

STATEMENT OF UNAUDITED CONSOLIDATED FINANCIAL RESULTS FOR THE QUARTER AND HALF YEAR ENDED 30 SEPTEMBER 2021
(INR in lacs, except per equity share data)

S.No.	Particulars	Three months ended 30-Sep-2021 (Un-Audited)	Preceding three months ended 30-Jun-2021 (Un-Audited)	Corresponding three months ended in previous year 30-Sep-2020 (Un-Audited)	Year to date figures for six months in current period ended 30-Sep-2021 (Un-Audited)	Year to date figures for six months in previous period ended 30-Sep-2020 (Un-Audited)	Previous year ended 31-Mar-2021 (Audited)
I	Revenue from operations	11,021	11,715	11,034	22,736	19,211	42,255
II	Other income	386	325	127	711	376	987
III	Total income (I+II)	11,407	12,040	11,161	23,447	19,587	43,242
IV	Expenses						
	Employee benefits expense	5,224	5,287	5,559	10,511	9,515	20,254
	Finance costs	35	41	50	76	92	204
	Depreciation and amortization expense	515	546	601	1,061	988	2,122
	Other expenses	2,736	3,284	2,997	6,020	5,147	11,323
	Total expenses	8,510	9,158	9,207	17,668	15,742	33,903
V	Profit before tax (III-IV)	2,897	2,882	1,954	5,779	3,845	9,339
VI	Tax expenses						
	Current tax	662	723	402	1,385	876	2,372
	Adjustment of tax relating to earlier years	-	-	-	-	-	498
	Deferred tax charge	69	18	162	87	193	613
	Total tax expenses	731	741	564	1,472	1,069	3,483
VII	Profit for the period (V-VI)	2,166	2,141	1,390	4,307	2,776	5,856
VIII	Other comprehensive income						
	Items that will not be reclassified to profit or loss						
	Remeasurement of the net defined benefit liability/asset	6	(36)	33	(30)	(42)	69
	Income tax relating to items that will not be reclassified to profit or loss	(1)	9	(8)	8	11	(17)
	Items that will be reclassified subsequently to profit or loss						
	Exchange differences on translation of foreign operations	(149)	228	(178)	79	(178)	(273)
	Total other comprehensive income	(144)	201	(153)	57	(209)	(221)
IX	Total comprehensive income for the period (VII+VIII)	2,022	2,342	1,237	4,364	2,567	5,635
X	Paid-up equity share capital (Face value - INR 10 per equity share)	1,805	1,805	1,862	1,805	1,862	1,805
XI	Earnings per equity share (nominal value of share INR 10)						
	Basic and diluted	12.00	11.86	7.47	23.86	14.91	31.92

STATEMENT OF UNAUDITED CONSOLIDATED ASSETS AND LIABILITIES			(INR in lacs)
S.No.	Particulars	As at 30-Sep-2021 (Un-Audited)	As at 31-Mar-2021 (Audited)
A	ASSETS		
1	Non-current assets		
	Property, plant and equipment	2,153	2,156
	Investment property	103	104
	Right-of-use assets	1,069	1,277
	Goodwill	8,573	8,529
	Other intangible assets	2,918	3,369
	Financial assets		
	Investments	100	388
	Other financial assets	8,669	7,215
	Income tax assets (net)	688	326
	Deferred tax assets (net)	-	56
	Other non-current assets	322	375
	Total non-current assets	24,595	23,795
2	Current assets		
	Financial assets		
	Investments	366	827
	Trade receivables	6,613	9,054
	Cash and cash equivalents	9,813	6,659
	Other bank balances	4,922	3,604
	Loans	1	1
	Other financial assets	939	651
	Income tax assets (net)	89	18
	Other current assets	6,438	6,108
	Total current assets	29,181	26,922
	TOTAL ASSETS	53,776	50,717
B	EQUITY AND LIABILITIES		
1	Equity		
	Equity share capital	1,805	1,805
	Other equity	40,671	36,307
	Total equity	42,476	38,112
2	Liabilities		
	Non-current liabilities		
	Financial liabilities		
	Lease liabilities	696	1,292
	Other financial liabilities	1	-
	Provisions	55	64
	Deferred tax liabilities (net)	1,137	1,110
	Total non-current liabilities	1,889	2,466
3	Current liabilities		
	Financial liabilities		
	Lease liabilities	732	543
	Trade payables		
	Due to Micro and Small enterprises	2	56
	Due to Others	1,799	2,141
	Other financial liabilities	954	1,093
	Other current liabilities	5,426	5,586
	Provisions	198	301
	Income tax liabilities (net)	300	419
	Total current liabilities	9,411	10,139
	TOTAL EQUITY AND LIABILITIES	53,776	50,717

STATEMENT OF UNAUDITED CONSOLIDATED CASH FLOW

(INR in lacs)

S.No.	Particulars	Year to date figures for six months in current period ended 30-Sep-2021 (Un-Audited)	Year to date figures for six months in previous period ended 30-Sep-2020 (Un-Audited)	Previous year ended 31-Mar-2021 (Audited)
A	Cash flows from operating activities			
	Net profit before tax	5,779	3,845	9,339
	Adjustments:			
	Depreciation and amortisation expense	1,061	988	2,122
	Interest income	(305)	(112)	(572)
	Net (gain)/loss on sale of current investment	(4)	(34)	(42)
	Finance costs	76	92	204
	Loss/ (gain) on sale/disposal/discard of property, plant and equipment (net)	(4)	(2)	12
	Miscellaneous income	-	-	(40)
	Rent concession as a variable lease payment	-	(42)	(50)
	Gain on investment carried at fair value through profit or loss (net)	(8)	(77)	(93)
	Liabilities/provisions no longer required written back	(18)	(5)	(33)
	Allowances for expected credit loss	(180)	159	165
	Bad debts written off	82	14	33
	Allowances for doubtful advances	(1)	-	4
	Allowances for contract assets	10	-	-
	Advances written off (net)	60	-	32
	Unrealised foreign exchange loss (net)	(29)	124	201
	Unrealised foreign exchange (gain)/loss on mark-to-market on forward contracts	3	(122)	(151)
	Operating cash flows before working capital changes	6,522	4,828	11,131
	Decrease/(increase) in trade receivables	2,563	694	(940)
	(Increase)/ decrease in loans	-	-	(3)
	(Increase)/ decrease in other financial assets	(32)	55	107
	(Increase)/ decrease in other current assets	(399)	153	1,325
	Decrease/(increase) in other non-current assets	52	(68)	(85)
	(Decrease) in trade payables	(399)	(108)	(277)
	(Increase) in other financial liabilities	(120)	(240)	(123)
	(Decrease)/increase in other liabilities	(132)	(400)	907
	(Decrease) in provisions	(141)	(99)	(172)
	Cash generated from operations	7,914	4,815	11,870
	Income tax paid (net of refund)	(1,936)	(692)	(1,933)
	Net cash generated from operating activities (A)	5,978	4,123	9,937
B	Cash flows from investing activities			
	Purchase of property, plant and equipment (including capital work-in-progress)	(265)	(527)	(587)
	Purchase of other intangible assets	(17)	(31)	(87)
	Sale of property, plant and equipment	4	2	8
	Acquisition of business (net of cash and cash equivalents acquired)	-	(4,737)	(4,449)
	Purchase of current investments	(2,076)	(17,729)	(18,631)
	Sale of current investments	2,549	22,096	26,512
	Purchase of term deposits	(3,528)	(3,167)	(12,336)
	Redemption of term deposits	762	2,376	3,104
	Rent received	299	125	416
	Interest received	31	54	121
	Net cash (used in)/generated from investing activities (B)	(2,241)	(1,538)	(5,929)
C	Cash flow from financing activities			
	Repayment of lease liabilities including interest expenses	(554)	(469)	(1,065)
	Deposits placed/earmarked for buyback of equity shares	-	(3,490)	-
	Transaction costs related to buy back of shares	-	(27)	-
	Buy-back of equity shares	-	-	(3,400)
	Expenses for buy-back of equity shares	-	-	(35)
	Tax on buy-back of equity shares	-	-	(779)
	Finance costs	(4)	-	(14)
	Net cash used in financing activities (C)	(558)	(3,986)	(5,293)
	Net increase / (decrease) in cash and cash equivalents (A+B+C)	3,179	(1,401)	(1,285)

Impact on cash flows on account of foreign currency translation reserve	(35)	(149)	(7)
Effects of exchange differences on cash and cash equivalents held in foreign currency	10	(215)	(219)
Cash and cash equivalents at the beginning of the period	6,659	8,170	8,170
Cash and cash equivalents at the end of the period	9,813	6,405	6,659

NOTES:

- These results have been prepared in accordance with the recognition and measurement principles laid down in Indian Accounting Standards ('Ind AS') notified under section 133 of Companies Act, 2013. These results have been reviewed by the Audit Committee and upon their recommendation, approved by the Board of Directors at their meeting held on 27 October 2021. The Statutory auditors of the Company have carried out limited review of the financial results for the quarter and half year ended 30 September 2021 and an unmodified review report has been issued. The same are available with Stock Exchanges and on the Company's website at www.mpslimited.com.
- Segment Reporting**
 - Based on the "management approach" as defined in Ind AS 108 Operating Segments, the Chief Operating Decision Maker ('CODM') evaluates the Group's performance and allocates resources based on an analysis of various performance indicators by business segments. During the quarter ended 30 June 2021, the CODM has evaluated and realigned the composition of the business segments to reflect the changes in the internal organisation structure and accordingly the segment revenue and results have been reclassified for all the reported periods. The accounting principles used in the preparation of the financial statements are consistently applied to record revenue and expenditure in individual segments. (INR in lacs)

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I	Segment revenue						
	Content solutions	6,119	6,137	5,302	12,256	10,687	22,394
	eLearning solutions	1,899	2,213	1,756	4,112	3,519	7,283
	Platform solutions	3,003	3,365	3,976	6,368	5,005	12,578
	Total revenue from operations	11,021	11,715	11,034	22,736	19,211	42,255
II	Segment results (profit before tax, exceptional items and interest from each segment)						
	Content solutions	2,082	1,845	1,675	3,927	3,524	7,229
	eLearning solutions	209	215	(257)	424	(349)	(458)
	Platform solutions	775	1,168	962	1,943	1,560	3,956
	Total	3,066	3,228	2,380	6,294	4,735	10,727
	Less: Finance costs	35	41	50	76	92	204
	Less: Un-allocable expenditure (net of un-allocable income)	132	305	376	437	798	1,184
	Profit before tax	2,899	2,882	1,954	5,781	3,845	9,339

- 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.
- On 1 July 2020, the Company has completed the acquisition of the HighWire Press US Business at a purchase consideration of INR 5,181 Lacs through its US branch and the newly incorporated wholly owned subsidiary, HighWire North America LLC. MPS North America LLC, an existing US based wholly owned subsidiary of the Company has also acquired, through Stock Purchase Agreement, 100% shares of HighWire Press Limited, based at Northern Ireland along with its wholly owned subsidiary, Semantico Limited, based at United Kingdom at a purchase consideration of INR 770 Lacs. This being a Business Combination thus based on the purchase price allocation to the various identifiable acquired assets and assumed liabilities, goodwill of INR 2,522 Lacs has been recognised. The measurement period of goodwill has been closed on 30 June 2021 as per applicable accounting standards.
- The amendment in the Income Tax Act through the Finance Bill enacted in March 2021 has taken out goodwill from the purview of tax depreciation with effect from 1 April 2020. Consequent to the enactment and as per the requirements of Ind AS 12, the Group has recognised a deferred tax expense of INR 561 Lacs for the year ended 31 March 2021 being the deferred tax liability on difference between book base and tax base of goodwill for MPS Interactive Systems Limited in respect of business acquired from Tata Interactive Systems in financial year 2018-19.
- The board of directors at its meeting held on 27 October 2021, approved the proposal for buyback of upto 9,44,444 fully paid-up Equity Shares of INR 10 each (representing 5.23% of the total paid up share capital of the Company) at a price of INR 900 per equity share for an aggregate consideration not exceeding INR 8,500 Lacs, subject to the shareholders' approval.
- The Code on Social Security, 2020 (the Code) relating to employee benefits during employment and post-employment benefits has been enacted, which would impact the contributions by the Company towards Provident Fund and Gratuity. The effective date from which the changes are applicable is yet to be notified and rules are yet to be framed. The Company and its Indian subsidiary will assess the impact and will give appropriated impact in its financial results in the period in which, the Code becomes effective and the related rules are published.
- In assessing the recoverability of receivables including unbilled receivables, contract assets, goodwill, intangible assets and investments, the Group has considered internal and external information up to the date of approval of these financial results including 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.
- The standalone results of the Company are also available on the Company's website www.mpslimited.com. The key standalone financial information of the Company is given below: (INR in lacs)

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Revenue from operations	7,278	7,410	7,290	14,688	12,215	27,902
Profit before tax	2,454	2,427	1,899	4,881	3,734	8,790
Tax expenses	636	668	510	1,304	981	2,737
Profit for the period	1,818	1,759	1,389	3,577	2,753	6,053
Other comprehensive income, net of income tax	(55)	12	44	(43)	(4)	(155)
Total comprehensive income for the period	1,763	1,771	1,433	3,534	2,749	5,898

By Order of the Board of Directors

Rahul Arora

Place: Gurugram

Date: 27 October 2021

Chairman and Managing Director