

# Walker Chandio & Co LLP

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## Independent Auditor's Review Report on Consolidated Unaudited Quarterly Financial Results and Year to Date Results of the Company pursuant to the Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (as amended)

### To the Board of Directors of MPS Limited

1. We have reviewed the accompanying statement of unaudited consolidated financial results ('the Statement') of MPS Limited ('the Holding Company') and its subsidiaries (the Holding Company and its subsidiaries together referred to as 'the Group'), (refer Annexure 1 for the list of subsidiaries included in the Statement) for the quarter ended 30 September 2022 and the consolidated year to date results for the period 01 April 2022 to 30 September 2022 being submitted by the Holding Company pursuant to the requirements of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (as amended) ('Listing Regulations').
2. This Statement, which is the responsibility of the Holding Company's management and approved by the Holding Company's Board of Directors, has been prepared in accordance with the recognition and measurement principles laid down in Indian Accounting Standard 34, Interim Financial Reporting ('Ind AS 34'), prescribed under section 133 of the Companies Act, 2013 ('the Act'), and other accounting principles generally accepted in India and is in compliance with the presentation and disclosure requirements of Regulation 33 of the Listing Regulations. Our responsibility is to express a conclusion on the Statement based on our review.
3. We conducted our review of the Statement in accordance with the Standard on Review Engagements (SRE) 2410, Review of Interim Financial Information Performed by the Independent Auditor of the Entity, issued by the Institute of Chartered Accountants of India. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with the Standards on Auditing specified under section 143(10) of the Act, and consequently, does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

We also performed procedures in accordance with the SEBI Circular CIR/CFD/CMD1/44/2019 dated 29 March 2019 issued by the SEBI under Regulation 33 (8) of the Listing Regulation, to the extent applicable.

Chartered Accountants

Offices in Bengaluru, Chandigarh, Chennai, Gurugram, Hyderabad, Kochi, Kolkata, Mumbai, New Delhi, Noida and Pune

Walker Chandio & Co LLP is registered with limited liability with identification number AAC-2085 and its registered office at L-41 Connaught Circus, New Delhi, 110001, India



## Walker ChandioK & Co LLP

### Independent Auditor's Review Report on Consolidated Unaudited Quarterly Financial Results of the Company pursuant to the Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (as amended) (cont'd)

4. Based on our review conducted and procedures performed as stated in paragraph 3 above, nothing has come to our attention that causes us to believe that the accompanying Statement, prepared in accordance with the recognition and measurement principles laid down in Ind AS 34, prescribed under section 133 of the Act, and other accounting principles generally accepted in India, has not disclosed the information required to be disclosed in accordance with the requirements of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (as amended), including the manner in which it is to be disclosed, or that it contains any material misstatement.
5. We did not review the interim financial results of two subsidiaries included in the Statement, whose financial information reflects total assets of ₹ 2,330.10 lakhs as at 30 September 2022, and total revenues of ₹ 601.30 lakhs and ₹ 1266.77 lakhs total net loss after tax of ₹ 26.83 lakhs and ₹ 25.03 lakhs total comprehensive loss of ₹ 32.07 lakhs and ₹ 34.45 lakhs for the quarter and year-to-date period ended on 30 September 2022, respectively, and cash flows (net) of ₹ (19.77) lakhs for the period ended 30 September 2022, as considered in the Statement. These interim financial results have been reviewed by other auditors whose review reports have been furnished to us by the management, and our conclusion in so far as it relates to the amounts and disclosures included in respect of these subsidiaries is based solely on the review reports of such other auditors and the procedures performed by us as stated in paragraph 3 above.

Further, these two subsidiaries are located outside India, whose interim financial results have been prepared in accordance with accounting principles generally accepted in their respective countries and which have been reviewed by other auditors under International Standards of Review Engagement (ISRE) 2410, applicable in their respective countries. The Holding Company's management has converted the financial results of such subsidiaries from accounting principles generally accepted in their respective countries to accounting principles generally accepted in India. We have reviewed these conversion adjustments made by the Holding Company's management. Our conclusion, in so far as it relates to the balances and affairs of these subsidiaries is based on the review report of other auditors and the conversion adjustments prepared by the management of the Holding Company and reviewed by us.

Our conclusion is not modified in respect of this matter with respect to our reliance on the work done by and the reports of the other auditors.

**For Walker ChandioK & Co LLP**  
Chartered Accountants  
Firm Registration No: 001076N/N500013

**Rohit Arora**  
Partner  
Membership No. 504774  
UDIN: 22504774BBXQHM1542



**Place:** New Delhi  
**Date:** 03 November 2022

**Chartered Accountants**



## Walker ChandioK & Co LLP

Independent Auditor's Review Report on Consolidated Unaudited Quarterly Financial Results of the Company pursuant to the Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (as amended) (cont'd)

### Annexure 1

#### List of entities included in the Statement

Entity Name	Relationship
MPS Interactive Systems Limited	Subsidiary
MPS North America LLC	Subsidiary
MPS EUROPA AG	Subsidiary
Highwire Press Limited	Subsidiary
Semantico Limited	Subsidiary
TOPSIM GmbH	Subsidiary
E.I. Design Private Limited	Subsidiary



Chartered Accountants

### STATEMENT OF UNAUDITED CONSOLIDATED FINANCIAL RESULTS FOR THE QUARTER AND HALF YEAR ENDED 30 SEPTEMBER 2022

(INR in lacs, except per equity share data)

S.No.	Particulars	Three months ended	Preceding three months ended	Corresponding three months ended in previous year	Year to date figures for six months in current period ended	Year to date figures for six months in previous period ended	Previous year ended
		30-Sep-2022 (Un-Audited)	30-Jun-2022 (Un-Audited)	30-Sep-2021 (Un-Audited)	30-Sep-2022 (Un-Audited)	30-Sep-2021 (Un-Audited)	31-Mar-2022 (Audited)
I	Revenue from operations	12,660	11,485	11,021	24,145	22,736	44,888
II	Other income	161	330	386	491	711	1,409
III	<b>Total income (I+II)</b>	<b>12,821</b>	<b>11,815</b>	<b>11,407</b>	<b>24,636</b>	<b>23,447</b>	<b>46,297</b>
IV	<b>Expenses</b>						
	Employee benefits expense	5,476	5,294	5,224	10,770	10,511	20,174
	Finance costs	27	27	35	54	76	154
	Depreciation and amortization expense	505	453	515	958	1,061	2,060
	Other expenses	3,167	3,233	2,736	6,400	6,020	12,113
	<b>Total expenses</b>	<b>9,175</b>	<b>9,007</b>	<b>8,510</b>	<b>18,182</b>	<b>17,668</b>	<b>34,501</b>
V	<b>Profit before tax (III-IV)</b>	<b>3,646</b>	<b>2,808</b>	<b>2,897</b>	<b>6,454</b>	<b>5,779</b>	<b>11,796</b>
VI	<b>Tax expense</b>						
	Current tax	983	809	662	1,792	1,385	2,851
	Adjustment of tax relating to earlier years	-	(1)	-	(1)	-	48
	Deferred tax	(22)	(64)	69	(86)	87	185
	<b>Total tax expense</b>	<b>961</b>	<b>744</b>	<b>731</b>	<b>1,705</b>	<b>1,472</b>	<b>3,084</b>
VII	<b>Profit for the period/year (V-VI)</b>	<b>2,685</b>	<b>2,064</b>	<b>2,166</b>	<b>4,749</b>	<b>4,307</b>	<b>8,712</b>
VIII	<b>Other comprehensive income</b>						
	<b>Items that will not be reclassified to profit or loss</b>						
	Remeasurement of the net defined benefit liability/asset	(10)	(30)	6	(40)	(30)	33
	Income tax relating to items that will not be reclassified to profit or loss	3	8	(1)	11	8	(8)
	<b>Items that will be reclassified subsequently to profit or loss</b>						
	Exchange differences on translation of foreign operations	278	431	(149)	709	79	396
	<b>Total other comprehensive income for the period/year</b>	<b>271</b>	<b>409</b>	<b>(144)</b>	<b>680</b>	<b>57</b>	<b>421</b>
IX	<b>Total comprehensive income for the period/year (VII+VIII)</b>	<b>2,956</b>	<b>2,473</b>	<b>2,022</b>	<b>5,429</b>	<b>4,364</b>	<b>9,133</b>
X	<b>Paid-up equity share capital</b> (Face value - INR 10 per equity share)	1,711	1,711	1,805	1,711	1,805	1,711
XI	<b>Other equity</b>						34,977
XII	<b>Earnings per equity share (not annualised for quarters and period)</b> (Face value - INR 10 per equity share)						
	Basic and diluted	15.70	12.07	12.00	27.77	23.86	48.61





**STATEMENT OF AUDITED CONSOLIDATED ASSETS AND LIABILITIES**
*(INR in lacs)*

S.No.	Particulars	As at 30-Sep-2022 (Un-Audited)	As at 31-Mar-2022 (Audited)
<b>A</b>	<b>ASSETS</b>		
<b>1</b>	<b>Non-current assets</b>		
	Property, plant and equipment	2,008	2,024
	Investment property	100	101
	Right-of-use assets	880	1,031
	Goodwill	11,450	8,700
	Other intangible assets	3,454	2,502
	Financial assets		
	Other financial assets	3,300	4,755
	Income tax assets (net)	558	615
	Other non-current assets	271	314
	<b>Total non-current assets</b>	<b>22,021</b>	<b>20,042</b>
<b>2</b>	<b>Current assets</b>		
	Financial assets		
	Investments	519	585
	Trade receivables	7,275	8,570
	Cash and cash equivalents	8,431	8,156
	Other bank balances	2,475	5,127
	Loans	5	-
	Other financial assets	644	691
	Income tax assets (net)	21	29
	Other current assets	6,609	6,460
	<b>Total current assets</b>	<b>25,979</b>	<b>29,618</b>
	<b>TOTAL ASSETS</b>	<b>48,000</b>	<b>49,660</b>
<b>B</b>	<b>EQUITY AND LIABILITIES</b>		
	<b>Equity</b>		
	Equity share capital	1,711	1,711
	Other equity	35,273	34,976
	<b>Total equity</b>	<b>36,984</b>	<b>36,687</b>
	<b>Liabilities</b>		
<b>1</b>	<b>Non-current liabilities</b>		
	Financial liabilities		
	Lease liabilities	414	741
	Provisions	122	46
	Deferred tax liabilities (net)	1,466	1,255
	<b>Total non-current liabilities</b>	<b>2,002</b>	<b>2,042</b>
<b>2</b>	<b>Current liabilities</b>		
	Financial liabilities		
	Lease liabilities	621	457
	Trade payables		
	Due to Micro and Small enterprises	9	25
	Due to Others	1,720	1,781
	Other financial liabilities	956	782
	Other current liabilities	5,252	7,586
	Provisions	181	132
	Income tax liabilities (net)	275	168
	<b>Total current liabilities</b>	<b>9,014</b>	<b>10,931</b>
	<b>TOTAL EQUITY AND LIABILITIES</b>	<b>48,000</b>	<b>49,660</b>





## STATEMENT OF UNAUDITED CONSOLIDATED CASH FLOW

(INR in lacs)

S.No.	Particulars	Year to date figures for six months in	Year to date figures for six months in
		current period ended	previous period ended
		30-Sep-2022 (Un-Audited)	30-Sep-2021 (Un-Audited)
<b>A</b>	<b>Cash flows from operating activities</b>		
	<b>Net profit before tax</b>	<b>6,454</b>	<b>5,779</b>
	Adjustments:		
	Depreciation and amortisation expense	958	1,061
	Prepayment Expenses on discounting of Security Deposit on Lease	9	8
	Interest income	(87)	(305)
	Net gain on sale of current investment	(5)	(4)
	Finance costs paid	54	76
	Gain on sale of property, plant and equipment (net)	-	(4)
	Gain on investment carried at fair value through profit or loss (net)	(8)	(8)
	Liabilities/provisions no longer required written back	(192)	(18)
	Allowances for expected credit loss	81	(180)
	Bad debts written off (net)	(15)	82
	Allowances for doubtful advances	2	(1)
	Income from government grants	(41)	-
	Allowances for contract assets	-	10
	Advances written off (net)	28	60
	Unrealised foreign exchange (gain) (net)	(84)	(29)
	Unrealised foreign exchange loss on mark-to-market on forward contracts	334	3
	<b>Operating cash flows before working capital changes</b>	<b>7,488</b>	<b>6,530</b>
	Decrease in trade receivables	1,494	2,563
	Increase in loans	(7)	-
	Increase in other financial assets	(431)	(32)
	Decrease/(Increase) in other current assets	237	(487)
	Decrease in other non-current assets	43	132
	Decrease in trade payables	(249)	(399)
	Increase/(Decrease) in other financial liabilities	163	(120)
	Decrease in other liabilities	(2,622)	(132)
	Decrease in provisions	(66)	(141)
	<b>Cash generated from operations</b>	<b>6,050</b>	<b>7,914</b>
	Income tax paid (net of refunds)	(1,597)	(1,936)
	<b>Net cash generated from operating activities (A)</b>	<b>4,453</b>	<b>5,978</b>
<b>B</b>	<b>Cash flows from investing activities</b>		
	Purchase of property, plant and equipment (including capital work-in-progress)	(190)	(265)
	Purchase of other intangible assets	(10)	(17)
	Sale of property, plant and equipment	1	4
	Acquisition of business (net of cash and cash equivalents acquired)	(3,290)	-
	Purchase of current investments	(3,069)	(2,076)
	Sale of current investments	3,148	2,549
	Purchase of term deposits	(2,622)	(3,528)
	Redemption of term deposits	6,786	762
	Rent received	-	299
	Interest received	226	31
	<b>Net cash generated from/(used in) from investing activities (B)</b>	<b>980</b>	<b>(2,241)</b>
<b>C</b>	<b>Cash flows from financing activities</b>		
	Repayment of lease liabilities including interest expenses	(303)	(554)
	Finance costs paid	-	(4)
	Dividend paid	(5,132)	-
	<b>Net cash used in financing activities (C)</b>	<b>(5,435)</b>	<b>(558)</b>
	<b>Net (decrease)/increase in cash and cash equivalents (A+B+C)</b>	<b>(2)</b>	<b>3,179</b>
	Impact on cash flows on account of foreign currency translation reserve	226	(35)
	Effects of exchange differences on cash and cash equivalents held in foreign currency	51	10
	Cash and cash equivalents at the beginning of the year	8,156	6,659
	<b>Cash and cash equivalents at the end of the period</b>	<b>8,431</b>	<b>9,813</b>





**NOTES:**

- 1 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 03 November 2022. The Statutory auditors of the Company have carried out limited review of the financial results for the quarter and half year ended 30 September 2022 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](http://www.mpslimited.com).
- 2 **Segment Reporting**
  - (a) 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. 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)*

S.No.	Particulars	Three months ended	Preceding three months ended	Corresponding three months ended in previous year	Year to date figures for six months in current period ended	Year to date figures for six months in previous period ended	Previous year ended
		30-Sep-2022	30-Jun-2022	30-Sep-2021	30-Sep-2022	30-Sep-2021	31-Mar-2022
		(Un-Audited)	(Un-Audited)	(Un-Audited)	(Un-Audited)	(Un-Audited)	(Audited)
<b>I</b>	<b>Segment revenue</b>						
	Content solutions	6,714	6,323	6,119	13,037	12,256	24,220
	eLearning solutions	3,160	2,466	1,899	5,626	4,112	8,334
	Platform solutions	2,786	2,696	3,003	5,482	6,368	12,334
	<b>Total revenue from operations</b>	<b>12,660</b>	<b>11,485</b>	<b>11,021</b>	<b>24,145</b>	<b>22,736</b>	<b>44,888</b>
<b>II</b>	<b>Segment results (profit before tax and interest from each segment)</b>						
	Content solutions	2,710	2,109	2,082	4,819	3,927	7,665
	eLearning solutions	665	443	209	1,108	424	1,143
	Platform solutions	972	861	775	1,833	1,943	4,064
	<b>Total</b>	<b>4,347</b>	<b>3,413</b>	<b>3,066</b>	<b>7,760</b>	<b>6,294</b>	<b>12,872</b>
	Less: Finance costs	27	27	35	54	76	154
	Less: Un-allocable expenditure (net of un-allocable income)	674	578	134	1,252	439	922
	<b>Profit before tax</b>	<b>3,646</b>	<b>2,808</b>	<b>2,897</b>	<b>6,454</b>	<b>5,779</b>	<b>11,796</b>

- (b) 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.
- 3 On 30 May, 2022, the Company has completed the acquisition of E.I. Design Private Limited for a total purchase consideration of INR 4115 Lacs through MPS Interactive Systems Limited, a wholly owned subsidiary of the Company. This being a Business Combination, thus based on the preliminary purchase price allocation to the various identifiable acquired assets and assumed liabilities, provisional goodwill of INR 2302 Lacs has been recognized subject to working capital adjustment. The Company has granted loan of INR 1500 Lacs to MPS Interactive Systems Limited to fund the acquisition cost.
- 4 Subject to receipt of the requisite approval of the Shareholders, Lenders and Creditors of MPS Interactive Systems Limited and E.I. Design Private Limited and any other third party (if necessary) and the sanction of Scheme of Merger by the National Company Law Tribunal, and such other competent authorities as may be applicable, the Board of Directors of the Company in its meeting held on 03 November, 2022, has given its in-principle approval for the proposed merger of E.I. Design Private Limited, the step-down wholly owned subsidiary of the Company, with MPS Interactive Systems Limited, the direct wholly owned subsidiary of the Company. The Company has in-principally approved the merger to consolidate operations of both the entities to prevent duplication of costs and increase profitability through reduction in administrative, operative and marketing costs, that could be passed on to the stakeholders.
- 5 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.
- 6 The standalone results of the Company are also available on the Company's website [www.mpslimited.com](http://www.mpslimited.com). The key standalone financial information of the Company is given below:

*(INR in lacs)*

Particulars	Three months ended	Preceding three months ended	Corresponding three months ended in previous year	Year to date figures for six months in current period ended	Year to date figures for six months in previous period ended	Previous year ended
	30-Sep-2022	30-Jun-2022	30-Sep-2021	30-Sep-2021	30-Sep-2021	31-Mar-2022
	(Un-Audited)	(Un-Audited)	(Un-Audited)	(Un-Audited)	(Un-Audited)	(Audited)
Revenue from operations	7,665	6,891	7,278	14,556	14,688	28,402
<b>Profit before tax</b>	<b>3,020</b>	<b>2,180</b>	<b>2,454</b>	<b>5,200</b>	<b>4,881</b>	<b>9,839</b>
Tax expenses	796	585	636	1,381	1,304	2,693
<b>Profit for the period</b>	<b>2,224</b>	<b>1,595</b>	<b>1,818</b>	<b>3,819</b>	<b>3,577</b>	<b>7,146</b>
Other comprehensive income, net of income tax	112	138	(55)	250	(43)	140
<b>Total comprehensive income for the period</b>	<b>2,336</b>	<b>1,733</b>	<b>1,763</b>	<b>4,069</b>	<b>3,534</b>	<b>7,286</b>

- 7 The figures for the corresponding previous quarter/period/year have been regrouped/reclassified, wherever necessary to make them comparable.

Place: Noida

Date: 03 November 2022

By Order of the Board of Directors

Rahul Arora

Chairman and Managing Director

