

Appendix C.04

MPS Limited

Audit Report for MPS Europa AG
as of 31 March 2020

C.04 Audit Report

Independent Auditor's Report

To: B S R & Co. LLP, India

As requested in your instructions for MPS Limited dated __ March 2020, we have audited, for purposes of your audit of the consolidated financial statements/results of MPS Ltd group, the accompanying special purpose financial information of MPS Europa AG as of 31 March 2020 and for the year then ended of the accompanying financial reporting package of MPS Ltd group.

Management's Responsibility for the Special Purpose Financial Information

Management is responsible for the preparation and presentation of this special purpose financial information in accordance with the MPS Ltd Group Accounting Policies/ Indian GAAP (as referred to in the Group Accounting Policies and to the extent required by group reporting package. This responsibility includes designing, implementing and maintaining internal control relevant to the preparation and presentation of special purpose financial information that is free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances. This special purpose financial information has been prepared solely to enable MPS Ltd group to prepare its consolidated financial statements.

Auditor's Responsibility

Our responsibility is to express an opinion on this special purpose financial information based on our audit. We conducted our audit in accordance with International Standards on Auditing. As requested, our audit procedures also included the additional procedures identified in your instructions. International Standards on Auditing require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the special purpose financial information is free from material misstatement. As requested by you, we planned and performed our audit using the materiality level specified in your instructions, which is different than the materiality level that we would have used had we been designing the audit to express an opinion on the financial information of the component alone.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the special purpose financial information. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the special purpose financial information, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and presentation of the special purpose financial information in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates, if any, made by management, as well as evaluating the overall presentation of the special purpose financial information.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion. The conclusions reached in forming our opinion are based on the

component materiality level specified by you in the context of the audit of the consolidated financial statements of the group.

Opinion

In our opinion, the accompanying special purpose financial information for MPS Europa AG as of 31 March 2020 and for the year then ended has been prepared, in all material respects, in accordance with accounting instructions sent by the Group audit team.

Restriction on Use and Distribution

This report is intended solely for use by B S R & Co. LLP, India, in connection with its audit of MPS Limited consolidated financial statements as at and for the year ending 31 March 2020 and should not be used for any other purpose.

Partner Name (Bruno Peter)

Manager Name (Severin Zünti)

1 May 2020

AVANTA AUDIT AG

Switzerland

MPS Europa AG
Balance Sheet as at 31st March 2020

In CHF

	Note	As at 31 March 2020	As at 31 March 2019
ASSETS			
Non-current assets			
Property, plant and equipment	1	219'957	56'908
Other intangible assets	2	25'871	60'371
Financial assets			
Loans	3 (i)	12'858	12'858
Deferred tax assets (net)		56'079	56'079
Other non-current assets	5 (i)	-	-
Total non-current assets		314'765	186'216
Current assets			
Financial assets			
Trade receivables	6	279'653	320'988
Cash and cash equivalents	7	1'015'802	967'013
Other financial assets	4 (ii)	112'370	81'150
Other current assets	5 (ii)	32'340	27'085
Total current assets		1'440'165	1'396'236
TOTAL ASSETS		1'754'930	1'582'452
EQUITY AND LIABILITIES			
Equity			
Equity share capital	8	100'000	100'000
Other equity	9.1	1'212'545	1'105'986
Total equity		1'312'545	1'205'986
Liabilities			
Non-current liabilities			
Other non current liabilities	11	64'598	-
Total non-current liabilities		64'598	-
Current liabilities			
Financial liabilities			
Trade payables	10	3'378	71'018
Other current liabilities	11	374'409	305'448
Total current liabilities		377'787	376'466
TOTAL EQUITY AND LIABILITIES		1'754'929	1'582'452
Significant accounting policies	2		
Notes to financial statements	1-17.1		
The accompanying notes form an integral part of financial statements			

MPS Europa AG
Statement of Profit & Loss for the period ended 31st March 2020

In CHF

	Note	For the period 1 April 2019 to 31 March 2020	For the period 6 July 2018 to 31 March 2019
Revenue from operations	12.1	1'687'247	1'243'231
Other income	13.1	-1	8'449
Total income		1'687'246	1'251'680
Expenses			
Employee benefits expense	14.1	1'097'821	738'513
Finance costs	15.1	3'901	-
Depreciation and amortization expense	16.1	145'565	43'949
Other expenses	17.1	329'589	401'499
Total expenses		1'576'875	1'183'961
Profit before exceptional items		110'371	67'719
Exceptional items		-	-
Profit before tax		110'371	67'719
Tax expense:			
Current tax		996	2'005
Deferred tax		-	-56'079
Total tax expenses		996	-54'074
Profit for the period		109'375	121'793
Other comprehensive income			
Items that will not be reclassified subsequently to profit or loss			
Remeasurement of net defined benefit liability/assets			
Exchange differences on translation of foreign operations	8	-	-
Income tax relating to items that will not be reclassified to profit or loss		-	-
Total other comprehensive income for the period , net of tax		-	-
Total comprehensive income for the period		109'375	121'793

MPS Europa AG
Cash Flow Statement for the period ended 31st March 2020

In CHF

Particulars	For the period 1 April 2019 to 31 March 2020	For the period 6 July 2018 to 31 March 2019
A. Cash flow from operating activities		
Net profit before tax	110'371	67'719
Adjustments:		
Depreciation and amortisation expense	145'565	43'949
Interest income	-	-
Liabilities/provisions no longer required written back	-	-
Allowances for expected credit loss	-	-
Bad debts written off/(reversal)	-	-
Unrealised foreign exchange (gain)/loss on mark-to-market on forward contracts	2'823	4'439
Operating cash flows before working capital changes	258'759	116'107
(Increase)/decrease in trade receivables	41'336	-140'206
(Increase)/decrease in loans	-	-12'858
(Increase)/decrease in other financial assets	-34'043	196'287
(Increase)/decrease in other current assets	-5'255	33'870
(Increase)/decrease in other non current assets	-	-
(Decrease)/increase in trade payables	-67'641	67'987
(Decrease)/increase in other financial liabilities	-	-
(Decrease)/increase in other non-current liabilities	64'598	-
(Decrease)/increase in other current liabilities	67'965	98'733
(Decrease)/increase in short-term provisions	-	-
Cash generated from operations	325'719	359'920
Income tax paid (net of refund)	-	-
Net cash generated from operating activities (A)	325'719	359'920
B. Cash flow from investing activities		
Purchase of property, plant and equipment (including capital work-in-progress)	-274'114	-28'217
Purchase other intangible assets	-	-
Net cash used in investing activities (B)	-274'114	-28'217
C. Cash flow from financing activities		
Issue of share capital	-	-
Lease impact	-2'816	-
Net cash used in financing activities (C)	-2'816	-
Net increase/(decrease) in cash and cash equivalents (A+B+C)	48'789	331'703
Effects of exchange differences on cash and cash equivalents held in foreign currency	-	-
Cash and cash equivalents at the beginning of the period	967'013	635'310
Cash and cash equivalents at the end of the period (see below)	1'015'802	967'013
Components of cash and cash equivalents:		
Cash on hand	-	-
Balances with banks		
- Current accounts	1'015'802	967'013
- EEFC accounts	-	-
-Demand deposit accounts (demand deposits and deposits having original maturity of 3 months or less)	-	-
	1'015'802	967'013

Notes:

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

MPS Europa AG

Notes forming part of Financial Statements for the period ended 31 March 2020

(CHF, except share and per share data, unless otherwise stated)

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

In CHF

Particulars	Leasehold improvements	Furniture & Fixtures	Computer Hardware	Vehicles	Right to use Property	Right to use Vehicles	Total
Gross carrying value							
As at 1 April 2019	47'865	127'005	281'699	41'089	-	-	497'658
Additions	-	20'190	47'876	-	155'552	50'496	274'114
Deletion	-	-	-	-	-	-	-
As at 31 March 2020	47'865	147'195	329'575	41'089	155'552	50'496	771'772
Accumulated depreciation							
As at 1 April 2019	47'864	117'918	233'880	41'088	-	-	440'750
Depreciation charge for the period	-	6'760	32'572	-	54'901	16'832	111'065
Deletion	-	-	-	-	-	-	-
As at 31 March 2020	47'864	124'678	266'453	41'088	54'901	16'832	551'815

Net carrying value	Leasehold improvements	Furniture & Fixtures	Computer Hardware	Vehicles	Right to use Property	Right to use Vehicles	Total
As at 1 April 2019	1	9'087	47'819	1	-	-	56'908
As at 31 March 2020	1	22'517	63'122	1	100'651	33'664	219'957

Net carrying value	31. Mär 20
Property, plant and equipment	219'957
Capital work in progress	-

MPS Europa AG
Notes forming part of Financial Statements for the period ended 31 March 2020
(CHF, except share and per share data, unless otherwise stated)

2. Intangible assets				In CHF
Particulars	QuizWiz	Banking Academy	Cybertest	Total
Gross carrying value				
As at 1 April 2019	96'232	544'600	266'478	907'310
Additions	-	-	-	-
Disposals/adjustments	-	-	-	-
As at 31 March 2020	96'232	544'600	266'478	907'310
Accumulated depreciation/amortisation				
As at 1 April 2019	67'856	544'599	234'484	846'939
Amortisation expense for the period	14'496	-	20'004	34'500
Disposals/adjustments	-	-	-	-
Foreign currency translation reserve	-	-	-	-
As at 31 March 2020	82'352	544'599	254'488	881'439
Net carrying value	Software			Total
As on 1 April 2019	28'376	1	31'994	60'371
As at 31 March 2020	13'880	1	11'990	25'871
Net carrying value	31. Mär 20			
Goodwill	-			
Other Intangible assets	25'871			

		Gross Block				Accumulated Depreciation				Net Assets		In'CHF
	Particulars	As on 1 April 2019	Addition	Deletion	As on 31 March 2020	As on 1 April 2019	Charges during the year	Deletion	As on 31 March 2020	As on 31 March 2020	As on 1 April 2019	
	Leasehold Improvements											
1515	Office Invent. (rented rooms)	47'865	-		47'865	47'864	-		47'864	1	1	
	Furniture & Fixtures											
1510	Office Inventories	127'005	20'190		147'195	117'918	6'760		124'678	22'517	9'087	
	Computer Hardware											
1520	IT Hardware and Software	281'699	47'876		329'575	233'880	32'572		266'453	63'122	47'819	
	Vehicles											
1534	Vehicles	41'089	-		41'089	41'088	-		41'088	1	1	
	Softwares											
1550	Licence Cybertest	266'478	-		266'478	234'484	20'004		254'488	11'990	31'994	
1554	Academy	544'600	-		544'600	544'599	-		544'599	1	1	
1556	Licence QuizWiz I & II	96'232	-		96'232	67'856	14'496		82'352	13'880	28'376	
		907'310	-	-	907'310	846'939	34'500	-	881'439	25'871	60'371	
	Tangible Assets	497'658	68'066		565'724		39'332			85'642	56'908	
	Intangible Assets	907'310	-		907'310		34'500			25'871	60'371	
	Grand Total	1'404'968	68'066		1'473'034		73'832			111'513	117'279	

MPS Europa AG

Notes forming part of Financial Statements for the period ended 31 March 2020

(CHF, except share and per share data, unless otherwise stated)

3 Loans		In CHF	
Particulars	As at 31 March 2020	As at 31 March 2019	
(i) Non Current (unsecured, considered good)			
Security deposits carried at amortised cost			
Security deposits (refer note below)	12'858	12'858	
	12'858	12'858	
4 Other financial assets		In CHF	
Particulars	As at 31 March 2020	As at 31 March 2019	
(ii) Current (unsecured, considered good)			
Unbilled revenue	112'370	81'150	
Advances to employees	-	-	
Others advances	-	-	
	112'370	81'150	
5 Other assets		In CHF	
Particulars	As at 31 March 2020	As at 31 March 2019	
(ii) Other current assets (Unsecured, Considered Good)			
Advance to Suppliers	-	-	
Balances with government authorities			
-Others	17'945	5'700	
Others advances	9'086	21'385	
Prepayment rent	5'309	-	
	32'340	27'085	

MPS Europa AG

Notes forming part of Financial Statements for the period ended 31 March 2020

(CHF, except share and per share data, unless otherwise stated)

6 Trade receivables		In CHF	
Particulars	As at 31 March 2020	As at 31 March 2019	
Current			
Trade receivables	279'653	320'988	
Receivables from an subsidiary	-		
	279'653	320'988	
The Group applies the practical expedient in paragraph 121 of IFRS 15 and does not disclose information about remaining performance obligations that have original expected durations of one year or less.			
Break-up for details:			
Trade receivables (Unsecured)			
Considered good	279'653	320'988	
Doubtful	6'551	6'551	
	286'204	327'539	
Less: Expected credit loss allowance	6'551	6'551	
Total Trade receivables	279'653	320'988	
7 Cash and cash equivalents		In CHF	
Particulars	As at 31 March 2020	As at 31 March 2019	
Balances with banks			
-In Current accounts	1'015'475.54	966'884	
Cash on hand	326.80	129	
	1'015'802.34	967'013	

MPS Europa AG
Notes forming part of Financial Statements for the period ended 31 March 2020
(CHF, except share and per share data, unless otherwise stated)

8 Share capital

In CHF

(i) Particulars	As at	As at
	31 March 2020	31 March 2019
Issued, Subscribed & Paid-Up		
10,000 equity shares @CHF 10 each	100'000	100'000
	100'000	100'000

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

Particulars	As at	
	31 March 2020	
	Number	In CHF
Equity shares (with voting rights) outstanding at the beginning of the period	10'000	100'000
Issued during the period	-	-
Outstanding at the end of the period	10'000	100'000

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

Particulars	As at	
	31 March 2020	
	Number	In CHF
Equity shares of CHF 10 each fully paid up and held by MPS Limited	9'488	94'880

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

Class of shares / Name of shareholder	As at	
	31 March 2020	
	Number	% holding in that class of shares
Equity shares of CHF 10 each fully paid up and held by MPS Limited	9'488	94.88%

MPS Europa AG
Notes forming part of Financial Statements for the period ended 31 March 2020
(CHF, except share and per share data, unless otherwise stated)

9 Other Equity	In CHF	
Particulars	As at 31 March 2020	As at 31 March 2019
Capital Reserve		
At the commencement of the period and at the end of the period	50'000	50'000
General reserve		
At the commencement of the period	500'000	500'000
Add: Transferred from surplus in Statement of Profit and Loss	-	-
At the end of the period	500'000	500'000
Surplus in Statement of Profit and Loss		
At the commencement of the period	553'170	434'193
Add : Profit for the period	109'375	121'793
Less: Transferred to general reserve	-	-
At the end of the period	662'545	555'986

MPS Europa AG

Notes forming part of Financial Statements for the period ended 31 March 2020

(CHF, except share and per share data, unless otherwise stated)

9.1 Other equity

In CHF

Particulars	Retained earnings	Capital Reserve	General reserve	Other Comprehensive income		Total
				Revaluation reserve	Foreign currency translation reserve	
As at 6 July 2018	434'193	50'000	500'000	-	-	984'193
Profit for the period	121'793	-	-	-	-	121'793
Other comprehensive income	-	-	-	-	-	-
Total comprehensive income for the period	555'986	50'000	500'000	-	-	1'105'986
Transfer to general reserve	-	-	-	-	-	-
As at 31 March 2019	555'986	50'000	500'000	-	-	1'105'986
As at 1 April 2019	555'986	50'000	500'000	-	-	1'105'986
Operating lease adj.	-2'816	-	-	-	-	-2'816
Profit for the period	109'375	-	-	-	-	109'375
Other comprehensive income	-	-	-	-	-	-
Total comprehensive income for the period	662'545	50'000	500'000	-	-	1'212'545
Transfer to general reserve	-	-	-	-	-	-
As at 31 March 2020	662'545	50'000	500'000	-	-	1'212'545

MPS Europa AG**Notes forming part of Financial Statements for the period ended 31 March 2020****(CHF, except share and per share data, unless otherwise stated)**

10 Trade payables		In CHF	
Particulars	As at 31 March 2020	As at 31 March 2019	
Trade payables	3'378	71'018	
	3'378	71'018	
11 Other liabilities		In CHF	
Particulars	As at 31 March 2020	As at 31 March 2019	
Other non-current liabilities			
Operating lease liabilities	64'598	-	
	64'598	-	
Other current liabilities			
Income received in advance (Unearned revenue)	204'631	219'712	
Advances from customers	-	-	
Statutory remittances	29'189	37'475	
Operating lease liabilities	72'799	-	
Others	67'790	48'261	
	374'409	305'448	

MPS Europa AG

Notes forming part of Financial Statements for the period ended 31 March 2020
(CHF, except share and per share data, unless otherwise stated)

12 Revenue from operations	In CHF	
Particulars	For the period 1 April 2019 to 31 March 2020	For the period 6 July 2018 to 31 March 2019
Sale of services	1'687'247	1'243'231
	1'687'247	1'243'231
13 Other income	In CHF	
Particulars	For the period 1 April 2019 to 31 March 2020	For the period 6 July 2018 to 31 March 2019
Net gain on foreign currency transactions	-	-
Other non-operating income	-1	8'449
	-1	8'449

MPS Europa AG**Notes forming part of Financial Statements for the period ended 31 March 2020**

(CHF, except share and per share data, unless otherwise stated)

14 Employee benefits expense		In CHF
Particulars	For the period 1 April 2019 to 31 March 2020	For the period 6 July 2018 to 31 March 2019
Salaries and wages	1'055'864	709'430
Contribution to provident and other funds	41'957	29'083
Staff welfare expenses	-	-
	1'097'821	738'513
15 Finance costs		In CHF
Particulars	For the period 1 April 2019 to 31 March 2020	For the period 6 July 2018 to 31 March 2019
Interest expense	3'901	-
	3'901	-
16 Depreciation and amortization expense		In CHF
Particulars	For the period 1 April 2019 to 31 March 2020	For the period 6 July 2018 to 31 March 2019
Depreciation on property, plant and equipment	39'332	18'074
Depreciation on right-of-use asset	71'733	-
Amortization on intangible assets	34'500	25'875
	145'565	43'949

MPS Europa AG

Notes forming part of Financial Statements for the period ended 31 March 2020
(CHF, except share and per share data, unless otherwise stated)

17 Other expenses		In CHF	
Particulars	For the period 1 April 2019 to 31 March 2020	For the period 6 July 2018 to 31 March 2019	
Outsourcing cost	196'690	219'473	
Rent	2'017	73'098	
Repairs and maintenance - buildings	-	-	
Repairs and maintenance - plant and machinery	-	-	
Repairs and maintenance - others	-1'129	4'572	
Insurance	2'146	965	
Rates and taxes	1'430	1'261	
Communication	4'003	8'130	
Travelling and conveyance	37'829	12'807	
Legal and professional	10'460	10'597	
Audit fees	14'500	9'800	
Loss on foreign currency transactions	2'823	4'439	
Miscellaneous expenses	58'820	56'355	
	329'589	401'499	
		In CHF	
(i) Payments to the auditors comprises (net of input vat credit, where applicable):	For the period 1 April 2019 to 31 March 2020	For the period 6 July 2018 to 31 March 2019	
To Statutory auditors			
- for statutory audit	14'500	9'800	
	14'500	9'800	

MPS Europa AG**Notes forming part of Financial Statements for the period ended 31 March 2020****(CHF, except share and per share data, unless otherwise stated)****25 Income tax**

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

	Year ended 31 March 2020
Current income tax:	
Current income tax charge for the period	996.05
Adjustments in respect of current income tax of previous periods	<u>996.05</u>
Deferred tax:	
Deferred tax on profits for the period	-
Adjustments in respect of deferred tax of previous periods	<u>-</u>
	<u>-</u>
Income tax expense reported in the Statement of Profit and Loss	<u>996.05</u>

26 Earnings per equity share

	Year ended 31 March 2020
Profit for the period attributable to the owners of the Company	110'371.00
Weighted average number of equity shares outstanding	10'000
Face value per share (CHF)	10.00
Earnings Per Share- Basic & Diluted (CHF)	11.04

MPS Europa AG

Notes forming part of Financial Statements for the period ended 31 March 2020
(CHF, except share and per share data, unless otherwise stated)

27 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 social security and pension for qualifying employees. Under the schemes, the company is required specified percentage of payroll costs to fund the benefits. During the period, the Company has contributed following amounts to:

Particulars	In CHF
	As at 31 March 2020
Employer's contribution social security and pension	41'956.90
	41'956.90

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

Particulars	As at 31 March 2020
Present value of obligation at the end of the period	-

MPS Europa AG

Notes forming part of Financial Statements for the period ended 31 March 2020

(CHF, except share and per share data, unless otherwise stated)

28 Fair value measurements

Particulars	Note	Level of hierarchy	In CHF		
			As at		
			31 March 2020		
			FVPL	FVOCI	Amortised cost
Financial assets					
Trade receivables	(a)		-	-	279'652.76
Cash and bank balances	(a)		-	-	1'015'802.34
Other financial assets	(a, b)		-	-	112'369.55
Total financial assets			-	-	1'407'824.65
Financial liabilities					
Trade payables	(a)		-	-	3'377.52
Total financial liabilities			-	-	3'377.52

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.

MPS Europa AG**Notes forming part of Financial Statements for the period ended 31 March 2020**

(CHF, except share and per share data, unless otherwise stated)

29 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

The risk that the value of a financial instrument will fluctuate in terms of fair value or future cash flows as a result of a fluctuation in market prices. Basically the Company is exposed to the market price risk

Currency risk

In order to effectively manage those risks, Management has approved some strategies for the management of financial risks, which are in line with corporate objectives. These guidelines set forth the short and long term objectives and action to be taken in order to manage the financial risks that the company faces.

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 CHF		
	As at 31 March 2020		
	USD	Euro	Others
Cash and cash equivalents	2'738.47	11'884.56	-
Trade receivables	-	-	-
Trade payables	-	(414.13)	-
Other financial liabilities	-	-	-
Net statement of financial position exposure	2'738.47	11'470.43	-

Sensitivity analysis

A reasonably possible strengthening (weakening) of the USD, and GBP against CHF 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 CHF	
	Profit or Loss (before tax)	
	Year ended	
	Strengthening	Weakening
USD (1% movement)	27.38	(27.38)
Euro (1% movement)	114.70	(114.70)
Others (1% movement)	-	-

MPS Europa AG**Notes forming part of Financial Statements for the period ended 31 March 2020****(CHF, except share and per share data, unless otherwise stated)****29 Financial risk management****ii Credit risk****Trade receivables**

The Company's exposure to credit risk is the possibility that a debtor will not pay at all, pay only a portion of a debt or will not pay in a timely manner. Details of concentration of revenue are as follows:

Particulars	In CHF
	As at
	31 March 2020
Revenue from top 1 customers	814'280.13
(more than 10% revenue individually)	
Revenue from top 15 customers	1'512'531.92

To mitigate the risk the company controls its exposure to credit risk by setting limits on its exposure to individual customers. There are no significant concentrations of credit risk.

MPS Europa AG**Notes forming part of Financial Statements for the period ended 31 March 2020****(CHF, except share and per share data, unless otherwise stated)****29 Financial risk management****Expected credit loss for trade receivables:**

The company has made a provision of 2% on outstanding receivables as on 31st March 20.

iii Liquidity risk

Liquidity risk is the risk that the Company may not have or may not be able to raise cash funds when needed. 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 manages liquidity risk on the basis of expected maturity dates. At present the company expects to pay all liabilities at their contractual maturity. In order to meet such cash commitments the company expects the operating activity to generate sufficient cash inflows. In addition, the company holds financial assets for which there is a liquid market and that are readily available to meet liquidity needs.

Exposure to liquidity risk

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

Particulars	In CHF		
	Contractual Cash flows		
	As at 31 March 2020		
	Carrying Amount	Within 1 year	More than 1 Year
Non-derivative financial liabilities			
Trade payables	3'377.52	3'377.52	-
Other financial liabilities	-	-	-

30 Capital management

The Company is equity financed which is evident from the capital structure (refer note 12). Further, the Company has always been a net cash Company with cash and bank balances. This allows investor, creditor and market confidence and to sustain future development of the business.

MPS Europa AG**Notes forming part of Financial Statements for the period ended 31 March 2020**

(CHF, except share and per share data, unless otherwise stated)

31 Related party transactions

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

A Names of related parties and description of relationship:

S.No.	Description of relationship	Names of related parties
1	Ultimate Holding Company	ADI BPO Services Limited
2	Holding Company	MPS Limited
3	Fellow Subsidiary Company	MPS North America LLC MPS Interactive Systems Limited TOPSIM GmbH
4	Company Under Common Control	ADI Media Private Limited
5	Key management personnel (KMP)	Mr. Attila Varga- Director Mr. Christian Mutzner- Director Mr. Rahul Arora, Director Mr. Sunit Malhotra, Director Mr. Harsh Gupta, Director Mr. Jörg Inderbitzin- Director

B Transactions during the period

			In CHF
Description of transactions:	Name of related party	Relationship	Period ended 31 March 2020
1 Outsourcing cost	MPS Interactive Systems Limited	Fellow Subsidiary Company	28'753.00
2 Reimbursement of expenses	MPS Limited	Holding Company	-

C Balances at the year end

			As at 31 March 2020
1 Trade payables	MPS Interactive Systems Limited	Fellow Subsidiary Company	-

Notes:

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

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32 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 IAS 108, Operating Segments. Operating Segments have been defined and presented based on the regular review by the CODM to assess the performance of each segment and to make decision about allocation of resources. Accordingly, the Group has determined reportable segment by nature of its product and service, accordingly following are the reportable segments:

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

No operating segments have been aggregated to form the above reportable operating segments.

The Company prepares its segment information in conformity with the accounting policies adopted for preparing and presenting the financial statements of the Company as a whole.

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

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

Particulars	In CHF
	For the period 1 April 2019 to 31 March 2020
Segment revenue	
eLearning	1'687'247
Total revenue from operations	1'687'247
Segment results	
eLearning	110'371
Total	110'371
Un-allocable expenditure (net of un-allocable income)	
Interest income	-
Finance cost	-
Profit before tax	110'371
Tax expense	996
Profit for the period	109'375

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

(b) Geographical segments:

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

(i) Revenue by geographical markets

Particular	For the period 1 April 2019 to 31 March 2020
India	-
Europe	
Switzerland (Country of domicile)	1'687'247
USA	
Rest of the World	
Total	1'687'247

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

Particular	In CHF
	As at 31 March 2020
Switzerland (Country of domicile)	314'765
Total	314'765

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

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(CHF, except share and per share data, unless otherwise stated)

34 Revenue
S.N. Particulars

(ii) Revenue from contracts with customers

Revenues for the period ended 31 March 2019 are as follows:

Particulars	In CHF	
	For the period	
	1 April 2019 to	
	31 March 2020	
eLearning	1'687'247	
	1'687'247	

(iii) Disaggregation of revenue from contracts with customers

In the following table, revenue is disaggregated by primary geographical market, major products/service lines and timing of revenue recognition. The table also includes a reconciliation of the disaggregated revenue with the Group's three segments, which are its reportable segments (see note no....)

Revenue by geographical markets	In CHF	
	Period ended 31 March 2020	
	eLearning	Total
Switzerland (country of domicile)	1'687'247	1'687'247
India	-	-
Europe	-	-
USA	-	-
Rest of the World	-	-
Total	1'687'247	1'687'246.8

Revenue by category of customers	In CHF	
	Period ended 31 March 2020	
	eLearning	Total
Top 15 customers	1'512'532	1'512'531.92
Others	174'715	174'714.84
Total	1'687'247	1'687'246.76

Revenue by timing of revenue recognition	In CHF	
	Period ended 31 March 2020	
	eLearning solutions	Total
Time and materials contracts	-	-
Fixed-price contracts	1'687'247	1'687'247
Maintenance contracts	-	-
Total	1'687'246.76	1'687'246.76

(iv) Contract balances

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

Particulars	In Euro	
	As at	
	31 March 2019	
Receivables, which are included in 'Trade and other receivables' (refer note no....)	279'653	
Contract assets (refer note no.....)	112'370	
Contract liabilities (refer note no.....)	-204'631	

Trade receivables are non-interest bearing and are generally on terms of 30. to 45. days.

The contract assets primarily relate to the Group's rights to consideration for work completed but not billed at the reporting date. The contract assets are transferred to receivables when the rights become unconditional. The contract liabilities primarily relate to the advance consideration received from customers for which revenue is recognised on completion of services.

Significant changes in the contract assets and the contract liabilities balances during the period are as follows

Particulars	In Euro	
	Period ended 31 March 2020	
	Contract Assets	Contract Liabilities
Revenue recognised that was included in the contract liability balance at the beginning of the period	-	-
Increases due to cash received, excluding amounts recognised as revenue during the period	-	-
Transfers from contract assets recognised at the beginning of the period to receivables	81'150.00	-219'712.00
Cumulative catch-up adjustments to revenue that affect the corresponding contract asset or contract liability, including adjustments arising from a change in the measure of progress, a change in an estimate of the transaction price (including any changes in the assessment of whether an estimate of variable consideration is constrained) or a contract modification	31'219.55	15'080.53
Change in the time frame for a right to consideration to become unconditional (i.e. for a contract asset to be reclassified to a receivable)	-	-
A change in the time frame for a performance obligation to be satisfied (ie for the recognition of revenue arising from a contract liability)	112'370	-204'631

(v) Transaction price allocated to the remaining performance obligations

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

Particulars	As at 31 March 2019				INR in Lacs
	Year ended 31 March 2020	Year ended 31 March 2021	Year ended 31 March 2022	Year ended 31 March 2023	Total
eLearning	539211.637	-	-	-	539211.64
	539211.64	-	-	-	539211.64

The Group applies the practical expedient in paragraph 121 of IFRS 15 and does not disclose information about remaining performance obligations that have original expected durations of one year or less.

36 Leases:

A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

The Company accounts for each lease component within the contract as a lease separately from non-lease components of the contract and allocates the consideration in the contract to each lease component on the basis of the relative stand-alone price of the lease component and the aggregate stand-alone price of the non-lease components.

The Company recognises right-of-use asset representing its right to use the underlying asset for the lease term at the lease commencement date. The cost of the right-of-use asset measured at inception shall comprise of the amount of the initial measurement of the lease liability adjusted for any lease payments made at or before the commencement date less any lease incentives received, plus any initial direct costs incurred and an estimate of costs to be incurred by the lessee in dismantling and removing the underlying asset or restoring the underlying asset or site on which it is located. The right-of-use assets is subsequently measured at cost less any accumulated depreciation, accumulated impairment losses, if any and adjusted for any re-measurement of the lease liability. The right-of-use assets is depreciated using the straight-line method from the commencement date over the shorter of lease term or useful life of right-of-use asset. The estimated useful lives of right-of-use assets are determined on the same basis as those of property, plant and equipment. Right-of-use assets are tested for impairment whenever there is any indication that their carrying amounts may not be recoverable. Impairment loss, if any, is recognised in the statement of profit and loss.

The Company measures the lease liability at the present value of the lease payments that are not paid at the commencement date of the lease. The lease payments are discounted using the interest rate implicit in the lease, if that rate can be readily determined. If that rate cannot be readily determined, the Company uses incremental borrowing rate. For leases with reasonably similar characteristics, the Company, on a lease by lease basis, may adopt either the incremental borrowing rate specific to the lease or the incremental borrowing rate for the portfolio as a whole. The lease payments shall include fixed payments, variable lease payments, residual value guarantees, exercise price of a purchase option where the Company is reasonably certain to exercise that option and payments of penalties for terminating the lease, if the lease term reflects the lessee exercising an option to terminate the lease. The lease liability is subsequently remeasured by increasing the carrying amount to reflect interest on the lease liability, reducing the carrying amount to reflect the lease payments made and remeasuring the carrying amount to reflect any reassessment or lease modifications or to reflect revised in-substance fixed lease payments. The company recognises the amount of the re-measurement of lease liability due to modification as an adjustment to the right-of-use asset and statement of profit and loss depending upon the nature of modification. Where the carrying amount of the right-of-use asset is reduced to zero and there is a further reduction in the measurement of the lease liability, the Company recognises any remaining amount of the re-measurement in statement of profit and loss.

The Company has elected not to apply the requirements of Ind AS 116 Leases to short-term leases of all assets that have a lease term of 12 months or less and leases for which the underlying asset is of low value. The lease payments associated with these leases are recognized as an expense on a straight-line basis over the lease term.

Transition to Ind AS 116 :

Ministry of Corporate Affairs ("MCA") through Companies (Indian Accounting Standards) Amendment Rules, 2019 and Companies (Indian Accounting Standards) Second Amendment Rules, has notified Ind AS 116 Leases which replaces the existing lease standard, Ind AS 17 leases, and other interpretations. Ind AS 116 sets out the principles for the recognition, measurement, presentation and disclosure of leases for both lessees and lessors. It introduces a single, on-balance sheet lease accounting model for lessees.

The Company has adopted Ind AS 116, effective annual reporting period beginning April 1, 2019 and applied the standard to its leases, retrospectively, with the cumulative effect of initially applying the Standard, recognised on the date of initial application (April 1, 2019). Accordingly, the Company has not restated comparative information, instead, the cumulative effect of initially applying this standard has been recognised as an adjustment to the opening balance of retained earnings as on April 1, 2019.

Operating leases

For transition, the Company has elected not to apply the requirements of Ind AS 116 to leases which are expiring within 12 months from the date of transition by class of asset and leases for which the underlying asset is of low value on a lease-by-lease basis. The Company has also used the practical expedient provided by the standard when applying Ind AS 116 to leases previously classified as operating leases under Ind AS 17 and therefore, has not reassessed whether a contract, is or contains a lease, at the date of initial application, relied on its assessment of whether leases are onerous, applying Ind AS 37 immediately before the date of initial application as an alternative to performing an impairment review, excluded initial direct costs from measuring the right of use asset at the date of initial application and used hindsight when determining the lease term if the contract contains options to extend or terminate the lease. The Company has used a single discount rate to a portfolio of leases with similar characteristics.

On transition, the Company recognised a lease liability measured at the present value of the remaining lease payments. The right-of-use asset is recognised at its carrying amount as if the standard had been applied since the commencement of the lease, but discounted using the lessee's incremental borrowing rate as at April 1, 2019. Accordingly, a right-of-use asset of CHF 1.55551 lacs and Right to use Vehicles of CHF 0.50496 lacs and a corresponding lease liability of CHF 2.06048 lacs has been recognized. The principal portion of the lease payments have been disclosed under cash flow from financing activities. The lease payments for operating leases as per Ind AS 17 - Leases, were earlier reported under cash flow from operating activities.

On application of Ind AS 116, the nature of expenses has changed from lease rent in previous periods to depreciation cost for the right-to-use asset, and finance cost for interest accrued on lease liability.

The difference between the future minimum lease rental commitments towards non-cancellable operating leases and finance leases reported as at March 31, 2019 compared to the lease liability as accounted as at April 1, 2019 is primarily due to inclusion of present value of the lease payments for the cancellable term of the leases, reduction due to discounting of the lease liabilities as per the requirement of Ind AS 116 and exclusion of the commitments for the leases to which the Company has chosen to apply the practical expedient as per the standard.

The details of the right-of-use asset held by the Company is as follows:

	Net carrying amount as at March 31, 2020
Right to use Property	100'651.13
Right to use Vehicles	33'664.22
Total	134'315.35

Depreciation on right-of-use assets is as follows:

Right to use Property	For the year ended 31st March 2020
	54'900.64
Right to use Vehicles	16'832.08
Total	71'732.72
	For the year ended 31st March 2020
Interest on lease liabilities	3'901.20
Right to use Property	2'364.43
Right to use Vehicles	1'537.05

Movement of Lease liabilities**As at 31 March 2020**

i. Opening balance as on 1st April 2019	
ii. Addition during the year	134'315.35
iii. Interest Expense	3'901.20
iv. Payment made	819.95
v. Exchange Impact (if any)	
vi. Closing balance as on 31st March 2020	137'396.60

Impact of adoption of Ind AS 116 on the retained earnings

Particulars	As at 1 April 2019
Right-of-use assets	206'048.07
Lease liabilities	206'048.07
Deferred tax (credit)	
Impact on the retained earnings	-

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

Particulars	Year ended 31 March 2020
Interest on lease liabilities	3'901.20
Depreciation of Right-of-use assets	71'732.72
Deferred tax (credit)	0
Impact on the statement of profit and loss for the year	75'633.92

Bifurcation of lease expenses on which exemption is taken

Particulars	Year ended 31 March 2020
Expense related to short-term leases	-
Expense related to leases of low value assets, excluding short term leases of low value	-
Total	-