition to the historical pattern of credit loss, we have considered the likelihood of increased credit risk and consequential default considering emerging situations due to COVID-19. This assessment is not based on any mathematical model but an assessment considering the nature of segment, impact immediately seen in the demand outlook of these segments and the financial strength of the customers in respect of whom amounts are receivable.

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

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

₹ in Lacs

Particulars	As at 31 March 2020	As at 31 March 2019
Balance at the beginning of the year	64.56	68.64
Add: Addition due to business combination	-	26.10
Add: Provided during the year (net of reversal)	119.01	(15.95)
Less: Amount written off	-	(16.28)
Less: Impact of foreign currency translation	5.35	2.05
Balance at the end of the year	**188.92**	**64.56**

Expected credit loss on financial assets other than trade receivables:

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

Investments

The Group limits its exposure to credit risk by investing in liquid securities and short term bonds and only with counterparties that have a good credit rating. The Group invests as per the guidelines approved by the Board to mitigate this risk.

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

33 Financial risk management *(contd...)*

iii Liquidity risk

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

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

Exposure to liquidity risk

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

₹ in Lacs

	Contractual Cash flows					
	As at 31 March 2020			As at 31 March 2019		
	Carrying Amount	Within 1 year	More than 1 Year	Carrying Amount	Within 1 year	More than 1 Year
Non-derivative financial liabilities						
Lease liabilities	1,884.11	604.86	1,279.25	-	-	-
Trade payables	1,219.54	1,219.54	-	1,331.50	1,331.50	-
Other financial liabilities	678.12	678.12	-	707.73	707.73	-
Derivative financial liabilities						
Other financial liabilities (forward covers)	74.88	74.88	-	-	-	-

34 Capital management

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

₹ in Lacs

Particulars	As at 31 March 2020	As at 31 March 2019
Total equity attributable to the equity share holders of the Group	1,861.69	1,861.69
As percentage of total capital	100%	100%
Total lease liabilities	1,884.11	-
As a percentage of total capital	101%	-
Total capital (lease liabilities and equity)	**3,745.80**	**1,861.69**

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

35 Segment information

Operating Segments

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

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

35 **Segment information** *(contd...)*

(a) **Content solutions:** Content solutions mean creating and developing content for print and digital delivery. It includes content authoring/development, content production, content transformation, fulfillment and customer support services.

(b) **eLearning solutions:** offering custom technology-enabled learning services which included Web-based tutorials, Simulation- and Game-based learning, Augmented and Virtual Reality, Learning Nuggets and Motion Graphics, Learning Consulting to corporates, government agencies, universities etc.

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

The Group has aggregated its operating segment into Content, eLearning and Platform operating reportable segment, which is consistent with aggregation criteria defined under Ind AS 108 i.e. similar economic characteristics, similar nature of the production process, similar type or class of customer for their products and services and similar method used to distribute their product or provide their services.

Accordingly, operating segment i.e. books, journals, customer fulfillment and others are aggregated into content operating segment and technology and software related services aggregated into platform operating segment.

The Group prepares its segment information in conformity with the accounting policies adopted for preparing and presenting the financial statements of the Group as a whole.

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

(i) Revenue and expenses which relate to the Group as a whole and not allocable to segments on reasonable basis have been included under 'unallocated revenue / expenses'. Details are as follows:

₹ in Lacs

Particulars	Year ended 31 March 2020	Year ended 31 March 2019
Segment revenue		
Content solutions	20,347.68	23,283.33
eLearning solutions	7,500.89	6,995.53
Platform solutions	5,316.71	5,974.78
Total revenue from operations	**33,165.28**	**36,253.64**
Segment results		
Content solutions	6,456.76	8,625.86
eLearning solutions	649.85	(275.50)
Platform solutions	1,599.27	2,259.55
Total	**8,705.88**	**10,609.91**
Add: Interest income	362.38	87.24
Less: Finance cost	214.87	19.05
Less: Un-allocable expenditure (net of un-allocable income)	711.53	(57.07)
Profit before tax	**8,141.86**	**10,735.17**
Tax expense	2,156.02	3,131.64
Profit for the year	**5,985.84**	**7,603.53**

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

35 **Segment information** *(contd...)*

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

(d) **Geographical informations:**

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

(i) **Revenue by geographical markets**

₹ in Lacs

Particulars	Year ended 31 March 2020	Year ended 31 March 2019
India (country of domicile)	1,242.66	1,930.33
Europe	11,470.82	13,758.47
USA	19,285.17	18,521.77
Rest of the World	1,166.63	2,043.07
Total	**33,165.28**	**36,253.64**

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

₹ in Lacs

Particulars	As at 31 March 2020	As at 31 March 2019
India (country of domicile)	9,523.97	8,948.97
Europe	839.94	576.92
USA	2,397.61	2,210.42
Rest of the World	0.59	0.97
Total	**12,762.11**	**11,737.28**

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

36 Related party transactions

The related parties as per the terms of Ind AS-24,"Related Party Disclosures", (specified under section 133 of the Companies Act, 2013) are disclosed below:-

A Names of related parties and description of relationship:

S.No.	Description of relationship	Names of related parties
1	Holding Company	ADI BPO Services Limited
2	Company Under Common Control	ADI Media Private Limited Nishith Arora Family Trust (w.e.f. 27 February 2020) Neha Family Trust (w.e.f. 27 February 2020)
3	Key management personnel (KMP)	Mr. Nishith Arora, Non-Executive Chairman
		Mr. Rahul Arora, Managing Director w.e.f 12 August 2018 (Chief Executive Officer and Whole Time Director till 11 August 2018)
		Ms. Yamini Tandon, Non- Executive Director
		Mr. D E Udwadia, Non-Executive Director (till 29 March 2019)
		Mr. Vijay Sood, Non-Executive Director (till 25 January 2020)
		Mr. Ambarish Raghuvanshi, Non-Executive Director w.e.f 01 May 2018 and till 27 January 2020
		Mr. Sunil Shah, Non-Executive Director (Additional Director) w.e.f 11 December 2018 and till 31 July 2019
		Ms. Jayantika Dave, Non-Executive Director (Additional Director) w.e.f 30 October 2019
		Ms. Achal Khanna, Non-Executive Director (Additional Director) w.e.f 30 October 2019
		Mr. Ajay Mankotia,Non-Executive Director (Additional Director) w.e.f. 29 January 2020
		Dr. Piyush Kumar Rastogi, Non-Executive Director (Additional Director) w.e.f. 29 January 2020
		Mr. Sunit Malhotra, CFO & Company Secretary and Director of the holding company w.e.f 28 March 2019
		Ms. Gagan Sahni Tyagi, Director of holding company
		Ms. Pooja Singh, Director of the holding company till 1 August 2019
4	Firm in which KMP is a partner	M/s Udwadia & Co.
		M/s Ajay Mankotia Associates

Notes forming part of Consolidated Financial Statements for the year ended 31 March 2020

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

36 Related party transactions *(contd...)*

B Transactions during the year

₹ in Lacs

S. No.	Description of transactions:	Name of related party	Relationship	Year ended 31 March 2020	Year ended 31 March 2019
1	Rentals paid	ADI BPO Services Limited	Holding Company	184.23	160.20
		ADI Media Private Limited	Company Under Common Control	5.28	5.28
2	Infrastructure charges	ADI BPO Services Limited	Holding Company	51.60	51.60
3	Reimbursement of expenses	ADI BPO Services Limited	Holding Company	54.31	128.48
		ADI Media Private Limited	Company Under Common Control	3.67	4.01
4	Remuneration				
(i)	Short-term employee benefits	Mr. Rahul Arora	KMP	249.27	228.44
		Ms. Yamini Tandon	KMP	143.27	129.48
		Mr. Sunit Malhotra	KMP	63.57	63.44
		Ms. Gagan Sahni Tyagi	KMP	20.72	18.31
		Ms. Pooja Singh	KMP	6.53	18.76
(ii)	Post-employment benefits	Mr. Sunit Malhotra	KMP	1.33	2.24
		Ms. Gagan Sahni Tyagi	KMP	0.97	0.29
		Ms. Pooja Singh	KMP	0.32	0.76
5	Director sitting fees	Mr. D E Udwadia	KMP	-	10.20
		Mr. Vijay Sood	KMP	10.40	18.60
		Mr. Ambarish Raghuvanshi	KMP	5.40	8.40
		Mr. Sunil Shah	KMP	1.60	1.40
		Ms. Jayantika Dave	KMP	2.60	-
		Ms. Achal Khanna	KMP	2.00	-
		Mr. Ajay Mankotia	KMP	2.20	-
		Dr. Piyush Kumar Rastogi	KMP	2.20	-
6	Commission	Mr. D E Udwadia	KMP	-	14.12
		Mr. Vijay Sood	KMP	-	19.16
		Mr. Ambarish Raghuvanshi	KMP	-	11.10
		Mr. Sunil Shah	KMP	-	2.02
7	Professional services rendered	M/s Udwadia & Co.	Firm in which KMP is a partner	-	0.57

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

36 Related party transactions *(contd...)*

C Balances at the year end

₹ in Lacs

S. No.	Balances at the year end	Name of related party	Relationship	As at 31 March 2020	As at 31 March 2019
1	Security deposit placed	ADI BPO Services Limited	Holding Company	70.34	65.55
		ADI Media Private Limited	Company Under Common Control	0.77	0.72
2	Prepayment rent	ADI BPO Services Limited	Holding Company	26.22	31.48
		ADI Media Private Limited	Company Under Common Control	0.11	0.15
3	Trade payables	ADI BPO Services Limited	Holding Company	1.31	1.27
		ADI Media Private Limited	Company Under Common Control	0.30	-
4	Projected benefit obligation	Mr. Sunit Malhotra	KMP	11.08	9.48
		Ms. Gagan Sahni Tyagi	KMP	3.03	2.00
		Ms. Pooja Singh	KMP	-	2.32

Notes:

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

37 Contingent liabilities to the extent not provided for:

(i) Claims against Company, disputed by the Group, not acknowledged as debt:

₹ in Lacs

	As at 31 March 2020	As at 31 March 2019
(a) Income tax	683.45	706.39
(b) Service tax	143.82	481.59
(c) Employee state insurance (ESI) and Provident fund (PF)	-	2.44

The above amounts are based on the notice of demand / Assessment Orders / claims by the relevant authorities / parties and the Group is contesting these claims. Outflows, if any, arising out of these claims would depend on the outcome of the decisions of the appellate authorities and the Group's rights for future appeals before the judiciary. The management believes that the ultimate outcome of these proceedings will not have a material adverse effect on the Group's financial position and results of operations.

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

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

38 Commitments as at year end

Estimated amount of contracts remaining to be executed on capital account (net of advances) ₹119.54 Lacs (31 March 2019: ₹0.07 Lacs).

39 Corporate Social Responsibility (CSR) Expense

As required by Section 135 of the Companies Act 2013, a Corporate Social Responsibility (CSR) committee has been formed by the Company. The areas for CSR activities include imparting primary education to under privileged girls, computer education to underprivileged children and building intellect and instill higher values of life through education and any other area the Board may find appropriate. Gross amount required to be spent by the Company during the year was ₹186 Lacs (for the year ended 31 March 2019; ₹196.94 Lacs).

Amount spent by the Group on its CSR activities are as follows:

₹ in Lacs

Purpose	Year ended 31 March 2020	Year ended 31 March 2019
Promotion of education and skills	144.00	152.68
Health care	42.00	43.68
Total	**186.00**	**196.36**

40 Business Combination

Summary of acquisitions are as given below:

(a) The Group during the year ended 31 March 2019, had given purchase consideration of ₹5,988.16 Lacs in cash to acquire enterprise eLearning business of Tata Interactive Systems (a division of Tata Industries Limited) having its branches at USA, UK, Canada and UAE vide Business Transfer Agreement dated 24 April 2018 through MPS Interactive Systems Limited. On 01 June 2018, the acquisition of eLearning business takes group into new market segment of eLearning.

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

₹ in Lacs

Particulars	Notes	As at 1 June 2018
Property, plant and equipment	3.1	394.44
Other intangible assets	5	1,037.39
Non current-Loans		46.80
Other non-current assets		121.89
Trade receivables		867.99
Cash and cash equivalents		305.91
Loans		286.55
Contract assets		595.16
Other current assets		197.19
Trade payables		(401.99)
Other financial liabilities		(237.22)
Income received in advance (contract liabilities) (refer note 45(iii))		(850.20)
Other current liabilities		(206.31)
Provisions		(129.16)
Net assets		**2,028.44**
Purchase consideration		5,988.16
Goodwill	5	**3,959.72**

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

40 Business Combination *(contd...)*

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

The company incurred acquisition related cost of ₹84.74 Lacs on legal fees, due diligence costs and stamp duty charges out of which ₹27.79 Lacs has been incurred in previous year. These cost have been included in legal and professional fees and rate and taxes under the head "other expenses".

If the acquisition had occurred on 1 April 2018, management estimates that total revenue for the Company would have been higher by ₹1,515.30 Lacs and the profit after taxes would have been lower by ₹192.56 Lacs. The pro-forma amounts are not necessarily indicative of the results that would have occurred if the acquisition had occurred on date indicated or that may result in the future.

(c) The Group during the year ended 31 March 2019, had given purchase consideration of ₹391.79 Lacs in cash to acquire entire paid up equity share capital held by Tata Industries Limited in Tata Interactive Systems GmbH, Germany (now known as TOPSIM GmbH) on 2 July 2018 vide Share Purchase Agreement dated 24 April 2018. The acquisition of TOPSIM GmbH simulations strengthen platform solutions by offering immersive learning solutions that enhance decision making skills of the participants.

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

₹ in Lacs

Particulars	Note	As at 2 July 2018
Property, plant and equipment (net of accumulated depreciation of ₹236.35 Lacs)	3.1	56.18
Other intangible assets (net of accumulated depreciation of ₹232.74 Lacs)	5	443.07
Trade receivables		173.95
Cash and cash equivalents		207.39
Contract assets		108.29
Other current assets		64.92
Deferred tax liabilities (net)	15	(11.48)
Trade payables		(33.63)
Other financial liabilities		(93.91)
Income received in advance (contract liabilities) (refer note 45(iii))		(418.29)
Other current liabilities		(36.90)
Net assets		**459.59**
Purchase consideration		599.18
Goodwill	5	**139.59**

The goodwill of ₹139.61 Lacs comprises value of acquired workforce and expected synergies arising from the acquisition.

The group incurred acquisition related cost of ₹20.20 Lacs on legal fees and due diligence costs. These cost have been included in legal and professional fees under the head "other expenses".

If the acquisition had occurred on 1 April 2018, management estimates that total revenue for the Company would have been higher by ₹330.20 Lacs and the profit after taxes would have been higher by ₹209.70 Lacs. The pro-forma amounts are not necessarily indicative of the results that would have occurred if the acquisition had occurred on date indicated or that may result in the future.

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

40 Business Combination *(contd...)*

(d) The Group during the year ended 31 March 2019, had given purchase consideration of ₹376.22 Lacs in cash to acquire entire paid up equity share capital held by Tata Industries Limited in Tata Interactive Systems AG, Switzerland (now known as MPS Europa AG) on 5 July 2018 vide Share Purchase Agreement dated 24 April 2018. The acquisition of MPS Europa AG takes group into new market segment of eLearning.

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

₹ in Lacs

Particulars	Note	As at 5 July 2018
Property, plant and equipment (net of accumulated depreciation of ₹288.86 Lacs)	3.1	31.96
Other intangible assets (net of accumulated depreciation of ₹561.11 Lacs)	5	124.87
Trade receivables		123.55
Cash and cash equivalents		434.17
Contract assets		192.63
Other current assets		41.63
Deferred tax liabilities (net)	15	(5.60)
Trade payables		(2.07)
Income received in advance (Contract liabilities)		(112.45)
Other current liabilities		(27.43)
Net assets		**801.26**
Purchase consideration		810.39
Goodwill	5	**9.13**

The goodwill of ₹9.14 Lacs comprises value of acquired workforce and expected synergies arising from the acquisition.

The group incurred acquisition related cost of ₹6.31 Lacs on legal fees and due diligence costs. These cost have been included in legal and professional fees under the head "other expenses".

If the acquisition had occurred on 1 April 2018, management estimates that total revenue for the Company would have been higher by ₹221.17 Lacs and the profit after taxes would have been lower by ₹39.21 Lacs. The pro-forma amounts are not necessarily indicative of the results that would have occurred if the acquisition had occurred on date indicated or that may result in the future.

41 There has been no delay in transferring amounts and shares, required to be transferred, to the Investor Education and Protection Fund by the Group.

Notes forming part of Consolidated Financial Statements for the year ended 31 March 2020

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

42 Details of provisions

The Company has made provision for pending litigation matter based on its assessment of the amount it estimates to incur to meet such obligation, details of which are given below:

₹ in Lacs

Provision for service tax matter	As at 31 March 2020	As at 31 March 2019
As at commencement of the year	159.10	154.28
Additions	4.84	4.82
Reversal/utilisation	(124.90)	-
As at end of the year	**39.04**	**159.10**
Out of the above following amount are expected to be incurred within year	39.04	159.10

43 Disclosure pursuant to section 186(4) of the Companies Act, 2013 in respect of unsecured loans to subsidiary company(refer note 36):

₹ in Lacs

MPS Interactive Systems Limited	Purpose/Term of loan	As at 31 March 2020	As at 31 March 2019
Outstanding as at the beginning of year	General business purpose for a tenure of 5 years	2,300.00	-
Given during the year		-	2,300.00
Repaid during the year		(247.40)	-
Maximum balance outstanding		2,300.00	2,300.00
Outstanding as at the end of year		**2,052.60**	**2,300.00**

Notes forming part of Consolidated Financial Statements for the year ended 31 March 2020

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

44 Additional Information, as required under Schedule III to the Companies Act, 2013, of enterprises consolidated as Subsidiary

S. N.	Name of Enterprise	Year ended	Net Assets (Total assets -Total liabilities)		Share in profit/(loss)		Share in other comprehensive income		Share in total comprehensive income	
			As % of consolidated net assets	₹ in Lacs	As % of consolidated profit/(loss)	₹ in Lacs	As % of Consolidated other comprehensive income	₹ in Lacs	As % of Consolidated total comprehensive income	₹ in Lacs
	Parent									
	MPS Limited	31-Mar-20	93.18%	34,187.76	88.16%	5,276.87	(2.42%)	(15.67)	79.32%	5,261.20
		31-Mar-19	97.56%	45,963.87	98.30%	7,474.02	(2.83%)	(9.55)	94.00%	7,464.47
	Wholly Owned Subsidiaries									
	Indian									
	MPS Interactive Systems Limited (w.e.f 10 May 2018)	31-Mar-20	18.05%	6,621.40	5.12%	306.49	(3.72%)	(24.02)	4.26%	282.47
		31-Mar-19	13.35%	6,289.03	(5.38%)	(409.14)	20.85%	70.42	(4.27%)	(338.72)
	Foreign									
1	MPS North America LLC	31-Mar-20	18.14%	6,656.26	9.77%	584.82	86.13%	556.97	17.22%	1,141.79
		31-Mar-19	11.71%	5,517.67	4.49%	341.19	80.09%	270.46	7.70%	611.65
2	Topsim GmbH (acquired w.e.f 2 July 2018)	31-Mar-20	-	1.76	(5.24%)	(313.76)	1.89%	12.24	(4.55%)	(301.52)
		31-Mar-19	0.64%	303.29	(1.94%)	(147.47)	(2.61%)	(8.83)	(1.97%)	(156.30)
3	Europa AG (acquired w.e.f 5 July 2018)	31-Mar-20	2.95%	1,083.79	1.20%	71.64	18.64%	120.53	2.90%	192.17
		31-Mar-19	1.90%	893.60	1.05%	80.19	3.60%	12.14	1.16%	92.33
	Total elimination	31-Mar-20	(32.32%)	(11,860.25)	0.99%	59.78	(0.52%)	(3.39)	0.85%	56.39
		31-Mar-19	(25.16%)	(11,851.92)	3.48%	264.74	0.90%	3.06	3.38%	267.80
	Total (31 March 2020)		**100%**	**36,690.72**	**100%**	**5,985.84**	**100%**	**646.66**	**100%**	**6,632.50**
	Total (31 March 2019)		**100%**	**47,115.54**	**100%**	**7,603.53**	**100%**	**337.70**	**100%**	**7,941.23**

45 Revenue

(i) Revenue from contracts with customers

Revenues for the year ended 31 March 2020 and 31 March 2019 are as follows:

₹ in Lacs

Particulars	Year ended 31 March 2020	Year ended 31 March 2019
Content solutions	20,347.68	23,283.33
eLearning solutions	7,500.89	6,995.53
Platform solutions	5,316.71	5,974.78
	33,165.28	**36,253.64**

(ii) Disaggregation of revenue from contracts with customers

In the following table, revenue is disaggregated by primary geographical market and major products/service lines. The table also includes a reconciliation of the disaggregated revenue with the Group's three segments, which are its reportable segments (refer note 35)

₹ in Lacs

Revenue by geographical markets	Year ended 31 March 2020				Year ended 31 March 2019			
	Content solutions	eLearning solutions	Platform solutions	Total	Content solutions	eLearning solutions	Platform solutions	Total
India (country of domicile)	76.97	1,003.65	162.04	**1,242.66**	21.71	1,708.68	199.94	**1,930.33**
Europe	6,636.11	1,390.82	3,443.89	**11,470.82**	9,786.58	972.99	2,998.90	**13,758.47**
USA	13,297.81	4,642.09	1,345.27	**19,285.17**	13,164.23	2,932.54	2,425.00	**18,521.77**
Rest of the World	336.79	464.33	365.51	**1,166.63**	310.81	1,381.32	350.94	**2,043.07**
Total	**20,347.68**	**7,500.89**	**5,316.71**	**33,165.28**	**23,283.33**	**6,995.53**	**5,974.78**	**36,253.64**

Refer note 33 (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

₹ in Lacs

Particulars	As at 31 March 2020	As at 31 March 2019
Receivables, which are included in 'Trade and other receivables' (refer note 11)	6,227.65	6,871.11
Unbilled revenue (refer note 7(ii))	118.01	85.63
Contract assets (refer note 9 (ii))	3,931.24	3,040.90
Contract liabilities (refer note 18)	2,298.85	2,760.86

Trade receivables are non-interest bearing and are generally on terms of 0 to 60 days.

The acquisition of a subsidiaries resulted in increase in trade receivables of ₹1,165.49 Lacs in year ended 31 March 2019 (refer note 40).

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

45 Revenue *(contd...)*

Significant changes in the contract assets and the contract liabilities balances during the year are as follows

₹ in Lacs

Particulars	Year ended 31 March 2020		Year ended 31 March 2019	
	Contract assets	Contract liabilities	Contract assets	Contract liabilities
Balance as at beginning of the year	**3,040.90**	**2,760.86**	**2,115.42**	**419.16**
Business combination (refer note no 40)	-	-	896.08	1,380.94
Revenue recognised that was included in the contract liability balance at the beginning of the year	-	(2,417.67)	-	(1,242.18)
Increases due to cash received, excluding amounts recognised as revenue during the year	-	1,951.20	-	2,201.58
Transfers from contract assets recognised at the beginning of the year to receivables	(2,603.16)	-	(2,778.87)	-
Increases as a result of changes in the measure of progress	3,493.89	-	2,803.68	-
Exchange Impact	(0.39)	4.46	4.59	1.36
Balance at the end of the year	**3,931.24**	**2,298.85**	**3,040.90**	**2,760.86**

(iv) The amount of revenue recognised from performance obligations satisfied (or partially satisfied) in previous years, mainly due to the changes in the transaction price is Nil (31 March 2019: ₹46.45 Lacs)

(v) Reconciliation of revenue recognized with the contracted price is as follows:

₹ in Lacs

	Year ended 31 March 2020	Year ended 31 March 2019
Contracted price	**33,235.71**	**36,301.62**
Reductions towards variable consideration components	(70.43)	(47.98)
Revenue recognised	**33,165.28**	**36,253.64**

(vi) Transaction price allocated to the remaining performance obligations

The Group applies the practical expedient in paragraph 121 of Ind AS 115 and does not disclose information about remaining performance obligations that have original expected durations of one year or less.

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

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

Shashank Agarwal
Partner
Membership Number: 095109

Place: Gurugram
Date : 19 May 2020

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

Rahul Arora
Managing Director
DIN: 05353333

Ajay Mankotia
Director
DIN: 03123827

Sunit Malhotra
Chief Financial Officer & Company Secretary

Place: Gurugram
Date : 19 May 2020

Form AOC – 1

(Pursuant to first proviso to sub-section (3) of Section 129 read with Rule 5 of Companies (Accounts) Rules, 2014)

STATEMENT CONTAINING SALIENT FEATURES OF THE FINANCIAL STATEMENT OF SUBSIDIARIES

₹ in Lacs

Name of the subsidiary	MPS North America, LLC	MPS Interactive Systems Limited	TOPSIM GmbH Germany	MPS Europa AG Switzerland
Reporting period for the subsidiary concerned	Financial Year 2019-20	Financial Year 2019-20	Financial Year 2019-20	Financial Year 2019-20
Reporting currency and exchange rate as on the Financial Year ended on March 31, 2020	₹75.6650= USD 1	₹1	₹81.10875 - Euro 1	₹76.54-CHF 1
Share capital	4213.59	6200.00	182.27	68.34
Reserves & surplus	2442.67	421.40	-180.51	1,015.44
Total assets	7950.70	12942.05	1,237.98	1,414.64
Total Liabilities	7950.70	12942.05	1,237.98	1,414.64
Investments	-	-	-	-
Turnover	6569.56	6432.46	1,731.53	1,208.50
Profit before taxation	788.01	486.23	-267.17	70.95
Provision for taxation	203.19	179.74	46.59	-0.69
Profit after taxation	584.82	306.49	-313.76	71.64
Proposed Dividend	Nil	Nil	Nil	Nil
% of shareholding	100%	67.77%	67.77%	67.77%

*Converted at monthly average exchange rates

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

Rahul Arora
CEO & Managing Director
DIN: 05353333

Ajay Mankotia
Director
DIN: 03123827

Sunit Malhotra
Chief Financial Officer & Company Secretary

Place: Gurugram
Date: May 19, 2020

NOTICE

Notice is hereby given that the 50th Annual General Meeting ("AGM") of MPS LIMITED ("the **Company**") will be held on **Wednesday, August 12, 2020 at 02:30 P.M.** IST through Video Conferencing ("VC")/ Other Audio Visual Means ("OAVM") to transact the following businesses:

ORDINARY BUSINESS:

1. To receive, consider and adopt

    a. the Audited Standalone Financial Statements of the Company for the financial year ended March 31, 2020, together with the Reports of the Board of Directors and the Auditors thereon; and

    b. the Audited Consolidated Financial Statements of the Company for the financial year ended March 31, 2020, together with the Reports of the Board of Directors and the Auditors thereon.

2. To appoint a Director in place of Ms. Yamini Tandon (DIN: 06937633), Non–Executive Director, who retires by rotation, and being eligible, offers herself for re-appointment.

3. To confirm the payment of Interim Dividend on Equity Shares for the financial year 2019-2020.

SPECIAL BUSINESS

4. Appointment of Ms. Jayantika Dave as an Independent Director of the Company

    To consider and, if thought fit, to pass the following Resolution as an **Ordinary Resolution:**

    "**RESOLVED THAT** Ms. Jayantika Dave (DIN: 01585850), who was appointed by the Board of Directors as an Additional Director of the Company with effect from October 30, 2019 and who holds office up to the date of this Annual General Meeting of the Company in terms of Section 161(1) of the Companies Act, 2013 ("Act") and the provisions of the Articles of Association of the Company and who is eligible for appointment and in respect of whom the Company has received a notice in writing from a Member under Section 160(1) of the Act proposing her candidature for the office of Director of the Company, be and is hereby appointed as Director of the Company.

    RESOLVED FURTHER THAT pursuant to the provisions of Sections 149, 152 and other applicable provisions, if any, of the Act, the Companies (Appointment and Qualifications of Directors) Rules, 2014, read with Schedule IV to the Act and Regulation 17 and other applicable regulations of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations"), as amended from time to time, the appointment of Ms. Jayantika Dave (DIN: 01585850), who meets the criteria for independence as provided in Section 149(6) of the Act along with the rules framed thereunder, and Regulation 16(1)(b) of SEBI Listing Regulations and who has submitted a declaration to that effect, and who is eligible for appointment as an Independent Director of the Company, not liable to retire by rotation, for a term of two years commencing October 30, 2019 to October 29, 2021, be and is hereby approved."

5. Appointment of Ms. Achal Khanna as an Independent Director of the Company

    To consider and, if thought fit, to pass the following Resolution as an **Ordinary Resolution:**

    "**RESOLVED THAT** Ms. Achal Khanna (DIN: 00275760) who was appointed by the Board of Directors as an Additional Director of the Company with effect from October 30, 2019 and who holds office up to the date of this Annual General Meeting of the Company in terms of Section 161(1) of the Companies Act, 2013 ("Act") and the provisions of the Articles of Association of the Company and who is eligible for appointment and in respect of whom the Company has received a notice in writing from a Member under Section 160(1) of the Act proposing her candidature for the office of Director of the Company, be and is hereby appointed as Director of the Company.

    RESOLVED FURTHER THAT pursuant to the provisions of Sections 149, 152 and other applicable provisions, if any, of the Act, the Companies

(Appointment and Qualifications of Directors) Rules, 2014, read with Schedule IV to the Act and Regulation 17 and other applicable regulations of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations"), as amended from time to time, the appointment of Ms. Achal Khanna (DIN: 00275760), who meets the criteria for independence as provided in Section 149(6) of the Act along with the rules framed thereunder, and Regulation 16(1)(b) of SEBI Listing Regulations and who has submitted a declaration to that effect, and who is eligible for appointment as an Independent Director of the Company, not liable to retire by rotation, for a term of two years commencing October 30, 2019 to October 29, 2021, be and is hereby approved."

6. Appointment of Mr. Ajay Mankotia as an Independent Director of the Company

   To consider and, if thought fit, to pass the following Resolution as an **Ordinary Resolution:**

   "**RESOLVED THAT** Mr. Ajay Mankotia (DIN: 03123827) who was appointed by the Board of Directors as an Additional Director of the Company with effect from January 29, 2020 and who holds office up to the date of this Annual General Meeting of the Company in terms of Section 161(1) of the Companies Act, 2013 ("Act") and the provisions of the Articles of Association of the Company and who is eligible for appointment and in respect of whom the Company has received a notice in writing from a Member under Section 160(1) of the Act proposing his candidature for the office of Director of the Company, be and is hereby appointed as Director of the Company.

   RESOLVED FURTHER THAT pursuant to the provisions of Sections 149, 152 and other applicable provisions, if any, of the Act, the Companies (Appointment and Qualifications of Directors) Rules, 2014, read with Schedule IV to the Act and Regulation 17 and other applicable regulations of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations"), as amended from time to time, the appointment of Mr. Ajay Mankotia (DIN: 03123827) who meets the criteria for independence as provided in Section 149(6) of the Act along with the rules framed thereunder, and Regulation 16(1)(b) of SEBI Listing Regulations and who has submitted a declaration to that effect, and who is eligible for appointment as an Independent Director of the Company, not liable to retire by rotation, for a term of two years commencing January 29, 2020 to January 28, 2022, be and is hereby approved."

7. Appointment of Dr. Piyush Kumar Rastogi as an Independent Director of the Company

   To consider and, if thought fit, to pass the following Resolution as an **Ordinary Resolution:**

   "**RESOLVED THAT** Dr. Piyush Kumar Rastogi (DIN: 02407908)who was appointed by the Board of Directors as an Additional Director of the Company with effect from January 29, 2020 and who holds office up to the date of this Annual General Meeting of the Company in terms of Section 161(1) of the Companies Act, 2013 ("Act") and the provisions of the Articles of Association of the Company but who is eligible for appointment and in respect of whom the Company has received a notice in writing from a Member under Section 160(1) of the Act proposing his candidature for the office of Director of the Company, be and is hereby appointed as Director of the Company.

   RESOLVED FURTHER THAT pursuant to the provisions of Sections 149, 152 and other applicable provisions, if any, of the Act, the Companies (Appointment and Qualifications of Directors) Rules, 2014, read with Schedule IV to the Act and Regulation 17 and other applicable regulations of the Securities and Exchange Board of India

(Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations"), as amended from time to time, the appointment of Dr. Piyush Kumar Rastogi (DIN: 02407908) who meets the criteria for independence as provided in Section 149(6) of the Act along with the rules framed thereunder, and Regulation 16(1)(b) of SEBI Listing Regulations and who has submitted a declaration to that effect, and who is eligible for appointment as an Independent Director of the Company, not liable to retire by rotation, for a term of one year commencing January 29, 2020 to January 28, 2021, be and is hereby approved."

By Order of the Board of Directors

Place: Gurugram
Date: May 19, 2020

Sunit Malhotra
Chief Financial Officer &
Company Secretary

Registered Office:
RR Towers IV, Super A,
16/17, T V K Industrial Estate,
Guindy, Chennai - 600 032, Tamil Nadu
CIN: L22122TN1970PLC005795
E-mail: investors@mpslimited.com
Website-www.mpslimited.com

IMPORTANT NOTES:

1. The Explanatory Statement pursuant to Section 102 of the Companies Act, 2013 ("Act") setting out material facts concerning the business under Item Nos. 4 to 7 of the Notice, is annexed hereto. The relevant details, pursuant to Regulations 26(4) and 36(3) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations") and Secretarial Standard on General Meetings issued by the Institute of Company Secretaries of India, in respect of Directors seeking appointment/re-appointment at this Annual General Meeting ("AGM") are also annexed.

2. General instructions for accessing and participating in the 50th AGM through VC/OAVM Facility and voting through electronic means including remote e-Voting:

    a. In view of the outbreak of the COVID-19 pandemic, social distancing norm to be followed and the continuing restriction on movement of persons at several places in the country and pursuant to General Circular Nos.14/2020, 17/2020 and 20/2020 dated 8th April 2020, 13th April 2020 and 5th May 2020, respectively, issued by the Ministry of Corporate Affairs ("MCA Circulars") and Circular No. SEBI/HO/CFD/CMD1/CIR/P/2020/79 dated 12th May 2020 issued by the Securities and Exchange Board of India ("SEBI Circular") and in compliance with the provisions of the Act and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations"), the 50th AGM of the Company is being conducted through VC/OAVM Facility, which does not require physical presence of members at a common venue.

    b. In terms of the MCA Circulars since the physical attendance of Members has been dispensed with, there is no requirement of appointment of proxies. Accordingly, the facility of appointment of proxies by Members under Section 105 of the Act will not be available for the 50th AGM. However, in pursuance of Section 112 and Section 113 of the Act, representatives of the Members may be appointed for the purpose of voting through remote e-Voting, for participation in the 50th AGM through VC/OAVM Facility and e-Voting during the 50th AGM.

    c. Pursuant to the provisions of Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014 (as amended) and Regulation 44 of SEBI (Listing Obligations & Disclosure Requirements) Regulations 2015 (as amended), and MCA Circulars dated April 08, 2020, April 13, 2020 and May 05, 2020, the Company is providing facility of remote e-voting to its Members in respect of the business to be transacted at the AGM. For this purpose, the Company has entered into an agreement with Central Depository Services (India) Limited (CDSL) for facilitating voting through electronic means, as the authorized e-Voting's agency. The facility of casting votes by a member using remote e-voting as well as the e-voting system on the date of the AGM will be provided by CDSL.

    d. Members may join the 50th AGM through VC/OAVM Facility by following the procedure as mentioned below which shall be kept open for the Members from 2:00 p.m. IST i.e. 30 minutes before the time scheduled to start the 50th AGM and the Company may close the window for joining the VC/OAVM Facility 30 minutes after the scheduled time to start the 50th AGM.

    e. Members may note that the VC/OAVM Facility, provided by CDSL, allows participation of at least 1,000 Members on a first-come-first-served basis. The large Shareholders (i.e. Shareholders holding 2% or more shareholding), promoters, institutional investors, directors, key managerial personnel, the Chairperson of the Audit Committee, Nomination and Remuneration Committee and Stakeholders Relationship Committee, auditors etc., can attend the 50th AGM without any restriction on account of first come first served basis.

    f. The attendance of the Members attending the AGM through VC/OAVM will be counted for the purpose of ascertaining the quorum under Section 103 of the Companies Act, 2013.

    g. In line with the Ministry of Corporate Affairs (MCA) Circular No. 17/2020 dated April 13, 2020, the Notice calling the AGM has been uploaded on the website of the Company at www.mpslimited.com. The Notice can also be accessed from the websites of the Stock Exchanges i.e. BSE Limited and National Stock Exchange of India Limited at www.bseindia.com and www.nseindia.com respectively. The

AGM Notice is also disseminated on the website of CDSL (agency for providing the Remote e-Voting facility and e-voting system during the AGM) i.e. www.evotingindia.com.

h. Since the AGM will be held through VC/OAVM Facility, the Route Map is not annexed in this Notice.

3. Corporate Members intending to send their authorised representatives to attend the AGM are requested to send a certified copy of the Board Resolution to the Company, authozising them to attend and vote on their behalf at the AGM. The said resolution/authorization shall be sent to the Scrutinizer by email through its registered email address to rsaevoting@gmail.com with a copy marked to investors@mpslimited.com.

4. In terms of Section 152 of the Act, Ms. Yamini Tandon (DIN: 06937633) retires by rotation at the AGM and, being eligible, offers herself for re-appointment. The Board of Directors commends her re-appointment.

   Brief resume of Directors proposed to be appointed / re-appointed, nature of their expertise in specific functional areas, name of the companies in which they hold Directorships and Memberships / Chairmanships of Board Committees, shareholding and relationships between Directors *inter se* as stipulated under Regulation 26 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Secretarial Standard on General Meetings are provided in the Annexure to this Notice.

5. All relevant documents referred to in the accompanying Notice and statement under Section 102 of the Act shall be available for inspection. Shareholder can contact at the designated email id of the Company at investors@mpslimited.com.

6. Members desiring any information regarding the Financial Statements or any other matter to be placed at 50th AGM are requested to write to the Company at least 48 hours in advance before the start of the AGM, so as to enable the management to keep the information ready.

7. The Register of Members and Share Transfer Books of the Company shall remain closed from **Thursday, August 6, 2020 to Wednesday, August 12, 2020** (both days inclusive) for the purpose of the Annual General Meeting.

8. Members desirous of making a nomination in respect of their shareholding in the Company, as permitted under Section 72 of the Act, are requested to write to the Company's RTA.

9. The Securities and Exchange Board of India ("**SEBI**") has made Permanent Account Number ("**PAN**") as the sole identification number for all participants transacting in the securities market, irrespective of the amount of such transaction, and has mandated the submission of PAN by every participant in securities market. Members holding shares in electronic mode are, therefore, requested to submit their PAN to their DP with whom they are maintaining their demat accounts. Members holding shares in physical form are requested to submit their PAN to the Company / RTA.

10. Pursuant to Finance Act, 2020, dividend income will be taxable in the hands of the shareholders w.e.f. 1st April 2020 and the Company is required to deduct tax at source ("TDS") from dividend paid to the Members at prescribed rates in the Income Tax Act, 1961 ("the IT Act"). In general, to enable compliance with TDS requirements, Members are requested to complete and / or update their Residential Status, PAN, Category as per the IT Act with their Depository Participants or in case shares are held in physical form, with the Company by sending email to the Company's email address at investors@mpslimited.com.

11. The dividend/s, if any, approved by the Members or declared by the Board of Directors of the Company from time to time, will be paid as per the mandate registered with the Company or with their respective Depository Participants

12. Further, in order to receive dividend/s in a timely manner, Members holding shares in physical form who have not updated their mandate for receiving the dividends directly in their bank accounts through Electronic Clearing Service or any other means ("Electronic Bank Mandate"), can register their Electronic Bank Mandate to receive dividends directly into their bank account electronically or any other means, by sending scanned copy of the following details/documents by email to reach the Company's email address investors@mpslimited.com. :

    a. signed request letter mentioning your name, folio number, complete address and following details relating to bank account in which the dividend is to be received :

       i. Name and Branch of Bank and Bank Account type;

ii. Bank Account Number allotted by your bank after implementation of Core Banking Solutions;

iii. 11 digit IFSC Code;

b. self-attested scanned copy of cancelled cheque bearing the name of the Member or first holder, in case shares are held jointly;

c. self-attested scanned copy of the PAN Card; and

d. self-attested scanned copy of any document (such as AADHAR Card, Driving Licence, Election Identity Card, Passport) in support of the address of the Member as registered with the Company.

For the Members holding shares in demat form, please update your Electronic Bank Mandate through your Depository Participant/s.

13. Pursuant to the MCA Circulars and SEBI Circular, in view of the prevailing situation, owing to the difficulties involved in dispatching of physical copies of the Notice of the 50th AGM and the Annual Report for the year 2020 including therein the Audited Financial Statements for year 2020, are being sent only by email to the Members. Therefore, those Members, whose email address is not registered with the Company or with their respective Depository Participant/s, and who wish to receive the Notice of the 50th AGM and the Annual Report for the year 2020 and all other communication sent by the Company, from time to time, can get their email address registered by following the steps as given below:-

a. For Members holding shares in physical form, please send scan copy of a signed request letter mentioning your folio number, complete address, email address to be registered along with scanned self-attested copy of the PAN and any document (such as Driving Licence, Passport, Bank Statement, AADHAR) supporting the registered address of the Member, by email to the Company's email address investors@mpslimited.com.

b. For the Members holding shares in demat form, please update your email address through your respective Depository Participant/s.

14. **Voting through electronic means**

a. In compliance with the provisions of Section 108 of the Act and Rule 20 of the Companies (Management and Administration) Rules, 2014, as substituted by the Companies (Management and Administration) Amendment Rules, 2015 and Regulation 44 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company is pleased to provide Members facility to exercise their right to vote at the 50th AGM by electronic means and the business mentioned in the Notice may be transacted through remote e-voting. The facility of casting the votes by the Members using an electronic voting system (remote e-voting and e-voting during the AGM) will be provided by CDSL.

b. The facility for e-voting shall be made available during the AGM and the Members attending the meeting who have not cast their vote by remote e-voting shall be able to exercise their right at the meeting through e-voting facility.

c. The Members who have cast their vote by remote e-voting prior to the AGM may also attend the AGM but shall not be entitled to cast their e-vote again during the meeting.

THE INSTRUCTIONS FOR MEMBERS FOR REMOTE E-VOTING ARE AS UNDER:

(i) **The voting period begins on Sunday, August 9, 2020 (9:00 AM) (IST) and ends on Tuesday, August 11, 2020, (5:00 PM) (IST). During this period, Members of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date of Wednesday, August 5, 2020, may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.**

(ii) Members who have already voted prior to the meeting date would not be entitled to vote at the meeting.

(iii) The Members should log on to the e-voting website www.evotingindia.com.

(iv) Click on Shareholders.

(v) Now enter your User ID

a. For CDSL: 16 digits beneficiary ID,

b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,

c. Members holding shares in Physical Form should enter Folio Number registered with the Company.

(vi) Next enter the Image Verification as displayed and Click on Login.

(vii) If you are holding shares in demat form and had logged on to www.evotingindia.com and voted on an earlier voting of any company, then your existing password is to be used.

(viii) If you are a first time user follow the steps given below:

	For Members holding shares in Demat Form and Physical Form
PAN	Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders) • Members who have not updated their PAN with the Company/ Depository Participant are requested to use the first two letters of their name and the 8 digits of the sequence number in the PAN field.
Dividend Bank Details or Date of Birth (DOB)	Enter the Dividend Bank Details or Date of Birth (in dd/mm/yyyy format) as recorded in your demat account or in the company records in order to login. • If both the details are not recorded with the depository or company please enter the member id / folio number in the Dividend Bank details field as mentioned in instruction (v).

(ix) After entering these details appropriately, click on "SUBMIT" tab.

(x) Members holding shares in physical form will then directly reach the Company selection screen. However, members holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.

(xi) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.

(xii) Click on the EVSN '**200614001**' of MPS Limited.

(xiii) On the voting page, you will see "RESOLUTION DESCRIPTION" and against the same the option "YES/NO" for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.

(xiv) Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.

(xv) After selecting the resolution you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote.

(xvi) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.

(xvii) You can also take a print of the votes cast by clicking on "Click here to print" option on the Voting page.

(xviii) If a demat account holder has forgotten the changed password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.

(xix) **Shareholders can also cast their vote using CDSL's mobile app m-Voting available for android based mobiles. The m-Voting app can be downloaded from Google Play Store. Apple and Windows phone users can download the app from the App Store and the Windows Phone Store respectively. Please follow the instructions as prompted by the mobile app while voting on your mobile.**

PROCESS FOR THOSE SHAREHOLDERS WHOSE EMAIL ADDRESSES ARE NOT REGISTERED WITH THE DEPOSITORIES FOR OBTAINING LOGIN CREDENTIALS FOR E-VOTING FOR THE RESOLUTIONS PROPOSED IN THIS NOTICE:

A. Those Members, who hold shares in physical form or who have not registered their email address with the Company and who wish to participate in the 50th AGM or to cast their vote through remote e-Voting or through the e-Voting system during the meeting, may obtain the login ID and password by sending scanned copy of: i) a signed request letter mentioning your name, folio number and complete address; and ii) scanned copy of the share certificate (front and back), (iii) self-attested scanned copy of the PAN Card and any document (such as Driving Licence, Bank Statement, Election Card, Passport, AADHAR Card) in support of the address of the Member as registered with the Company; to the email addresses of the Company i.e. investors@mpslimited.com and email address of RTA i.e. investor@cameoindia.com.

B. In case of shares are held in demat mode, Members may obtain the login ID and password by sending scanned copy of (i) a signed request letter mentioning your name, DP ID-Client ID (CDSL-16 digit beneficiary ID or NSDL-16 digit DPID + CLID); (ii) self-attested scanned copy of client master or Consolidated Demat Account statement; and (iii) self-attested scanned copy of the PAN Card & aadhar Card, to the email addresses of the Company i.e. investors@mpslimited.com and email address of RTA i.e. investor@cameoindia.com.

C. The Company/RTA shall co-ordinate with CDSL and provide the login credentials to the above mentioned shareholders.

INSTRUCTIONS FOR MEMBERS ATTENDING THE AGM THROUGH VC/OAVM ARE AS UNDER:

a) Members will be provided with a facility to attend the 50th AGM through VC/OAVM through the CDSL e-Voting system. Shareholders may access the same at **https://www.evotingindia.com** under shareholders/members login by using the remote e-voting credentials. The link for VC/OAVM will be available in shareholder/members login where the EVSN of Company will be displayed.

b) Members are encouraged to join the Meeting through Laptops / IPads for better experience.

c) Further, Members will be required to allow Camera and use Internet with a good speed to avoid any disturbance during the meeting.

d) Please note that Participants Connecting from Mobile Devices or Tablets or through Laptop connecting via Mobile Hotspot may experience Audio/Video loss due to Fluctuation in their respective network. It is therefore recommended to use Stable Wi-Fi or LAN Connection to mitigate any kind of aforesaid glitches.

e) Members who would like to express their views/ask questions during the meeting may register themselves as a speaker by sending their request at least **48 hours** in advance **prior to meeting** mentioning their name, demat account number/folio number, email id, mobile number at investors@mpslimited.com. The shareholders who do not wish to speak during the AGM but have queries may send their queries **48 hours** in advance **prior to meeting** mentioning their name, demat account number/folio number, email id, mobile number at investors@mpslimited.com. These queries will be replied to by the company suitably by email. Those members who have registered themselves as a speaker shall be allowed to ask questions during the 50th AGM, depending upon the availability of time.

f) Those members who have registered themselves as a speaker will only be allowed to express their views/ask questions during the meeting.

INSTRUCTIONS FOR MEMBERS FOR E-VOTING DURING THE AGM ARE AS UNDER:-

I. The procedure for e-Voting on the day of the AGM is same as the instructions mentioned above for Remote e-voting.

II. Only those Members, who are present in the AGM through VC/OAVM facility and have not casted their vote on the Resolutions through remote e-Voting and are otherwise not barred from doing so, shall be eligible to vote through e-Voting system available during the AGM.

III. If any votes are cast by the members through the e-voting available during the AGM and, if the same members have not participated in the meeting through VC/OAVM facility, then the votes cast by such members shall be considered invalid as the facility of e-voting during the meeting is available only to the shareholders attending the meeting.

IV. Members who have voted through Remote e-Voting will be eligible to attend the AGM. However, they will not be eligible to vote at the AGM.

(xx) **Note for Non – Individual Shareholders and Custodians**

- Non-Individual shareholders (i.e. other than Individuals, HUF, NRI, etc.) and Custodian are required to log on to www.evotingindia.com and register themselves as Corporates.
- A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to helpdesk.evoting@cdslindia.com.
- After receiving the login details a Compliance User should be created using the admin login and password. The Compliance User would be able to link the account(s) for which they wish to vote on.

- The list of accounts linked in the login should be e-mailed to helpdesk.evoting@cdslindia.com and on approval of the accounts they would be able to cast their vote.
- A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.

(xxi) **In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions ("FAQs") and e-voting manual available at www.evotingindia.com, under help section or write an email to helpdesk.evoting@cdslindia.com or call helpline number 1800225533 or 022 2305 8542 or 022 2305 8542 or 022 2305 8738.**

(xxii) **All grievances connected with the facility for voting by electronic means may be addressed to Mr. Rakesh Dalvi, Manager, (CDSL,) Central Depository Services (India) Limited, A Wing, 25th Floor, Marathon Futurex, Mafatlal Mill Compounds, N M Joshi Marg, Lower Parel (East), Mumbai-400013 or send an email to helpdesk.evoting@cdslindia.com or call helpline number 1800225533 or 022 2305 8542 or 022 2305 8542 or 022 2305 8738.**

OTHER GUIDELINES FOR MEMBERS:

15. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential. Login to the e-Voting website will be disabled upon five unsuccessful attempts to key in the correct password. In such an event, you will need to go through the "Forgot User Details/Password?" or "Physical User Reset Password?" option available on www.evotingindia.com to reset the password.

16 The voting rights of shareholders shall be in proportion to their share of the paid up equity share capital of the Company as on the cut-off date, i.e., Wednesday, August 5, 2020.

17. A person whose name is recorded in the register of members or in the register of beneficial owners maintained by the depositories as on the cut-off date shall only be entitled to avail the facility of remote e-voting or casting vote through e-voting system during the meeting.

18. Any person, who acquires shares of the Company and becomes the member of the Company after the Company sends the Notice of the AGM and would be holding shares of the Company as on the cut-off date i.e. Wednesday, August 5, 2020, may obtain the User ID and password by sending a request at **helpdesk.evoting@cdslindia.com** or **investor@cameoindia.com**. Alternatively, the shareholder can create their user name and password by entering the valid credentials, as mentioned in point no (viii) mentioned above in the remote e-voting instructions.

19. Mr. R Sridharan, Practicing Company Secretary (Membership No. FCS 4775) of M/s. R Sridharan & Associates, Company Secretaries, Chennai, has been appointed as the Scrutinizer to scrutinize the remote e-Voting process and casting vote through the e-Voting system during the meeting in a fair and transparent manner.

20. During the 50th AGM, the Chairman shall, after response to the questions raised by the Members in advance or as a speaker at the 50th AGM, formally propose to the Members participating through VC/OAVM Facility to vote on the resolutions as set out in the Notice of the 50th AGM and announce the start of the casting of vote through the e-Voting system. After the Members participating through VC/OAVM Facility, eligible and interested to cast votes, have cast the votes, the e-voting will be closed with the formal announcement of closure of the 50th AGM.

21. The Scrutinizer shall after the conclusion of e-Voting at the 50th AGM, first download the votes cast at the AGM and thereafter unblock the votes cast through remote e-Voting and shall make a consolidated scrutinizer's report of the total votes cast in favour or against, invalid votes, if any, and whether the resolution has been carried or not, and such Report shall then be sent to the Chairman or a person authorized by him, within 48 (forty eight) hours from the conclusion of the 50th AGM, who shall then countersign and declare the result of the voting forthwith.

22. The Results declared along with the Scrutinizer's Report shall be placed on the Company's website, www.mpslimited.com and on the website of CDSL immediately after the results are declared and communicated to the Stock Exchanges, where the shares of the Company are listed, viz. BSE Limited and National Stock Exchange of India Limited.

23. Subject to receipt of requisite number of votes, the Resolutions shall be deemed to be passed on the date of AGM, i.e., Wednesday, August 12, 2020.

EXPLANATORY STATEMENT

As required under Section 102 of the Companies Act, 2013 ("Act"), the following explanatory statement sets out all material facts relating to business mentioned under Item Nos. 4 to 7 of the accompanying Notice:

Item no. 4, 5, 6 and 7

Based on the recommendation of the Nomination and Remuneration Committee, the Board of Directors in its Meeting held on October 30, 2019, appointed Ms. Jayantika Dave (DIN: 01585850) and Ms. Achal Khanna (DIN: 00275760) as an Additional Directors of the Company and also as Independent Director, not liable to retire by rotation for a term of two (2) years with effect from October 30, 2019 to October 29, 2021.

Based on the recommendation of the Nomination and Remuneration Committee, the Board of Directors in its Meeting held on January 29, 2020, appointed Mr. Ajay Mankotia (DIN: 03123827) as an Additional Directors of the Company and also as Independent Director, not liable to retire by rotation for a term of two (2) years with effect from January 29, 2020 to January 28, 2022.

Based on the recommendation of the Nomination and Remuneration Committee, the Board of Directors in its Meeting held on January 29, 2020, appointed Dr. Piyush Kumar Rastogi (DIN: 02407908) as an Additional Directors of the Company and also as Independent Director, not liable to retire by rotation for a term of one (1) year with effect from January 29, 2020 to January 28, 2021.

Pursuant to the provisions of Section 161(1) of the Act and the Articles of Association of the Company, each of these Directors shall hold office up to the date of this Annual General Meeting ("AGM") and are eligible to be appointed as Directors. The Company has, in terms of Section 160(1) of the Act, received in writing a notice from Member(s), proposing their candidature for the office of Directors.

The Company has received declarations from each of these directors to the effect that they meet the criteria of independence as provided in Section 149(6) of the Act read with the Rules framed thereunder and Regulation 16(1)(b) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations"). In the opinion of the Board, each of these Directors fulfil the conditions specified in the Act, Rules and SEBI Listing Regulations for appointment as Independent Director and they are independent of the management of the Company. The terms and conditions of their appointment shall be open for inspection by the Members at the Registered Office of the Company during the normal business hours on any working day (except Saturday) and will also be kept open at the venue of the AGM till the conclusion of the AGM.

A brief profile of the Independent Directors to be appointed is given below:

Jayantika Dave is an Independent, Non-Executive Director on the Ingersoll Rand India Board, and is a Founder Trustee of the Delhi Bird Foundation, and the KN Dave Educational Trust. She is also an Executive Coach, and a consultant on HR Strategy. She is a certified Executive and Life Coach from ICF, a certified Assessor for Intercultural Development Inventory (IDI), for Myers Briggs Type Indicator (MBTI), and for Personality & Profiles Inventory (PAPI). She is an Economics Honours graduate from Lady Shri Ram College, Delhi University, and has a Master's in Business Administration from the Faculty of Management Studies, Delhi University.

Achal Khanna is the CEO for SHRM India and Asia Pacific Head for Business Development. SHRM India is a wholly owned subsidiary of the Society for Human Resource Management (SHRM), which is the world's largest association devoted to human resource management with more than 2,90,000 members worldwide. She holds a Bachelor's degree in Economics; a Master's Degree in English Literature and she is an MBA from Delhi.

Ajay Mankotia pursued BA in Economics (Honours) from St. Stephen's College, Delhi University followed by a Master's Degree in Economics from the Delhi School of Economics, Delhi University. He has a Diplôme D'études Superiéures Spécialisées (DESS) in Diplomacy and Administration of International Organizations from the University of Paris-XI, Paris, Diploma in International Economic Relations from Institute International Administration Publique (IIAP), Paris, and Bachelor's Degree in Law (LLB) from Law Centre, Delhi University. Ajay, who joined the Indian Revenue Service in 1982, has worked at a wide variety of posts in the Income Tax Department – Assessments, Appeals, Administration, Central Board of Direct Taxes and Search & Seizure.

Dr. Piyush Kumar Rastogi is Senior Partner with Rastogi and Donald, a leading Chartered Accountants' firm with offices in New Delhi and Noida, Uttar Pradesh that was established in 1986. The firm is registered with the Comptroller and Auditor General of India and leads public sector audits. He is a Fellow Member of The Institute of Chartered Accountants of India and holds a Doctorate Degree in Commerce (Banking) from Rohilkhand University. He has also completed his LLB and his Masters in Commerce from the same University, while he completed his Bachelor's Degree in Commerce from Agra University.

Additional Information, required under Regulation 26 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulation, 2015 and Secretarial Standard on General Meetings, issued by the Institute of Company Secretaries of India, is given in Annexure to this Notice.

Jayantika Dave, Achal Khanna, Ajay Mankotia and Dr. Piyush Kumar Rastogi and their respective relatives, are concerned or interested, in the Resolutions relating to their own appointment. None of the other Directors and Key Managerial Personnel of the Company and their respective relatives is, in any way, concerned or interested, in the Resolutions set out at Item Nos. 4, 5, 6 & 7 of the Notice.

The Board recommends the Ordinary Resolution at Item no. 4, 5, 6 & 7 of the accompanying Notice, for the approval of the Members.

By Order of the Board

Place: Gurugram
Date: May 19, 2020

Sunit Malhotra
CFO & Company Secretary

Registered Office:
RR Towers IV, Super A,
16/17, T V K Industrial Estate,
Guindy, Chennai - 600 032, Tamil Nadu
CIN: L22122TN1970PLC005795
E-mail: investors@mpslimited.com

Annexure to the Notice

(For Items No. 2, 4, 5, 6 & 7)

DETAILS OF DIRECTORS SEEKING APPOINTMENT/ RE-APPOINTMENT AT THE ANNUAL GENERAL MEETING

Particulars	Ms. Jayantika Dave	Ms. Achal khanna	Ms. Yamini Tandon	Mr. Ajay Mankotia	Dr. Piyush Kumar Rastogi
Date of Appointment/Re-Appointment	October 30, 2019	October 30, 2019	July 27, 2018	January 29, 2020	January 29, 2020
Age	65 years	57 years	34 years	62 years	62 years
Qualifications	Economics Honours graduate and Master's in Business Administration	Bachelor's degree in Economics, Master's Degree in English Literature and MBA from Delhi.	Graduation in Political Science, Post Graduate Program in Management from Indian School of Business, Hyderabad.	BA in Economics (Honours) and Master's Degree in Economics and Bachelor's Degree in Law (LLB) from Law Centre, Delhi University.	Chartered Accountants and a Doctorate Degree in Commerce (Banking) from Rohilkhand University. LLB and his Masters in Commerce.
Expertise in specific functional area	Wide experience in Human Resources and Financial Services sector	Specialization and wide experience in Human Resource Management	Specialization and wide experience in Marketing and Strategy	Specialization and wide experience in Taxation and Corporate Planning and Operations.	Specialization and wide experience in Audit, Financial Accounting, and Corporate Law.
Relationship with other Directors, Manager and other Key Managerial Personnel of the Company	Nil	Nil	Mr. Nishith Arora – Father in law Mr. Rahul Arora – Spouse	Nil	Nil
Number of Meetings of the Board attended during the year	1 Meeting	1 Meetings	4 Meetings	1 Meetings	1 Meetings
Directorships held in other Public Limited Companies in India	MPS LIMITED and Ingersoll-Rand (India) Limited	MPS Limited, Ascentios Advisors Private Limited and Strategic Human Resource Management	MPS Limited	MPS LIMITED	MPS LIMITED
*Chairmanships / Memberships of Committees in other Public Limited Companies in India	Member of Audit Committee of Ingersoll-Rand (India) Limited and	Nil	Nil	Nil	Nil
Shareholding in the Company (No. of shares)	Nil	Nil	Nil	Nil	Nil

*Committees considered for the purpose are those prescribed in Regulation 26 of the SEBI (Listing Obligations and Disclosure Requirements) Regulation, 2015, viz. Audit Committee and Stakeholders' Relationship Committee.

MPS
Make Learning Smarter

LEARNING
- eLearning Solutions
- Experiential Learning Design
- Consulting Services
- Learning Platforms

PLATFORMS
- Digicore
- THINK
- Magplus
- MPSInsight
- ScholarStor
- ScholarlyStats
- Fulfillment Services
- Custom Development and Support

CONTENT
- Publishing Solutions
- Content Authoring and Development
- Rights and Permissions
- Accessibility Solutions
- Creative Studio
- Digital Transformation

MPS Limited

REGISTERED OFFICE

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