



# MPS INFOTECNICS LIMITED

CIN: L30007DL1989PLC131190

Regd. Office : 703, Arunachal Building, 19, Barakhamba Road,  
Connaught Place, New Delhi 110 001

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***“We are focused on providing our customers with Solutions that actually solve their business issues & assist their growth through innovative application of technology & information management in an easy to use manner.”***

***Mr. Peeyush Kumar Aggarwal***



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## **MPS INFOTECNICS LIMITED** **SOLUTIONS UNLIMITED**



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## CORPORATE INFORMATION

### BOARD OF DIRECTORS

✚ Mr. Peeyush Kumar Aggarwal	Managing Director
✚ Mr. Manoj Kumar Jain	Independent Director
✚ Mrs. Madhu Sharma	Independent Director
✚ Mr. Rachit Garg	Non-Executive Director
✚ Mr. Ram Niwas Sharma	Non-Executive Director
✚ Mr. Santosh Pradhan	Independent Director
✚ Mr. Sanjay Sharma	Chief Financial Officer
✚ Mrs. Garima Singh	Company Secretary & Compliance Officer

### STATUTORY AUDITORS

M/s. Nemani Garg Agarwal & Company  
Chartered Accountants  
1517, Devika Towers, 6,  
Nehru Place, New Delhi - 400051.  
Ph. No.: 011 26448022/ 33, 9811026144  
Email: sknemani@sknemani.com  
FRN: 010192N

### BANKERS

Allahabad Bank  
ICICI Bank  
HDFC Bank

### REGISTERED OFFICE

703, Arunachal Building,  
19, Barakhamba Road,  
Connaught Place, New Delhi-110001  
Email: info@mpsinfotec.com  
Website: www.mpsinfotec.com  
CIN: L30007DL1989PLC131190  
ACTIVE compliance - ACTIVE compliant

### SUBSIDIARIES

- ✚ Axis Convergence Inc, Mauritius  
Level 2, Max City Building, Remy, Olliver  
Street. Port Louis, Mauritius
- ✚ Greenwire Network Ltd., Hongkong  
Block A, 15/F, Hillier Commercial Building,  
65- 67, Bonham Strand East, Sheung Wan,  
Hongkong
- ✚ Opentech Thai Network Specialists Co. Ltd.  
8/5, Soi Sukhumvit, 28 (Bannasarn),  
Sukhumvit Rd., Kolngton, Kolngtoey,  
Bangkok, Thailand

### COMMITTEE OF BOARD

#### AUDIT COMMITTEE

- ❖ Mrs. Madhu Sharma – Chairperson
- ❖ Mr. Manoj Kumar Jain – Member
- ❖ Mr. Peeyush Kumar Aggarwal – Member

#### NOMINATION & REMUNERATION COMMITTEE

- ❖ Mrs. Madhu Sharma – Chairperson
- ❖ Mr. Manoj Kumar Jain – Member
- ❖ Mr. Rachit Garg – Member

#### CORPORATE SOCIAL RESPONSIBILITY

- ❖ Mrs. Madhu Sharma – Chairperson
- ❖ Mr. Peeyush Kumar Aggarwal – Member
- ❖ Mr. Manoj Kumar Jain – Member

#### STAKEHOLDERS' COMMITTEE

- ❖ Mr. Rachit Garg – Chairperson
- ❖ Mr. Peeyush Kumar Aggarwal – Member
- ❖ Mr. Manoj Kumar Jain – Member

#### RELATIONSHIP

#### RISK MANAGEMENT COMMITTEE

- ❖ Mr. Manoj Kumar Jain – Chairperson
- ❖ Mr. Peeyush Kumar Aggarwal – Member
- ❖ Mrs. Madhu Sharma – Member



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## NOTICE

Notice is hereby given that the Thirty Second Annual General Meeting of MPS Infotecnics Limited shall be held on Thursday the 30<sup>th</sup> day of September, 2021, at 11:00 AM at the Registered Office of the Company situated at 703, Arunachal Building, 19 Barakhamba Road, New Delhi-110001 to transact the following business:

### ORDINARY BUSINESS

#### **Item No. 1: Adoption of Financial Statements**

To receive, consider and adopt Standalone & Consolidated Annual Financial Statements, comprising of Audited Balance Sheet of the Company as at 31<sup>st</sup> March, 2021, the Statement of Profit and Loss and Cash Flow Statement for the year ended on 31<sup>st</sup> March 2021 together with the Report of the Board of Directors and Auditors thereon.

#### **Item No. 2: Re-Appointment of Mr. Rachit Garg (DIN: 07574194) as Director of the Company liable to retire by rotation**

To consider and if thought fit, to pass, with or without modifications, the following resolution as an ordinary resolution:

**“RESOLVED THAT**, pursuant to the provisions of sub-section (6) of Section 152 and other applicable provisions of the Companies Act, 2013 read with the Companies (Appointment and Qualification of Directors) Rules, 2014 the consent of the members of the Company be, and is hereby accorded to the re-appointment of **Mr. Rachit Garg (DIN: 07574194), the retiring Director**, as a director of the Company liable to retire by rotation.”

### SPECIAL BUSINESS

#### **Item No. 3: Approval of Related Party Transactions**

To consider and if thought fit, to pass with or without modification following resolution as an ordinary resolution:

**“RESOLVED THAT** pursuant to the provisions of Section 188 and all other applicable provisions, if any, of the Companies Act, 2013 (the Act) read with Rule 15 of the Companies (Meetings of Board and its Powers) Rules, 2014 & Regulation 23(4) of SEBI (Listing Obligations & Disclosure Requirements) Regulation, 2014, as amended from time to time (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force) and subject to such approvals, consents, sanctions and permissions as may be necessary, consent of the members of the company be and is hereby accorded to the Board of Directors of the company (hereinafter referred to as "the Board" which term shall be deemed to include any committee of the Board) to enter into contracts/ arrangements/agreements/ transactions (including any modifications, alterations or amendments thereto) in ordinary course of business and on arm's length basis with related parties as defined under the Act with respect to Sale, purchase or supply of goods or materials, leasing of property of any kind, availing or rendering of any services, appointment of agent for purchase or sale of goods, materials, services or property or appointment of such related party to any office or place of profit in the company, or its subsidiary or associate company or any other transactions of whatever nature with related parties with effect from the conclusion of this Annual General Meeting till the conclusion of the Annual General meeting to be held in the calendar year 2022 up to the maximum 100 crore as provided in the Explanatory statement forming part of this Notice.”

**“FURTHER RESOLVED THAT** the Board of Directors of the company, be and is hereby authorised to determine the actual sums to be involved in the proposed transactions and the terms & conditions related thereto and all other matters arising out of or incidental to the proposed transactions and generally to do all acts, deeds and things that



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may be necessary proper, desirable or expedient and to execute all documents, agreements and writings as may be necessary, proper, desirable or expedient to give effect to this resolution.”

#### **Item No. 4: To consider and approve disinvestment in subsidiaries of the company**

To consider and, if thought fit, to pass with or without modification(s), the following Resolution as Special Resolution for Borrowing the money:

“**RESOLVED THAT** pursuant to Section 180 (1) (a) and Section 108 of the Companies Act, 2013 read with the Companies (Management and Administration) Rules, 2014, as amended, and subject to all other applicable provisions of the Companies Act, 2013, if any, (Including any statutory modifications, or re-enactment thereof for the time being in force), Regulation 24(5) and any other applicable provisions of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Foreign Exchange Management Act, 1999 and Rules and Regulations made thereunder, the provisions of the Memorandum and Articles of Association of the Company, and other applicable statutory provision and regulations, if any, as amended from time to time, and subject to the necessary registration approvals, consents, permissions and sanctions required, if any, and/or other institutions or bodies, statutory authorities, and such conditions or modifications as may be prescribed by any of them while granting any such approvals, which may be agreed to, in its sole discretion, by the Board of Directors of the Company (hereinafter referred to as “the Board”, which term shall be deemed to include any Committee which the Board may have constituted or hereinafter constitute from time to time to exercise its powers including the powers conferred by this resolution), consent of members be and is hereby accorded, including confirmation of actions taken hitherto to the Board to sell / disinvest by way of the sale, transfer or disposal of the entire or substantially the entire shareholding of the Company in one or more trenches at a price determined as per RBI guidelines and on such terms and conditions and with such modifications, as may be required by any of the concerned authorities or as the Board of the company may deem fit and appropriate in the interest of the Company in wholly owned subsidiaries of the company namely, Axis Convergence INC., Mauritius; Greenwire Network Ltd., Hong Kong; and Opentech Thai Network Specialists Co. Ltd., Thailand.”

“**RESOLVED FURTHER THAT** the Board be and is hereby authorized on behalf of the Company:

1. to do all such acts, deeds, matters and things including but not limiting to deciding the time when the disinvestment be done by the Company;
2. the manner of disinvestment , extent of disinvestment , other incidental and ancillary activities thereto, determining such other terms and conditions relevant to the disinvestment;
3. negotiating and finalizing the terms of sale, negotiating, finalizing and executing share sale purchase agreement(s) by whatever name called, such other agreements, deeds, documents, indemnities, contracts, declarations, undertakings, forms, letters, and such other papers as may be necessary , desirable, and expedient to be agreed, signed and executed;
4. to determine the final consideration / pricing;
5. to make all such filings, and applications, for the statutory / regulatory and other approvals as may be required in the matter and to complete the aforesaid transaction.”

“**RESOLVED FURTHER THAT** all acts, deeds, matters and things, either verbal or written or otherwise, already done by the Company and/or any of its Directors and/or Officers and/or representatives for and in the name of the Company in this regard be and the same are hereby noted, ratified and approved.”

#### **Item No. 5: Increase Borrowing Power of the Company**

To consider, and if thought fit, to pass with or without modifications, the following resolutions as Special Resolutions:



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**“RESOLVED THAT** in supersession of the earlier resolution passed by the Members, the consent of the members be and is hereby accorded under the provisions of Section 180(1)(c) and other applicable provisions, if any, of the Companies Act, 2013, the rules made thereunder, including any amendment, modification, variation or re-enactment thereof, to the Board of Directors of the Company (herein referred to as the ‘Board’ which term shall be deemed to include any committees(s) constituted by the Board, from time to time, to exercise its powers conferred by this resolution) to borrow, from time to time, such sum or sums of money as it may deem necessary for the purpose of the business of the Company inter alia by way of loan/financial assistance from various bank(s), financial institution(s) and/or other lender(s), notwithstanding that the monies to be borrowed, together with the monies already borrowed by the Company, may exceed aggregate of its paid-up capital and free reserves (apart from temporary loans obtained from the Company’s banker in the ordinary course of business) provided however, the total amount so borrowed shall not exceed INR 500 ( Rupee Five Hundred Crores Only).”

**“RESOLVED THAT** the Board be and is hereby empowered and authorised to arrange or finalise the terms and conditions of all such borrowings, from time to time, viz. terms as to interest, repayment, security or otherwise as it may deem fit and to sign and execute all such documents, agreements and writings and to do all such acts, deeds, matters and things as may be deemed fit and to delegate all or any of its powers herein conferred to any Committee of Directors and/or director(s) and/or officer(s) of the Company, to give effect to this resolution.”

## **Item No. 6: Consent of Members for increase in the limits applicable for making investments / extending loans and giving guarantees or providing securities in connection with loans to Persons / Bodies Corporate**

To consider, and if thought fit, to pass with or without modifications, the following resolutions as Special Resolutions:

**“RESOLVED THAT** pursuant to the provisions of Section 186 of the Companies Act, 2013 (“the Act”) read with the Companies (Meetings of Board and its Powers) Rules, 2014 and other applicable provisions, if any, of the Act (including any modification or re-enactment thereof for the time being in force) and subject to such approvals, consents, sanctions and permissions as may be necessary, consent of the Members of the Company be and is hereby accorded to the Board of Directors of the Company (hereinafter referred to as “the Board”, which term shall be deemed to include, unless the context otherwise requires, any committee of the Board or any officer(s) authorized by the Board to exercise the powers conferred on the Board under this resolution), to (i) give any loan to any person or other body corporate; (ii) give any guarantee or provide any security in connection with a loan to any other body corporate or person and (iii) acquire by way of subscription, purchase or otherwise, the securities of any other body corporate, as they may in their absolute discretion deem beneficial and in the interest of the Company, subject however that the aggregate of the loans and investments so far made in and the amount for which guarantees or securities have so far been provided to all persons or bodies corporate along with the additional investments, loans, guarantees or securities proposed to be made or given or provided by the Company, from time to time, in future, shall not exceed a sum of Rs. 500 Crores (Rupees Five Hundred Crores only) over and above the limit of 60% of the paid-up share capital, free reserves and securities premium account of the Company or 100% of free reserves and securities premium account of the Company, whichever is more, as prescribed under Section 186 of the Companies Act, 2013.”

**“RESOLVED FURTHER THAT** the Board of Directors (or a Committee thereof constituted for this purpose) be and is hereby authorized to take all such steps as may be necessary, proper and expedient to give effect to this Resolution.”

**By the Order of the Board of Directors  
For MPS Infotecnics Limited  
SD/-**

**Peeyush Kumar Aggarwal  
Chairman & Managing Director  
DIN:00090423**

**Date: 30.08.2021  
Place: New Delhi**



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## NOTES:

1. Explanatory Statement pursuant to Section 102 of the Companies Act, 2013, which sets out the details relating to the Special Businesses to be transacted at the Annual General Meeting, is annexed hereto.
2. **A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT PROXY/PROXIES TO ATTEND AND VOTE ON A POLL ON HIS/HER BEHALF. A PROXY NEED NOT BE A MEMBER OF THE COMPANY.** Pursuant to Section 105 of the Companies Act, 2013 read with the Companies (Management and Administration) Rules, 2014 a person shall not act as proxy for more than fifty (50) members and hold in aggregate not more than 10% of the total share capital of the Company carrying voting rights. A member holding more than 10% of the total share capital of Company carrying voting rights may appoint a single person as proxy and such person shall not act as proxy for any other person or shareholder.
3. A blank proxy form is being sent herewith. The instrument appointing proxy, duly stamped completed and signed should be deposited at the Registered Office of the Company not less than forty eight (48) hours before the commencement of the meeting. Proxies submitted on behalf of companies must be supported by appropriate resolution issued on behalf of the nominating companies. All alterations made in the Form of Proxy should be initialed.
4. Corporate Members intending to send their authorized representative to attend the meeting are requested to send (in advance) at the Registered Office of the Company, a duly certified copy of the relevant Board Resolution / Letter of Authority / Power of Attorney, together with the respective specimen signatures of those representative(s), pursuant to Section 113 of the Companies Act, 2013, authorizing their representative(s) to attend and vote on their behalf at the Annual General Meeting.
5. The Attendance Slip and a Proxy Form with clear instructions for filing, stamping, signing and/or depositing the Proxy Form are enclosed. Members /Proxy holder must bring the attendance slip (attached herewith) duly signed in accordance with their specimen signature(s) registered with the Company / Depository, to the meeting and handover it at the entrance of the meeting hall. The Members are informed that in case of joint holders attending the Meeting, only such joint holder who is higher in the order of names will be entitled to vote.
6. Route map and details of prominent land mark of the venue of the meeting is provided on the Attendance slip and forms part of the Notice calling the Annual General Meeting.
7. Pursuant to Section 91 of the Companies Act, 2013 and Regulation 42 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Register of Members and the Share Transfer books of the Company will remain closed from Friday, September 24, 2021 to Thursday, September 30, 2021 (both days inclusive).
8. Inspection:
  - (a) All the documents referred to in the Notice and Annual Report are available for inspection by the Members at the Company's Registered Office on all working days (except Saturdays, Sundays and Public Holidays) from 1 P.M. to 4 P.M. up to the date of the Annual General Meeting.
  - (b) The Register of Directors' and Key Managerial Personnel and their shareholding, maintained under Section 170 of the Companies Act, 2013, the Register of Contracts or Arrangements in which Directors are interested, maintained under Section 189 of the Companies Act, 2013 will be available for inspection at the Annual General Meeting.





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- (c) A member can inspect the proxies lodged at any time during the business hours of the Company from the period beginning 24 hours before the time fixed for the commencement of the Annual General Meeting and ending with the conclusion of the said meeting, provided he / she has given to the Company a notice, in writing, of his intention to inspect not less than three days before the commencement of the said meeting.
9. Members seeking any information with regard to the accounts or any matter to be placed at the AGM, are requested to write to the Company mentioning their name, demat account number/folio number, email id, mobile number at [info@mpsinfotec.com](mailto:info@mpsinfotec.com) on or before Thursday, September 23, 2021. The same will be replied by the Company suitably.
  10. The Board of Directors has appointed Mr. Kundan Agrawal (FCS No. 7631, CP No. 8325), Company Secretary in Practice as the Scrutinizer to scrutinize the remote e-voting process and voting during the AGM, in a fair and transparent manner.
  11. The Scrutinizer shall immediately, after the conclusion of e-voting at the AGM, first count the votes cast during the AGM, thereafter, unblock the votes cast through remote e-voting and make, not later than 48 hours of conclusion of the AGM, a consolidated Scrutinizer's Report of the total votes cast in favor or against, if any, to the Chairman or a person authorized by him in writing, who shall countersign the same.
  12. The results declared along with the Scrutinizer's Report shall be placed on the website of the Company [www.mpsinfotec.com](http://www.mpsinfotec.com) and on the website of CDSL [www.evotingindia.com](http://www.evotingindia.com) immediately. The results will also be communicated to National Stock Exchange of India Limited and BSE Limited, where the shares of the Company are listed.
  13. Additional information, pursuant to the Regulation 36 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, on Director recommended by the Board for re-appointment at the Annual General Meeting forms part of the Report on Corporate Governance annexed with the Annual Report. The Directors have furnished consent / declaration for their appointment / re-appointment as required under the Companies Act, 2013 and the rules made there under.
  14. In compliance with the aforesaid MCA Circulars and SEBI Circulars, Notice of the 32nd AGM along with the Annual Report 2020-21 is being sent only through electronic mode to the members whose email addresses are registered with the Company/Depositories. Members may note that the Notice and the Annual Report 2020-21 will also be available on the Company's website [www.mpsinfotec.com](http://www.mpsinfotec.com), websites of the Stock Exchanges i.e., BSE Limited, and National Stock Exchange of India Limited at [www.bseindia.com](http://www.bseindia.com) and [www.nseindia.com](http://www.nseindia.com) respectively, and on the website of CDSL [www.evotingindia.com](http://www.evotingindia.com).
  15. Members are requested to notify immediately about any change in their postal address/ E-Mail address /bank details to their Depository Participant (DP) in respect of their shareholding in Demat mode and in respect of their physical shareholding to the Company's Registrar and Share Transfer Agent, viz. M/s MAS Services Limited having its office at T-34, IIInd Floor Okhla Industrial Area Phase-II New Delhi-110020.
  16. The Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant in securities market. Members holding shares in electronic form are, therefore, requested to submit their PAN to their Depository Participants with whom they are maintaining their Demat accounts. Members holding shares in physical form can submit their PAN to the RTA.
  17. Members are requested to intimate changes, if any, pertaining to their name, postal address, e-mail address, telephone/mobile numbers, Permanent Account Number, mandates, nominations, power of



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attorney, bank details viz., name of the bank, branch details, bank account number, MICR Code, IFSC Code etc., to their Depository Participants (“DPs”) in case the shares are held in electronic form and Link Intime in case the shares are held in physical form.

18. Members who are holding Company’s shares in dematerialized form are required to bring details of their Depository Account Number for identification.
19. Members who hold shares in physical form in multiple folios in identical names or joint accounts in the same order of names are requested to send share certificates to the Company for consolidation into a single folio.
20. Members who hold shares in physical form are advised to convert their shareholding in dematerialized form with their depository participant as shares in physical form cannot be traded in terms of SEBI notification bearing no. SEBI/LAD-NRO/GN/2018/24 dated 8th June 2018. The said notification is available on SEBI’s website, “www.sebi.gov.in”.
21. In all correspondences with the Company, members are requested to quote their account/folio numbers and in case their shares are held in the dematerialized form, they must quote their DP ID and Client ID No.
22. Pursuant to Section 72 of the Companies Act, 2013, members holding shares in physical form may file nomination in the prescribed Form SH-13 with the Company’s Registrar and Transfer Agent. In respect of shares held in electronic / Demat form, the nomination form may be filed with the respective Depository Participant.
23. In compliance with the provisions of Section 108 of the Act read with Rule 20 of the Companies (Management and Administration) Rules, 2014 and Regulation 44 of the SEBI Listing Regulations, the Company has provided a facility to its members to cast their vote electronically, through the e-voting services provided by Central Depository Services (India) Limited (“CDSL”) on all the resolutions set forth in this Notice. The manner and process of e-voting remotely by members is provided in the instructions for e-voting which forms part of this Notice.
24. The remote e-voting period will commence on Monday, September 27, 2021 (IST 09:00 a.m.) and will end on Wednesday, September 29, 2021 (IST 05:00 p.m.). During this period, members of the Company, holding shares either in physical form or in dematerialized form, as on the cutoff date i.e., Thursday, September 23, 2021, may cast their vote by remote e-voting. The remote e-voting module shall be disabled by CDSL for voting thereafter. Once the vote on a resolution is cast by the member, the member shall not be allowed to change it subsequently. The voting rights of members shall be in proportion to their shares in the paid-up equity share capital of the Company as on the cut-off date i.e., September 23, 2021.
25. Any person who becomes a member of the Company after sending the Notice and holding shares as on the cut-off date may obtain the login ID and password by sending a request at [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com). However, if a member is already registered with CDSL for remote e-voting then he/she can use his/her existing User ID and password for casting the vote.
26. Pursuant to SEBI Circular No. **SEBI/HO/CFD/CMD/CIR/P/2020/242 dated 09.12.2020**, under Regulation 44 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, the demat account holders, can vote by way of a single login credential, through their demat accounts/ websites of Depositories/ Depository Participants. Demat account holders would be able to cast their vote without having to register again with the ESPs.



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27. In terms of **SEBI circular no. SEBI/HO/CFD/CMD/CIR/P/2020/242 dated December 9, 2020**, Individual shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Shareholders are advised to update their mobile number and email Id in their demat accounts in order to access e-Voting facility.

## ***"ANNEXURE TO THE NOTICE"***

EXPLANATORY STATEMENT PURSUANT TO SEC.102 OF THE COMPANIES ACT, 2013

### **Item No. 2**

Pursuant to the provisions of Section 152 and applicable provisions of the Companies Act, 2013 and the Company's Articles of Association, not less than two-thirds of total number of Directors of the Company shall be liable to retire by rotation. One third of these Directors must retire from office at each AGM, but each retiring director is eligible for re-election at such meeting. Independent directors are not subject to retirement by rotation.

Mr. Rachit Garg is a Non- Executive Director of the Company & Chairman of Stakeholders Relationship Committee. At the 32nd Annual General Meeting of the Company held on September 30, 2021, Members of the Company had approved appointment of Mr. Rachit Garg (DIN - 07574194) as a Non-Executive Director of the Company, liable to retire by rotation.

Pursuant to the provisions of Section 160 of the Companies Act, 2013 as amended, the Nomination and Remuneration Committee, in its meeting held on 28th August, 2021 has recommended the candidature of Mr. Rachit Garg for the office of Director, to be re-appointed as such under the provisions of Section 149, 152 (6) of the Companies Act, 2013.

Appointment of Mr. Rachit Garg, as Director of the Company shall be liable to retire by rotation pursuant to the provisions of section 152(6) of the Companies Act, 2013.

The Company has received, from Mr. Rachit Garg, (i) consent in writing to act as director in Form DIR-2 pursuant to Rule 8 of Companies (Appointment & Qualification of Directors) Rules 2014, (ii) intimation in Form DIR-8 in terms of Companies (Appointment & Qualification of Directors) Rules, 2014, to the effect that he is not disqualified under sub-section (2) of the Section 164 of the Companies Act, 2013.

In the opinion of the Board, Mr. Rachit Garg, Non-Independent Non- Executive Director proposed to be re-appointed, fulfills the conditions specified in the Companies Act, 2013 and the Rules made there under. Mr. Rachit Garg is liable to retire by rotation pursuant to the provisions of sub-section (6) of Section 152 of the Companies Act, 2013.

**Brief Profile of Mr. Rachit Garg:** - Mr. Rachit Garg is an MBA Finance & Marketing from UP Technical University, Meerut apart from being a Commerce Graduate from Chaudhary Charan Singh University, Meerut. He has a rich experience of over 9 years in Accounts & Finance. He had earlier worked with Geiper Consulting Pvt. Ltd. in the Accounts & Finance Department and he specializes in marketing of financial products.

Companies (other than MPS Infotecnics Limited) in which he holds directorship and committee memberships are as follows:-

- Onus Plantations And Agro Limited
- Nirvana Biosys Private Limited
- Onshore Shipping Limited.
- Eroads Infrastructure Private Limited
- MPS Informatics Private Limited



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- Eshoppers India Limited
- Hamilton Homes Private Limited
- Diplomat IT Systems Private Limited
- Saturn Infocom Limited
- Omkam Infotel Private Limited
- Takashi Consultancy Private Limited
- Omkam Capital Markets Private Limited
- Magnum Plasticizer And Allied Products Private Limited
- K V Cements Private Limited
- Omkam Commodities Private Limited

Mr. Rachit Garg does not hold any shares in the Company.

Your directors are of the view that company would be immensely benefitted by the expertise and guidance of Mr. Rachit Garg and therefore recommend his appointment and approval of the resolution contained in Item No. 2 of this Notice convening the Annual General Meeting.

Except Mr. Rachit Garg, being an appointee, none of the Directors, Key Managerial Personnel of the company and their relatives, is concerned or interested, financial or otherwise in the resolution set out in item no.2.

The Board of Directors recommends the resolution for approval by the members.

### Item No. 3

Pursuant to provisions of Section 188 of the Companies Act, 2013, the Companies (Meeting of Board and its Powers) Rules, 2014, the Related Party Transactions as mentioned in clause (a) to (g) of the said section require a Company to obtain approval of the Board of Directors and subsequently the Shareholders of the Company by way of ordinary resolution in case the value of the Related Party Transactions exceeds the stipulated thresholds prescribed in Rule '15 of the said Rules and transactions other than in ordinary course of business and on arm's length basis.

As per regulation 23 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirement) Regulations, 2015, ("SEBI LODR") also requires that all material related party transactions shall require approval of the shareholders through ordinary resolution.

In light of provisions of Section 188 (1) of the Companies Act, 2013 and rules made there under, the Audit committee and Board of Directors of the Company have approved the transactions along with the annual limits that your company may enter with its related parties for the financial year 2021-2022.

All disclosures prescribed to be given under the provisions of the Companies Act, 2013 and the Companies (Meetings of Board and its Powers) Rules, 2014 are provided in the table appended below for the perusal of the members.

(a)

Name of the Related Party	Nature of relationship	Nature of the transaction	Maximum Expected Value of the transactions per annum (Rs.)	Nature, duration of the contract and particulars of the contract or arrangement
Mr. Peeyush Kumar Aggarwal	Key Managerial Personnel	Unsecured Loans Received	50.00 Crores	Unsecured Loans Repayable on



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				demand or as and when the Company has surplus funds
M/s. Omkam Global Capital Private Limited	Entities in which KMP-Mr. Peeyush kumar Aggarwal can exercise significant influence.	Other Payables – Unsecured	50.00 Crores	Advances from Customers for development of Software
M/s. E-visesh.com Limited	Entities in which KMP-Mr. Peeyush Kumar Aggarwal is the Managing Director of the Company and holds majority of Shares of E-visesh.com Limited.	Other Payables- Unsecured	50.00 Crores	Advances from Customers for development of Software

(b) **Any advance received for the contract or arrangement**-Rs. 54,118,054 (Rupees Five Cores forty one laces eighteen thousand and fifty four only) from M/s. Omkam Global Capital Private Limited.

(c) **Manner of determining the pricing and other commercial terms both included as part of contract and not considered as part of the contract:** All proposed transactions would be carried out as part of the business requirements of the Company and are ensured to be on arm's length basis.

Members are hereby informed that pursuant to second proviso of section 188(1) of the Companies Act, 2013, no member of the company shall vote on such ordinary resolution to approve any contract or arrangement, if such member is a related party.

Your Directors recommend the resolution for your approval.

Except Mr. Peeyush Kumar Aggarwal & M/s. Omkam Global Capital Private Limited & their relatives, none of the Directors, Key Managerial Persons of the Company and their relatives is/are concerned or interested in the resolution except to the extent of their shareholding.

#### Item No. 4.

Your company is presently engaged in System Integration and Networking Solutions (including but not limited to trading in hardware), Telecommunication; Enterprise Software; Domain Registration and web hosting; VAS and It Enabled Services.

Consequent upon merger of Axis Convergence Pvt. Ltd. with MPS Infotecnics Limited., Axis Convergence Inc. and Greenwire Network Limited became subsidiaries of the Company, whereas in Opentech Thai Network Specialists Co. Ltd., hereinafter referred to as OTNS, your company had purchased stake from the erstwhile shareholders of the OTNS and through preferential allotment of shares by OTNS and presently holds approximately 99% shares in OTNS.

Axis Convergence Inc. and Greenwire Network Ltd. are in the business of providing International Long Distance telephony. Axis Convergence Inc. was at one point in time one of the top 5 customers for Bharti Airtel and biggest player in the retail market for international voice cards. However, due to advent of free internet telephony products in the mobile phone like skype, whatsapp, etc., the overall market size gradually went low. This has led to



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intense competition in the market to grab as much share as possible between players and Axis Convergence Inc. and Greenwire Network Ltd. were out played by the market forces. Mobile messaging business went down gradually due to advent of mobile messaging platforms like whatsapp and many others. As the business of these two subsidiaries have come down considerably and to revival of the business of these companies would need a sizable amount of investment which in the present scenario is not feasible.

Opentech Thai Network Specialist Co. Ltd., a Thailand based company is engaged in trading in Computer Hardware and Peripherals including Networking equipments. However, the past 5 years OTNS had been incurring losses & the Net Worth of the Company had been eroded. The revival of OTNS would need considerable amount of investment which in the present scenario is not feasible.

Further your company intends to focus on its existing business, hence the board of directors in its meeting held on 28th August 2018 had decided to disinvest entirely the whole or substantially the whole of its investment in the said subsidiaries, which in the opinion of the Board is in the overall interest of the Company. The proposed Special Resolution provide adequate flexibility and discretion to the Board to finalize the terms of sale in consultation with the advisors, experts and / or other authorities as may be required.

Pursuant to the provisions of Section 180(1)(a) of the Companies Act, 2013, as amended, a company cannot sell, lease, or otherwise dispose of the whole or substantially the whole of the undertaking without the consent of the members by way of a special resolution at the general meeting of the Company. Further in terms of Regulation 24(5) of the Listing Regulations, 2015, as amended from time to time, a listed entity shall not dispose of shares in its material subsidiary resulting in reduction of its shareholding (either on its own or together with other subsidiaries) to less than fifty percent or cease the exercise of control over the subsidiary without passing special resolution in its general meeting. In view of the provisions contained in Companies Act, 2013 & Listing Regulations, 2015, the Company would require the approval of the Members of the Company through Special Resolution, for disinvesting its shareholding in the above mentioned three subsidiaries.

Accordingly, the consent of Members by way of Special Resolution is being sought for selling, transferring, the entire and/or substantially the entire shareholding in the company's wholly owned subsidiaries and / or substantially wholly owned subsidiaries.

None of the Directors and Key Managerial Personnel of the Company and their relatives, in any way and / or manner, deemed to be concerned or interested financially or otherwise, (except to the extent of their shareholding in the company) in the Special Resolution as set out in the Notice.

The Board recommends the resolution as set out in Item No. 4 of the notice for approval of the shareholders.

## **Item No. 5**

Keeping in view the Company's existing and future financial requirements to support its business operations, the Company needs additional funds. For this purpose, the Company is desirous of raising finance from various Banks and/or Financial Institutions and/or any other lending institutions and/or Bodies Corporate and/or such other persons/ individuals as may be considered fit, which, together with the moneys already borrowed by the Company (apart from temporary loans obtained from the Company's bankers in the ordinary course of business) may exceed the aggregate of the paid-up capital and the free reserves of the Company. Hence it is proposed to increase the maximum borrowing limits upto INR 500 crores (Rupees Five Hundred Crores only). Pursuant to Section 180(1)(c) of the Companies Act, 2013, the Board of Directors cannot borrow more than the aggregate amount of the paid-up capital of the Company and its free reserves at any one time except with the consent of the members of the Company in a general meeting. In order to facilitate securing the borrowing made by the Company, it would be necessary to create charge on the assets or whole of the undertaking of the Company. Section 180(1)(a) of the



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Companies Act, 2013 provides for the power to sell, lease or otherwise dispose of the whole or substantially the whole of the undertaking of the Company subject to the approval of members in the general meeting.

The Board recommends the resolutions set out in item no. 5 of the Notice for your approval.

[None of the directors or managers or key managerial personnel of the Company or the relatives thereof are interested in these resolutions, except to the extent of their shareholding in the Company.]

## Item No. 6

The Company has been making investments in, giving loans and guarantees to and providing securities in connection with loans to various persons and bodies corporate (including its subsidiary) from time to time, in compliance with the applicable provisions of the Act. The provisions of Section 186 of the Act read with the Companies (Meetings of Board and its Powers) Rules, 2014, as amended to date, provides that no company is permitted to, directly or indirectly, (a) give any loan to any person or other body corporate; (b) give any guarantee or provide security in connection with a loan to any other body corporate or person; and (c) acquire by way of subscription, purchase or otherwise, the securities of any other body corporate, exceeding sixty percent of its paid-up share capital, free reserves and securities premium account or one hundred per cent of its free reserves and securities premium account, whichever is more. Further, the said Section provides that where the giving of any loan or guarantee or providing any security or the acquisition as provided under Section 186(2) of the Act, exceeds the limits specified therein, prior approval of Members by means of a Special Resolution is required to be passed at a general meeting.

As per the latest audited Balance Sheet of the Company as on 31st March 2020, sixty per cent of the paid-up share capital, free reserves and securities premium account amounts to `Rs.281.98 Crores while one hundred per cent of its free reserves and securities premium account amounts to `Rs.92.52 Crores. Therefore, the maximum limit available to the Company under Section 186(2) of the Act for making investments or giving loans or providing guarantees / securities in connection with a loan, as the case may be, is `Rs.469.96Crores. As on 31st March 2020, the aggregate value of investments and loans made and guarantee and securities issued by the Company, as the case may be, amounts to `Rs.222.51 Crores. In view of the above and considering the long term business plans of the Company, which requires the Company to make sizeable loans / investments and issue guarantees / securities to persons or bodies corporate, from time to time, prior approval of the Members is being sought for enhancing the said limits. Hence, the Special Resolution at Item No.6 of the Notice, notwithstanding the fact that the same exceeds the limits provided under Section 186 of the Act. The Directors recommend the Special Resolution as set out at Item No. 6 of the accompanying Notice, for Members' approval. None of the Directors or Key Managerial Personnel of the Company and their relatives is concerned or interested, financially or otherwise, in the Special Resolution, except to the extent of their shareholding in the Company.

**By the Order of the Board of Directors  
For MPS Infotecnics Limited  
SD/-**

**Peeyush Kumar Aggarwal  
Chairman & Managing Director  
DIN:00090423**

**Date: 30.08.2021  
Place: New Delhi**



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## VOTING THROUGH ELECTRIC MEANS

In compliance with provisions of Section 108 of the Companies Act, 2013, Rule 20 of the Companies (Management and Administration) Rules, 2014 as amended by the Companies (Management and Administration) Amendment Rules, 2015 and Regulation 44 of the SEBI (Listing Obligations and Disclosure Requirements), Regulations 2015, the Company is pleased to provide members facility to exercise their right to vote on resolutions proposed to be considered at the Annual General Meeting (AGM) by electronic means and the business may be transacted through e-Voting Services. The Company has engaged the services of the Central Depository Services Limited (CDSL) to provide the e-voting facility. The Notice is displayed on the Company's website, [www.mpsinfotec.com](http://www.mpsinfotec.com), and on the website of CDSL, [www.evotingindia.com](http://www.evotingindia.com). The e-voting facility is available at the link, [www.evotingindia.com](http://www.evotingindia.com).

The procedure to login to e-Voting website consists of two steps as detailed hereunder.

### Step 1: Access to CDSL e-Voting system

#### A) Login method for e-Voting for Individual shareholders holding securities in demat mode:

Pursuant to SEBI circular no. SEBI/HO/ CFD/CMD/ CIR/P/2020/242 dated December 9, 2020 on "e-Voting facility provided by Listed Companies", e-Voting process has been enabled to all the individual demat account holders, by way of single login credential, through their demat accounts / websites of Depositories / DPs in order to increase the efficiency of the voting process. Individual demat account holders would be able to cast their vote without having to register again with the e-Voting service provider (ESP) thereby not only facilitating seamless authentication but also ease and convenience of participating in e-Voting process. Shareholders are advised to update their mobile number and e-mail ID with their DPs in order to access e-Voting facility

Login method for Individual shareholders holding securities in demat mode is given below:

Type of shareholders	Login Method
Individual Shareholders holding securities in Demat mode with CDSL	<ol style="list-style-type: none"> <li>1. Users who have opted for CDSL Easi / Easiest facility, can login through their existing user id and password. Option will be made available to reach e-Voting page without any further authentication. The URL for users to login to Easi / Easiest are <a href="https://web.cdslindia.com/myeasi/home/login">https://web.cdslindia.com/myeasi/home/login</a> or visit <a href="http://www.cdslindia.com">www.cdslindia.com</a> and click on Login icon and select New System Myeasi.</li> <li>2. After successful login the Easi / Easiest user will be able to see the e-Voting option for eligible companies where the evoting is in progress as per the information provided by company. On clicking the e-voting option, the user will be able to see e-Voting page of the e-Voting service provider for casting your vote during the remote e-Voting period or joining virtual meeting &amp; voting during the meeting. Additionally, there is also links provided to access the system of all e-Voting Service Providers i.e. CDSL/NSDL/KARVY/LINKINTIME, so that the user can visit the e-Voting service providers' website directly.</li> <li>3. If the user is not registered for Easi/Easiest, option to register is available at <a href="https://web.cdslindia.com/myeasi/Registration/EasiRegistration">https://web.cdslindia.com/myeasi/Registration/EasiRegistration</a></li> <li>4. Alternatively, the user can directly access e-Voting page by providing Demat Account Number and PAN No. from a e-Voting link available on <a href="http://www.cdslindia.com">www.cdslindia.com</a> home page or click on <a href="https://evoting.cdslindia.com/Evoting/EvotingLogin">https://evoting.cdslindia.com/Evoting/EvotingLogin</a> The system will authenticate the user by sending OTP on registered Mobile &amp; Email as recorded in the Demat Account. After successful authentication, user will be able to see the e-Voting option where the evoting is in progress and also able to directly access the system of al e-Voting Service Providers.</li> </ol>





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<p><b>Individual Shareholders holding securities in demat mode with NSDL</b></p>	<p>1. If you are already registered for NSDL IDeAS facility, please visit the e-Services website of NSDL. Open web browser by typing the following URL: <a href="https://eservices.nsdl.com">https://eservices.nsdl.com</a> either on a Personal Computer or on a mobile. Once the home page of e-Services is launched, click on the “Beneficial Owner” icon under “Login” which is available under ‘IDeAS’ section. A new screen will open. You will have to enter your User ID and Password. After successful authentication, you will be able to see e-Voting services. Click on “Access to e-Voting” under e-Voting services and you will be able to see e-Voting page. Click on company name or e-Voting service provider name and you will be re-directed to e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting &amp; voting during the meeting.</p> <p>2. If the user is not registered for IDeAS e-Services, option to register is available at <a href="https://eservices.nsdl.com">https://eservices.nsdl.com</a>. Select “Register Online for IDeAS “Portal or click at <a href="https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp">https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp</a></p> <p>3. Visit the e-Voting website of NSDL. Open web browser by typing the following URL: <a href="https://www.evoting.nsdl.com/">https://www.evoting.nsdl.com/</a> either on a Personal Computer or on a mobile. Once the home page of e-Voting system is launched, click on the icon “Login” which is available under ‘Shareholder/Member’ section. A new screen will open. You will have to enter your User ID (i.e. your sixteen digit demat account number hold with NSDL), Password/OTP and a Verification Code as shown on the screen. After successful authentication, you will be redirected to NSDL Depository site wherein you can see e-Voting page. Click on company name or e-Voting service provider name and you will be redirected to e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting &amp; voting during the meeting.</p>
<p><b>Individual Shareholders (holding securities in demat mode) login through their Depository Participants</b></p>	<p>You can also login using the login credentials of your demat account through your Depository Participant registered with NSDL/CDSL for e-Voting facility. After Successful login, you will be able to see e-Voting option. Once you click on e-Voting option, you will be redirected to NSDL/CDSL Depository site after successful authentication, wherein you can see e-Voting feature. Click on company name or e-Voting service provider name and you will be redirected to e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting &amp; voting during the meeting.</p>

**Important note:** Members who are unable to retrieve User ID/ Password are advised to use Forget User ID and Forget Password option available at abovementioned website.

Helpdesk for Individual Shareholders holding securities in demat mode for any technical issues related to login through Depository i.e. CDSL and NSDL

Login type	Helpdesk details
Individual Shareholders holding securities in Demat mode with CDSL	Members facing any technical issue in login can contact CDSL helpdesk by sending a request at <a href="mailto:helpdesk.evoting@cdslindia.com">helpdesk.evoting@cdslindia.com</a> or contact at 022-23058738 and 22-23058542-43.
Individual Shareholders holding securities in Demat mode with NSDL	Members facing any technical issue in login can contact NSDL helpdesk by sending a request at <a href="mailto:evoting@nsdl.co.in">evoting@nsdl.co.in</a> or call at toll free no.: 1800 1020 990 and 1800 22 44 30

## **B) Login method for e-voting and voting during the meeting for shareholders other than Individual shareholders holding securities in demat mode and shareholders holding securities in physical mode.**



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1. Voting, either through electronic voting system or ballot paper shall also be made available at the meeting and members attending the meeting who have not already cast their vote by remote e-voting shall be able to exercise their right at the meeting;
2. The members who have cast their vote by remote-voting prior to the meeting may also attend the meeting but shall not be entitled to cast their vote again;
3. The e-voting will commence at 9.00 a.m. on September 27, 2021 and will end at 5.00 p.m. on September 29, 2021.
4. The shareholders should log on to the e-voting website [www.evotingindia.com](http://www.evotingindia.com).
5. Click on Shareholders.
6. 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.
7. Next enter the Image Verification as displayed and Click on Login.
8. If you are holding shares in demat form and had logged on to [www.evotingindia.com](http://www.evotingindia.com) and voted on an earlier voting of any company, then your existing password is to be used.
9. If you are a first time user follow the steps given below:

<b>For Members holding shares in Demat Form and Physical Form</b>	
<b>PAN</b>	<p>Enter your 10 digit alpha-numeric PAN issued by Income Tax Department (Applicable for both de-mat shareholders as well as physical shareholders)</p> <ul style="list-style-type: none"> <li>• 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.</li> <li>• In case the sequence number is less than 8 digits enter the applicable number of 0's before the number after the first two characters of the name in CAPITAL letters</li> </ul>
<b>Dividend Bank Details OR Date of Birth (DOB)</b>	<p>Enter the Dividend Bank Details or Date of Birth (in dd/mm/yyyy format) as recorded in your d-emat account or in the company records in order to Login.</p> <ul style="list-style-type: none"> <li>• 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).</li> </ul>

10. After entering these details appropriately, click on “**SUBMIT**” tab.
11. Members holding shares in physical form will then directly reach the Company selection screen. However, members holding shares in de-mat 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 de-mat 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.
12. For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.



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13. Click on the **EVSN: 210902031**
14. 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.
15. Click on the “**RESOLUTIONS FILE LINK**” if you wish to view the entire Resolution details.
16. 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.
17. Once you “**CONFIRM**” your vote on the resolution, you will not be allowed to modify your vote.
18. You can also take a print of the votes cast by clicking on “**Click here to print**” option on the Voting page.
19. If a de-mat account holder has forgotten the login password then Enter the User ID and the image verification code and click on **Forgot Password &** enter the details as prompted by the system.
20. **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](http://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](mailto: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 mailed to [helpdesk.evoting@cdslindia.com](mailto: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
21. 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](http://www.evotingindia.com) , under help section or write an email to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) .

## General guidelines for shareholders

- i) Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) are required to send a scanned copy (PDF/ JPG Format) of the relevant Board Resolution / Authority letter etc. with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer by e-mail to [agrawal.kundan@gmail.com](mailto:agrawal.kundan@gmail.com) with a copy marked to [www.evotingindia.com](http://www.evotingindia.com).
- ii) It is strongly recommended that you do not to share your password with any other person and take utmost care to keep your password confidential. Log in 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 the ‘Physical User Reset Password?’ option available on [www.evoting.nsdl.com](http://www.evoting.nsdl.com), to reset the password.
- iii) The e-voting period commences on 27<sup>th</sup> September, 2021 (9:00 a.m. IST) and ends 29<sup>th</sup> September, 2021 (5:00 p.m. IST). During this period, members of the Company holding shares either in physical or dematerialized form, as on the relevant date i.e. 23<sup>rd</sup> September, 2021, may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter. A member will not be allowed to vote again on any resolution on which a vote has already been cast. Any person, who acquires shares of the Company and becomes a member of the Company after dispatch of the Notice convening the AGM and up to the cut-off date i.e. 23<sup>rd</sup> September, 2021, may obtain his login ID and password by sending a request at [www.evotingindia.com](http://www.evotingindia.com).
- iv) The voting rights of members shall be proportionate to their share of the paid-up equity share capital of the Company as on the relevant date i.e. 23<sup>rd</sup> September, 2021.



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## BOARD'S REPORT

Dear Members,

The Board of Directors hereby submits the report of the business and operations of your Company ("the Company"), along with the Audited Financial Statements, for the Financial Year Ended March 31, 2021.

### 1. FINANCIAL RESULTS

The Financial Results (Standalone & Consolidated) of the Company for the period under review are as follows:

(Rs. In Lacs)

PARTICULARS (RS.)	STANDALONE		CONSOLIDATED	
	2020-21	2019-20	2020-21	2019-20
Income from Operation	41.48	814.19	41.48	814.19
Other Income	8.54	0.29	8.54	0.29
Total Income	50.02	814.48	50.02	814.48
Total Expenditure	185.53	975.93	185.54	975.93
PBID & Tax	(135.52)	(161.44)	(135.51)	(161.44)
Interest	63.47	41.89	63.47	41.89
Depreciation	356.88	358.32	356.88	358.32
Profit before Tax	(555.87)	(561.66)	(555.86)	(561.66)
Provision for Tax	-	-	-	-
Earlier Year Tax	-	-	-	-
Deferred Tax	(13.34)	(230.73)	(13.34)	(230.73)
Profit after Tax (PAT)	(542.52)	(330.93)	(542.52)	(330.93)
Other Comprehensive Income	1.73	(1.27)	1.73	(1.27)
Total Comprehensive Income of the Year	(540.79)	(332.20)	(540.79)	(332.20)
Profit/(Loss) b/f from previous Yr.		(3168.04)		(3168.04)
Paid-up Equity Share Capital	37744.37	37744.37	37744.37	37744.37
Other Equity	5739.00	6280.69	6470.64	7041.83

### 2. DIVIDEND

In view of the losses incurred by the Company, during the year under review, the Board of Directors of the Company has decided not to recommend any dividend.

### 3. CAPITAL STRUCTURE

There is no change in the issued, subscribed and paid-up equity share capital of the Company.

### 4. GLOBAL HEALTH PANDEMIC FROM COVID-19

The **COVID-19 pandemic in India** is a part of the [worldwide pandemic](#) of [coronavirus disease 2019](#) (COVID-19). As of 17 August 2021, according to official figures, India has the second-highest number of confirmed cases in the world (after the [United States](#)) with 32.2 million reported cases of COVID-19 infection and the third-highest number of COVID-19 deaths (after the United States and [Brazil](#)) at 432,079 deaths. A second wave beginning in March 2021 was much devastating than the first. 2020 was a highly volatile and challenging year. Covid-19 changed almost every aspect of human lives in ways never imagined. The economic toll from the pandemic was unprecedented. Operational challenges mounted due to restricted movement and disrupted supply lines. As the Covid-19 cases continued to rise exponentially, the economy declined sharply. On May 31, the Indian government



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Regd. Office : 703, Arunachal Building, 19, Barakhamba Road,  
Connaught Place, New Delhi 110 001

released the data for GDP that during the financial year 2020-21, GDP contracted by 7.3 percent. It is the most severe contraction from the time India got its independence. The reasons behind this trajectory are obvious – lockdown leading to the closing of business units, increasing unemployment rate and a significant decline in domestic consumption.

For the Company, the focus was on our employee's health & safety & to ensure that and on minimizing disruption to services for all our customers. Our teams reacted with speed and efficiency, and quickly leveraged technology to shift the work force to an entirely 'work-from-home' model. The work force was enabled in a rapid manner to work remotely and securely, thus ensuring that client commitments were not materially compromised. Continuous communication on the latest updates played a key role in enabling our employees to stay on top of the evolving situation. The Company would implement a phased and safe return-to-work plan as and when lockdown restrictions are relaxed.

## 5. DETAILS OF REVISION OF FINANCIAL STATEMENTS OR BOARD'S REPORT

The Company has not revised its Financial Statements or Board's report for any of the three preceding financial years.

## 6. RESERVE

In view of the losses, no amount is being carried to reserves.

## 7. CHANGE IN THE NATURE OF BUSINESS, IF ANY.

There is no material change in the nature of business of your company during the year under review and Your Company continues to engage itself in System Integration and Networking Solutions (Including Hardware); Enterprise Software; Domain Registration & Web hosting services; Telecommunication; VAS & IT enabled services. With stiff competition from the organized and unorganized sectors of the IT, ITeS and Telecommunication segment, your company is exploring new avenues to generate revenues for the company.

## 8. DETAILS OF SIGNIFICANT AND MATERIAL ORDER PASSED BY THE REGULATOR OR COURTS OR TRIBUNALS IMPACTING THE GOING CONCERN STATUS AND THE COMPANY'S OPERATIONS IN FUTURE

Though there are no significant and material orders passed by the Regulator or courts or Tribunals impacting the going concern status and the Company's operations in future, yet in order to provide a true, fair and correct picture of the company, your company is providing below in brief litigations in which your company is involved, which may have an adverse impact on the company:

- (A) The funds raised by the Company from GDR issue during F.Y. 2007-08 were kept in fixed deposit account with Banco Effisa, Lisbon, Portugal, as the said amount was to be deployed in terms of INFORMATION MEMORANDUM of the GDR issue. During the F.Y. 2008-09, Banco Effisa, the Bank in Portugal, wrongly debited an amount of USD 8,883,210.75 out of the balance lying in the Company's Account with the Bank. The Company has denied and disputed this debit and had initiated civil and legal action under Portuguese Law in Lisbon at Portugal.

However, during the pendency of the legal actions taken by your company under Portuguese Laws, SEBI Your Company, being aggrieved by the order dated 6<sup>th</sup> March 2020 passed by SEBI, is in the process of filing an appeal before the Hon'ble Securities Appellate Tribunal and also exploring possibility of preferring a Writ before appropriate authority.



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Apart from the above Show Cause Notice, SEBI has also served upon the company notice to show cause as to why SEBI should not hold inquiry and impose penalty which has been suitably replied by your company. Your Company has suitably replied to the Show Cause Notice and has sought a personal hearing in the matter. Your Company is awaiting response from SEBI in this regard.

- (B) Your Company had increased its Authorised Share Capital during the Financial Year 2010-11 to 2012-13 however, due to losses suffered by the company and also because of change in the global circumstances and financial constraints suffered by the Petitioner in business, the requisite e-form 5 in respect of increase in Authorised Capital could not be filed and paid. Meanwhile the schedule of fees was increased as per the Companies Act, 2013. However, the Authorised Share Capital was increased prior to the applicability of Companies Act, 2013. The company has filed a Writ Petition bearing No. WP(C) 5199 of 2015 before the Hon'ble High Court of Delhi challenging the applicability of provisions prescribed under Para 3 of Table B under Companies (Registration Offices and Fees) Rules 2014, which has been decided against the Company.

On the advice of Company's Advocates, Company Law experts, your company has preferred an appeal before the Hon'ble Supreme Court of India and the same is pending adjudication. Your Company's Counsels are of the opinion that your company has a fit case in the appeal however, in the eventuality, orders passed against the company, the same may not impact the going concern status and the Company's operations in future as necessary provision has been made in the books of the Company.

- (C) Delay / Non-payment of Listing Fees: There is delay / Non-payment of Listing Fees due to losses suffered by the company in the past which has severely impacted the cash flows of the company. Since there has been a delay / non-payment of Listing Fees, the Stock Exchanges, in compliance of provisions contained in SEBI Circular bearing No. LIST/COMP/OPS/16/2019-2020 dated June 11, 2019, has advised the depositories to freeze the demat accounts of the Directors & Promoters of your company since December 2019. The Stock Exchanges have also suspended the trading of the scripts of the Company. Once the Listing Fees to Stock Exchanges is paid, the suspension in trading would be automatically revoked and normal trading in the scripts of Your Company would resume.

## 9. BUSINESS PERFORMANCE /FINANCIAL OVERVIEW

Your company is presently engaged on the following areas:

- **IT Solutions & Products, which comprise of:**

- System Integration and Networking Solutions (including Hardware);
- Enterprise software;
- Trading of UID Kit.

The entire business has three modes of execution of business i.e. Trading of Hardware and Peripherals; Establishing IT Infrastructure and Customization and up-gradation. Based on the orders, your company procures products / material from leading Dealers and Distributors of leading brands of IT and IT Infrastructure product manufacturers like HP, Samsung, LG, Lenovo, Dell, Acer, etc. thereafter the same are supplied.

Due to stiff and cut-throat competition, low margins coupled with high credit days in Computer Hardware and Peripherals your company had restrained itself doing any business during the year under review

- **IT Enabled Services comprising of:**

- Domain Registration & Web Hosting Services



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VAS & IT enabled Services  
Software Development

**SignDomains™** is India's first ICANN Accredited domain registrar which offers on-line domain registration of top level domains (TLD) including .com .net .org .info .biz .in etc. to name a few. The Company has tied up with various top level TLDs and offer these TLDs to our clients through its network of over 500 Re-sellers as well as directly by the Company.

Your Company is catering to a client base of over 6500 clients, through its on-line presence and secure payment gateway. Sign Domains TM has several corporates, large portals, resellers and end-users as its clientele.

V-APPSTM is MPS's Customised Software Development Division, which provides development services on web-based and client-server technologies. With MPS's complement of software specialists, the company responds to needs, to opportunities and to challenges, providing a growing ability to support operations either on an on-site or off-shore basis in the following areas:

- New product development
- Customized products
- Product enhancement
- Modification, conversion migration of existing applications

Skills towards the use of powerful computers, advanced equipment, sophisticated software and systems development methodologies and the latest productivity tools are available with your software group to provide high-quality services in the above areas.

Your Company also offers web-hosting solutions on MPS dedicated servers located at server farms and data centres located in US. Presently your company is hosting around 250 websites which includes websites of corporates, individuals, corporations, firms, etc.

Value added services like SMS, payment gateways, messaging, e-identity management, e-commerce are available for corporate clients and other businesses.

Your Company was engaged by CSC e-Governance Services India Ltd. a Central Government organization for providing support for the implementation of the Election project in the state of Gujrat. We were also engaged by CSC e-Governance Services India Ltd. for printing of Election Cards. Currently the contract with UIDAI had not been renewed, but your company is still trading on EPIC card.

During the year under review, the company had generated revenue of Rs. 41.48 lacs, the breakup of which is as under:

Web-Hosting	Rs. 6.40 Lacs
Domain Registration	Rs. 35.08 Lacs
Software Development	Nil
Telecom	Nil

- **Telecommunication**

Your Company in the past had been offering a host of telecom enabled services to customers ranging from prepaid mobile top-up, post-paid mobile bill payment, DTH recharge, landline bill payments, data-card recharge / payments, bulk SMS, mobile application and software application. However, with stiff competition not only from the service provider themselves but also from various other e-commerce platform, very low margins, long credit



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days are some of the constraints with which your company was operating, due to which your company was constrained to shut down the operation.

As the overall business in this sector had considerably declined, your company's management started exploring new areas / avenues to generate revenues for long terms. With this intent in mind, your company has ventured in the field of trading in Mobile Phones in the domestic as well as in the International market.

There was no revenue generated during the year under review from Telecommunication segment due to impact of pandemic COVID-19. Since December, 2019, COVID 19 when for the first time was detected in China and after that COVID-19 First wave spreads all over the world due to which your Company were not able to export Blackberry Mobile Phones. However, the management of your Company is hopeful of regaining the lost ground once the pandemic is over and normal economic activities resume.

During the fiscal year 2020-21, the revenues from operations (standalone & Consolidated) aggregated to Rs. 41.48 lacs (Previous year -Rs. 814.19 lacs) registering a decline in revenues from operations by Rs. 772.71 lacs .

The Company (on standalone & Consolidated) has suffered a loss, before tax, of Rs. (555.87) Lacs and profit after tax (including other comprehensive income), of Rs. 542.52 Lacs.

The losses in the company are attributable to decline in business. Your Company is struggling to cope up with the tough Competition not only from the existing IT companies but also from small traders flooding the already saturated IT & ITeS Segment who are providing products at very low margins. The company is also facing tough competition from the players in the unorganized sector, who are operating for low margins and high credit. The management is of the view that with better utilization of resources, operations of the company will improve. The Company is also exploring other avenues of increasing its market share consequently increasing the stakeholders value.

Though the IT Solutions & Products segment has been underperforming, which is again mainly due to tough competition, low margins and long credit period yet your company is taking stern steps to increase its market share in IT Solution & Products segment and is optimistic of a steady growth in this sector in the coming years.

Majority of the revenues of the company are from the telecommunication segment, which in the recent past had been facing tough competition from the service provider as well as various e-commerce sites, which have ventured into B2B2C based multipurpose transaction platform, VAS and bill payment. The margins are very low in mobile and DTH recharge, which has resulted in company exploring other avenues to generate revenues in this sector. Though your company has suffered losses during initial trades, however, your company is optimistic to recover losses and make good profits in the times to come.

It is also important to mention here that since the outbreak of second wave of COVID-19 pandemic, which has rapidly grew into a global crisis forced governments to enforce lock-downs again of all economic activities and consequent your company's focus immediately shifted to ensuring the health and well-being of all employees and consequently closed its operations. However, the management of your company is hopeful of regaining the lost ground once the pandemic is over and normal economic activities resumes.





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## SEGMENT WISE PERFORMANCE

The segment wise revenues and profits / (loss) are tabulated hereunder:

Segment	Amount (Rs. in Lacs)			
	Standalone		Consolidated	
	2020-21	2019-2020	2020-21	2019-2020
IT Solutions & Products	-	-	-	-
IT Enabled Services	41.48	52.58	41.48	52.58
Telecommunication	-	761.61	-	761.61
<b>Total</b>	<b>41.48</b>	<b>814.19</b>	<b>41.48</b>	<b>814.19</b>
<b>Segment results - Profit / (loss) (before Interest &amp; Tax)</b>				
IT Solutions & Products	-	-	-	-
IT Enabled Services	(127.86)	(6.43)	(127.86)	(6.43)
Telecommunication	-	(137.99)	-	(137.99)
<b>Total</b>	<b>(127.86)</b>	<b>(144.42)</b>	<b>(127.86)</b>	<b>(144.42)</b>
Less: Interest	63.47	41.89	63.47	41.89
Less: Other un-allocable Expenditure net off.	373.07	375.64	373.07	375.64
Add: Un-allocable Income	8.54	0.29	8.53	0.29
<b>Profit before Tax</b>	<b>(555.87)</b>	<b>(561.66)</b>	<b>(555.86)</b>	<b>(561.66)</b>

The decline in the business of the Company is continuing, which is mainly due to stiff competition both from the organized sector as well as unorganized sector, low margins, long credit periods, purchase of stock in cash and sale on credit; number of mobile applications for making long distance calls including video calls, various e-commerce sites which are providing similar / same services with lucrative schemes; etc. Though all the segments in which your company is operating are under performing, however, the company is exploring to venture into newer areas within the above segments to increase its revenues and consequently increase in the stakeholders value. Your company is optimistic that the steps that it is taking will eventually yield better results in the times to come. Your company has already ventured into exporting mobile phones and has started generating revenues for the company and also generating valuable foreign currency for the country.

Your Company is optimistic and expects to generate revenues in the times to come.

There are no material changes or commitments affecting the financial position of the Company between the end of the financial year and to the date of the report.

In summary, despite various limitation and adversaries which your company is facing, due to which the revenues had declined, yet your company is exploring newer avenues of business to increase its market share consequently increasing the stakeholders value.

## 10. DETAILS OF SUBSIDIARY/ JOINT VENTURE/ASSOCIATE COMPANIES

Presently your company has three (3) wholly owned foreign subsidiaries namely, M/s. Axis Convergence Inc, incorporated in Mauritius; Greenwire Network Limited, a company incorporated under the laws of Hong Kong; and Opentech Thai Network Specialists Co. Ltd., incorporated under the laws of Thailand. In the AGM held on 30<sup>th</sup> December, 2020, the members, on the recommendation of the Board of Directors, had approved dis-investment in



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these wholly owned subsidiaries as it wanted to concentrate itself in its existing business. Your Company had deferred its decision to sell its stake as the market conditions were not conducive for such sale.

The main business of the subsidiary companies is sale & purchase of telecom services viz. International Voice minutes and promotional SMS pack. The work is online and the ground work is done by the agents / companies in their respective country. Further the management of the work is wholly software driven like SMS gateways and soft switches for voice.

Though there has not been any material change in the nature of the business of the subsidiaries, yet during the year under review, these subsidiary companies have not contributed to the consolidated revenues of the company on account to various factors some of which have already been mentioned above.

The Board of Directors of your company regularly reviews the affairs of the subsidiaries. The performance and financial position of the subsidiaries included in the consolidated financial statement is provided in accordance with the provisions of section 129(3) read with Rule 5 of the Companies (Accounts) Rules, 2014 and contains the salient features of the financial statement of the company's subsidiaries in form – AOC-1 in “Annexure - A” to this report.

The Consolidated Financial Statements have been prepared in accordance with Indian Accounting Standards (IND AS 110) issued by the “The Institute of Chartered Accountants of India” and shown the financial resources, assets, liabilities, income, profits and other details of your company and its subsidiaries as a single entity, after elimination of minority interest.

In accordance with section 136 of the Companies Act, 2013 Audited Financial Statements, including the consolidated financial statements and related information of the Company and Audited Accounts of each of its subsidiaries, are available on our website [www.mpsinfotec.com](http://www.mpsinfotec.com). These documents will also be available for inspection till the date of the AGM during business hours at our registered office in New Delhi.

## 11. HUMAN RESOURCES

**Human resources** are the set of the people who make up the [workforce](#) of an [organization](#), business [sector](#), industry, or [economy](#). As a technology-led design Company, we continue to focus on attracting and retaining top talent. Human resources play an important part of developing and making a company or organization at the beginning or making a success at the end, due to the labor provided by employees. Human resources is intended to show how to have better employment relations in the workforce. Also, to bring out the best work ethic of the employees and therefore making a move to a better working environment.

At MPS attracting, enabling and retaining talent have been the cornerstone of the Human Resource function and the results underscore the important role that human capital plays in critical strategic activities such as growth. Our goal has been to create an open and safe workplace where each and every employee feels empowered to contribute to the best of their abilities, irrespective of gender, sexual preferences or any other classification that has no bearing on the employee's work output.

Your Company promotes an empowered and collaborative work environment where leaders stay engaged with the Associates and encourage them to challenge conventional thinking. Our employees are our biggest assets. To meet the evolving need of our clients, our priority is to attract and engage the best talent in the right locations with the right skills.

Your Company is committed to providing a comprehensive employment experience to Associates with the flexibility to balance both professional and personal commitments. During their tenure at the Company, employees are motivated through various skill development programs. We create effective dialogue through our



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communication channels to ensure that feedback reach the relevant team, including leadership. Your Company invests substantially in employee engagement to motivate employees and encourage social communication and collaboration. Your Company continuously invests in attraction, retention and development of talent on an ongoing basis. Your Company thrust is on the promotion of talent internally through job rotation and job enlargement.

## 12. BOARD OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

The Board of Directors of the Company consists of six members including a woman director. The composition of the Board comprise of a Managing Director, who is promoter of the company also; two Non-independent non-executive director; and three Independent Directors.

As per the provisions of the Companies Act, 2013, Mr. Rachit Garg, retires by rotation at the ensuing AGM and, being eligible, seeks reappointment. Based on the performance evaluation and recommendation of the nomination and remuneration committee, the Board recommends his reappointment. A resolution seeking shareholders' approval for his re-appointment forms part of the Notice.

During the year under review, the non-executive directors of the Company had no pecuniary relationship or transactions with the Company. No sitting fees, commission has been paid by the company to the Non-executive Director of the Company except reimbursement of expenses incurred by them.

Pursuant to the provisions of Section 203 of the Act, the Key Managerial Personnel of the Company as on March 31, 2021 are: Mr. Peeyush Kumar Aggarwal- Managing Director, Mr. Sanjay Sharma - Chief Financial Officer, Mrs. Garima Singh - Company Secretary.

The Policy on Director's appointment and remuneration including criteria for determining qualifications, positive attributes, independence of Director and also remuneration for key managerial personnel and other employees, forms part of the Corporate Governance Report of this Annual Report. During the year, Performance Evaluation of Independent Directors and other Board Members as well as committees of the Board was done in terms of the Act and Regulations.

## 13. COMMITTEES OF THE BOARD

As on March 31, 2021, the Board had five committees namely: The Audit Committee, The Nomination & Remuneration Committee, The Stakeholders' Relationship Committee, Corporate Social Responsibility and Risk Management Committee. A majority of the committees consists entirely of independent directors.

During the year, all recommendations made by the committees were approved by the Board. A detailed note on the composition of the Board and its committees is provided in the **Corporate governance report**.

## 14. BOARD EVALUATION

The Board of Directors has carried out an annual evaluation of its own performance, board committees, and individual directors pursuant to the provisions of the Act and SEBI Listing Regulations., 2015.

The performance of the board was evaluated by the board after seeking inputs from all the directors on the basis of criteria such as the board composition and structure, effectiveness of board processes, information and functioning, etc.

The performance of the committees was evaluated by the board after seeking inputs from the committee members on the basis of criteria such as the composition of committees, effectiveness of committee meetings, etc.



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In a separate meeting of independent directors, performance of non-independent directors, the board as a whole and the Chairman of the Company were evaluated, taking into account the views of executive directors and nonexecutive directors.

The Board and the Nomination and Remuneration Committee reviewed the performance of individual directors on the basis of criteria such as the 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 the board meeting that followed the meeting of the independent directors and meeting of Nomination and Remuneration Committee, the performance of the board, its committees, and individual directors was also discussed.

Performance evaluation of independent directors was done by the entire board, excluding the independent director being evaluated.

## 15. REPORTING OF FRAUDS BY AUDITORS

During the year under review, neither the statutory auditors nor the secretarial auditor has reported to the audit committee, under Section 143 (12) of the Companies Act, 2013, any instances of fraud committed against the Company by its officers or employees, the details of which would need to be mentioned in the **Board Report's**.

## 16. MANAGERIAL REMUNERATION

The statement containing particulars of employees as required under section 197 of the Companies Act, 2013 read with Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 forms part of this report. However, as per the provisions of Section 136 of the Companies Act, 2013, the reports and accounts are being sent to all the members of the Company and others entitled thereto, excluding the aforesaid information. Any member interested in obtaining such particulars may write to the Company Secretary at the Registered Office of the Company. The said information shall also be made available for inspection at the registered office of the Company during working hours.

## 17. BOARD DIVERSITY

The Company recognizes and embraces the importance of a diverse board in its success. We believe that a truly diverse board will leverage differences in thought, perspective, knowledge, skill, regional and industry experience, cultural and geographical background, age, ethnicity, race and gender, which will help us retain our competitive advantage. The Board has adopted the Board Diversity Policy which sets out the approach to diversity of the Board of Directors. The Board Diversity Policy is available on our website, at [http://www.mpsinfotec.com/investors\\_zone](http://www.mpsinfotec.com/investors_zone).

## 18. POLICY ON DIRECTORS APPOINTMENT AND REMUNERATION

The current policy is to have an appropriate mix of executive, non-executive and independent directors to maintain the independence of the Board, and separate its functions of governance and management. As of March 31, 2021, the composition of the Board comprise of a Managing Director, who is promoter of the company also; two Non-independent non-executive director; and three Independent Directors which includes one women independent director.

The policy of the Company on directors' appointment and remuneration, including the criteria for determining qualifications, positive attributes, independence of a director and other matters, as required under Sub-section (3)



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of Section 178 of the Companies Act, 2013, is available on our website, at [http://www.mpsinfotec.com/investors\\_zone](http://www.mpsinfotec.com/investors_zone).

There has been no change in the policy since last fiscal.

None of the directors of the Company received any remuneration or commission from Subsidiary Companies of your Company.

## 19. ANNUAL RETURN

In accordance with the Companies Act, 2013, as amended, the Annual Return in the prescribed format is available at [http://www.mpsinfotec.com/investors\\_zone](http://www.mpsinfotec.com/investors_zone).

## 19. BOARD & COMMITTEE MEETING

The board met 8 times during the financial year, the details of which are given in the Corporate Governance Report that forms part of the Annual Report. The intervening gap between any two meetings was within the period prescribed by the Companies Act, 2013.

The details pertaining to the composition of the Board and that of its committees and such other details as required to be provided under Companies Act, 2013 are included in the Corporate Governance Report, which form part of Annual report.

## 20. MEETING OF INDEPENDENT DIRECTORS

Independent Directors of the Company met on June 1, 2021 and evaluated and reviewed the performance of non-independent directors, the Board as a whole and the Chairman of the Company, taking into account the views of Executive Directors and Non-Executive Directors. The same was discussed in the board meeting that followed the meeting of the Independent Directors, at which the performance of the Board, its committees and individual directors was also discussed. The Independent Directors in their separate meeting also assessed the quality, quantity and timeliness of flow of information between the Company management and the Board that is necessary for the Board to effectively and reasonably perform their duties.

From time to time familiarization program are arranged by the Company for Independent Directors with regard to their roles, rights, responsibilities with the Company, the nature of the industry in which the Company operates and business model of the Company and as and when the familiarization program are conducted the same are displayed under Investors Zone on the company's website [www.mpsinfotec.com](http://www.mpsinfotec.com).

## 21. MATERIAL CHANGES AND COMMITMENTS, IF ANY, AFFECTING THE FINANCIAL POSITION OF THE COMPANY WHICH HAVE OCCURRED BETWEEN THE END OF THE FINANCIAL YEAR OF THE COMPANY TO WHICH THE FINANCIAL STATEMENTS RELATE AND THE DATE OF THE REPORT.

There are no material changes affecting the Financial Position of the Company which have occurred between the end of the Financial Year of the Company to which the Financial Statement relate and the date of the Report except as mentioned at point no. 8 above titled **“details of significant and material order passed by the regulator or courts or tribunals impacting the going concern status and the company's operations in future.”**

## 22. DIRECTOR'S RESPONSIBILITY STATEMENT

The financial statements are prepared in accordance with Indian Accounting Standards (Ind AS). The Ind AS are prescribed under Section 133 of the Companies Act, 2013 ('the Act'), read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 and Companies (Indian Accounting Standards), Amendment Rules, 2016. The



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Company has adopted all the Ind AS standards and the adoption was carried out in accordance with applicable transition guidance. Accounting policies have been consistently applied except where a newly issued accounting standard is initially adopted or a revision to an existing accounting standard requires a change in the accounting policy hitherto in use.

Pursuant to the requirement clause (c) of sub-section (3) of Section 134 of the Companies Act, 2013, your Directors confirm that:

- a) in the preparation of annual accounts, the applicable accounting standard had been followed along with proper explanation relating to material departures;
- b) the Directors had selected such accounting policies are consistently applied and reasonable, made judgment and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at the end of the financial year and of the profit and loss of the Company for that period;
- c) the Directors had 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 had prepared the annual accounts on a 'going concern basis';
- e) the directors, in the case of a listed company, had laid down internal financial controls to be followed by the company and that such internal financial controls are adequate and were operating effectively;
- f) the directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

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 and the reviews performed by management and the relevant board committees, including the audit committee, the board is of the opinion that the Company's internal financial controls were adequate and effective during the financial year 2018-19.

## **23. DETAILS IN RESPECT OF ADEQUACY OF INTERNAL FINANCIAL CONTROLS WITH REFERENCE TO THE FINANCIAL STATEMENTS**

The details in respect of internal financial control and their adequacy are included in the Management Discussion and Analysis, which is a part of this report.

## **24. AUDITORS**

### **A. Statutory Auditor**

There is no change in the Statutory Auditors of the Company. M/s. Nemani Garg Agarwal & Co., Chartered Accountants) Firm Registration No. 01019N continues to remain the Statutory Auditors of the Company Statutory Auditors of the Company till the conclusion of AGM to be held in 2023.

## **AUDITOR'S REPORT**

The observations made in the Auditors' Report are as under:

- I. In case of the following items shown as intangible Assets / inventory, no provision for impairment of assets has been made in accordance with accounting policies E and F (Schedule to the accounts) and applying Ind AS 36 –
  - (a) Intangible Assets under development (Capital work-in-progress) - Rs. 56.44 Crores (Software development)
  - (b) Software rights - Rs. 19.49 crores
  - (c) Opening Stock (Source Codes) - Rs. 62.21 Crores



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In the absence of valuation reports of above assets the extent of impairment and its impact on profit and loss account, reserves and surplus is not ascertained.

- II. Investment in subsidiaries Rs. 61.75 Crores - There are no operations in these overseas subsidiaries and no audit of accounts has been done and no updated information has been received. No provision has been made for the shortfall in value of the investment in accordance with accounting policies F and I (Schedule to the accounts) applying Ind AS 36.
- III. The Company has shown in the balance sheet, bank balances in Banco Efisa (Lisbon Portugal) amounting to Rs. 347,892,163 (USD 8,883,210.75) which the bank has adjusted and the matter is in the court of law. Consequently the bank balances shown in balance sheet are overstated by Rs. 347,892,163/- The above bank balance relates to FY 2008-09 which is treated as a current asset. No provision has been made for the possible loss on account of above.
- IV. Other non-current assets include other loans and advances of Rs. 223.33 Cr. which are considered to be good for recovery. However as the terms and conditions regarding these loans have not been provided to us we are unable to ascertain and comment on the extent of realiability of this asset
- V. The Company had increased its Authorized Capital from Rs. 52.45 Crores to Rs. 377.50 crores during the period from FY-2010-11 to FY 2012-13, ROC fees of Rs. 5.86 crores towards the above stands payable, under the head "Other Current Liabilities"
- VI. Income Tax for the Assessment year 2013-14 amounting to Rs. 20.80 lacs and interest thereon is still payable although provided for.

Our opinion is modified in respect of above matters.

- (a) We also draw your attention to Note No. 4 to the Standalone Financial results which describe the uncertainties and the impact of COVID- 19 pandemic on the Company's operations and results as assessed by the management. Our opinion is not modified in respect of this matter.

Observations made by the Statutory Auditors in their report on the consolidated financial statements:

1. The following items shown as Intangible Assets / Inventories, no provision for impairment of assets has been made in accordance with Ind AS 36 –
  - (a) Intangible Assets under development (Capital Work-in-progress) (software development) Rs. 56.44 Cr.;
  - (b) Software rights Rs. 19.49 Cr.; and
  - (c) Stock-in-trade (source codes) Rs. 62.21 Cr. which are being carried forward in the accounts since the last over 3 years.
  - (d) Company has not provided for expected credit loss on outstanding Debtors as per IND AS-109

In the absence of valuation reports of above assets the extent of impairment and its impact on profit and loss account, reserves and surplus is not ascertained.

2. Assets of subsidiaries – Rs16.18 cr

Though Company has no subsidiaries in India; the consolidated statements include those of 3 subsidiaries in Mauritius, Hong Kong and Thailand. There have been no operations in these overseas subsidiaries since the last few years, nor is there updated information in respect thereof.



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3. The consolidated financial statements as of 31st March 2021 include the following, pertaining to the 3 subsidiaries:
  - (a) Total assets of -Rs.16.42 Cr. which are not material to the Group
  - (b) Total revenue of -Nil .
  - (c) Net cash inflows of – NIL for the year ended on that date.

The consolidated statements also include the holding company's share of net loss (and other comprehensive income) of NIL for the year under review.

No audit of the subsidiaries has been done either by us or by a local audit Firm; such unaudited financial statements and information 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 disclosure included in respect of these subsidiaries and our report in terms of subsections 3 and 11 of section 143 of the Act, in so far as it relates to the aforesaid subsidiaries, is based solely on such un-audited financial information.

Goodwill (Investment in subsidiaries) aggregating to Rs. 61.69 Cr.

In the absence of valuation reports of Goodwill, the extent of impairment and its impact, if any, on profit and loss account, reserves and surplus is not ascertained.

There is also uncertainty in the realization of receivables of these subsidiaries, aggregating to Rs. 16.08 Cr. In the absence of balance confirmation, we are unable to comment on the same and its impact on profit and loss account, reserves and surplus is not ascertained.

### 3. **Disputed bank balance in overseas Bank Rs. 34.79 Cr.**

The Company has shown in the balance sheet, bank balances in Banco Efisa (Lisbon Portugal) amounting to s.347,892,163 (USD 8,883,210.75) which the bank has adjusted and the matter is in the court of law. Consequently the bank balances shown in balance sheet are overstated by Rs. 347,892,163/-+. The above bank balance relates to FY 2008-09 which is treated as a current asset. No provision has been made for the possible loss on account of above.

4. Other non-current assets include other loans and advances of Rs. 223.33 Cr. which are considered to be good for recovery. However as the terms and conditions regarding these loans have not been provided to us we are unable to ascertain and comment on the extent of realisability of this asset.

5. The Company had increased its Authorized Capital from Rs.52.45 Crores to rs. 377.50 crores during the period from FY 2010-11 to FY 2012-13, ROC fees of Rs. 6.34 crores towards the above stands payable although provided for.

6. Income Tax for the Assessment year 2013-14 amounting to Rs. 20.80 lacs and interest thereon is still payable although provided for.

Our opinion is modified in respect of these matters.

**Report of the Statutory Auditor is annexed with the Annual Report, however, as regards qualifications made by the Auditors' in their report your directors state as under:**

**Audit Qualification I (a) to (c)** - In the opinion of the management matter regarding valuation of intangible assets, inventory including capital in work in progress, software rights as also any possible impairment needs to be seen in the context of the peculiar nature of the software industry and the prevailing circumstances. The management is





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confident that these assets will fetch more value than the cost incurred once the business environment stabilizes. The management has therefore not considered any provision on account of impairment of intangible assets;

**Audit Qualification II** - The management is making efforts to revive the business of subsidiaries and feels confident that investment made in subsidiaries will be realized. It has therefore not made any provision on account of impairment in value of investment in subsidiaries.

**Audit Qualification III** - The Company has filed a civil suit bearing No. 2446/12.2TVLSB before the 10th Lower Court of Lisbon, Portugal and the matter presently is pending and sub-judice. The Company has no additional explanation to offer as the matter is sub-judice.

**Audit Qualification IV** - The loans & advances include a sum of Rs. 220 Crores advanced by the Company for establishing a Data Centre at Bareilly. However, the builder Company could not develop the data center. The management of the company has initiated settlement with the builder and expects to recover the amount. Further these loans and advances are made in the normal course of business which are considered to be good for recovery.

**Audit Qualification V** - The Company had initiated writ petition bearing no. WP (C) 5199/2015 pending before the Hon'ble Delhi High Court challenging the applicability of provisions prescribed under para 3 of table B under Companies (Registration of Offices and Fees) Rules, 2014 had been dismissed vide order dated 15/01/2019. An SLP before the Hon'ble Supreme Court has been filed against the orders passed by the Hon'ble Delhi High Court and has been registered as SLP(C)019596/2019. As informed by our Advocates on records, the Hon'ble Apex Court vide its Order dated 09/08/2019 while issuing Notice to Union of India has directed the Company to deposit Rs. 3.22 crores within a period of 6 weeks;

**Audit Qualification VI** - The Company has already provided for the amount payable towards Income Tax for AY 2013-14 along with interest hence this liability has no further impact on the profits / retained earnings of the reported period of the Company.

**Board of Directors comments on the qualified report submitted by the Statutory Auditors on the Consolidated Financial Statements is as under:**

**Audit Qualification 1 (a) to (c)** - The company will be able to take business benefits once adequate funds are realised from other assets of the Company. Adequate measures are being taken by the Company to realise these assets. The management has therefore not considered any provision on account of impairment of intangible assets.

**Audit Qualification 2 (a) to (c)** - The Company is making all efforts to revive the business in these subsidiaries, however, the same is possible once the Company has realised funds from other assets of the Company. The Company is also in the process of selling its investment in its subsidiaries for which consent of the members have already been obtained. The management has therefore not considered any provision on account of impairment of intangible assets

The Company has made investments in these foreign subsidiaries which are being reflected in the consolidated financial statement as Goodwill and have been shown at cost of acquisition. The company expects to take business benefits once adequate funds are realized from other assets of these subsidiaries. The Company is also making efforts to revive the business of these subsidiaries however, due to COVID-19 pandemic, the efforts of reviving these subsidiaries have suffered a setback but the company hopes to revive the business when ever this pandemic is over. The management has therefore not considered any provision on account of impairment of intangible assets.



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**Audit Qualification 3** - The Company has filed a civil suit bearing No. 2446/12.TVLSB before the 10th Lower Court of Lisbon, Portugal. The Company has no additional explanation to offer as the matter is sub-judice.

**Audit Qualification 4**-The loans & advances include a sum of Rs. 220 Crores advanced by the Company for establishing a Data Centre at Bareilly. However, the builder Company could not develop the data center. The management of the company has initiated settlement with the builder and expects to recover the amount. Further these loans and advances are made in the normal course of business and is considered to be good for recovery.

**Audit Qualification 5**- The Company has already provided for the amount payable towards Income Tax for AY 2013-14 along with interest hence this liability has no further impact on the profits / retained earnings of the reported period of the Company.

## **B. Secretarial Auditor**

As required under Section 204 of the Companies Act, 2013 and Rules there under, the Board has appointed M/s. Kundan Agrawal & Associates, Practicing Company Secretaries, as Secretarial Auditor of the Company for the FY 2020-21.

### **Annual Secretarial Compliance Report & Secretarial Audit Report**

SEBI Vide its circular bearing no. CIR/CFD/CMD1/27/2019 dated February 8, 2019 mandated that all listed entities in addition to Secretarial Audit, on an annual basis, require a check by the PCS on compliance of all applicable SEBI Regulations and circulars/ guidelines issued there under:

In compliance with the said circular, M/s. Kundan Agarwal & Associates, Company Secretaries, the secretarial auditors of the Company to examine the compliance of all applicable SEBI Regulations and circulars / guidelines and provide their report. The Secretarial Auditors vide their report dated 29th June, 2021, have reported that your company has maintained proper records under the provisions of SEBI Regulations and Circulars / Guidelines issued there under except for the following:

<b>S. No</b>	<b>Compliance Requirement (Regulations/ circulars / guidelines including specific clause)</b>	<b>Deviations</b>	<b>Observations/ Remarks of the Practicing Company Secretary</b>
1	Regulation 14 – Listing Fees & Other Charges	Not Paid	The Company has defaulted in payment of Listing Fees to BSE and NSE, therefore action has been initiated against the Company by Freezing the Demat accounts of its Promoter and Promoter Group of all debits and further equity shares of the Company are also marked as suspended for trading on BSE's web portal.
2	Regulation 46-Company Website	Not Properly maintained	The Company has not furnished proper declaration for maintaining Company's Website

The Secretarial Audit Report is provided as “Annexure-C”. There are observations, qualifications, reservation or adverse remark or disclaimer made in the Secretarial Audit Report which is enumerated hereunder:



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- (a) The Company has defaulted in payment of Annual Listing Fees to NSE & BSE, therefore action has been initiated against the Company by freezing the Demat accounts of its Promoter and Promoter Group for all debits and further equity shares of the Company are also marked as suspended for trading on Bse's web portal. We have been informed by the Management that the Company has written letters to the Stock Exchanges seeking waiver of Annual Listing Fees for the Financial Year 2017-18 till 2021-22 in view of suspension of trading in the shares by the Stock exchanges during this period.
- (b) Penalty of Rs.10,00,00,000/- (Rupees Ten Crore Only) is imposed on the Company through an order dated 27.11.2020 in the matter of GDR issue of the Company under the provisions of Section 15 HA of the SEBI Act, 1992 and Section 23E of SCRA, 1956 for violation of Section 12A(a), (b) and (c) of SEBI Act, 1992 read with Regulations 3(a), (b), (c) & (d), 4(1), 4(2) (f), (k) and ® of SEBI (prohibition of Fraudulent and Unfair Trade Practices Relating to FUTP) Regulations, 2003, Section 21 of SCRA, 1956 read with clause 32, 36(7) and 50 of the listing agreement.
- (c) The Company has increased its Authorized Capital from Rs. 52.45 Crores to Rs. 377.50 crores during the period of FY-2010-11 to FY 2012-13, respectively against which ROC fees of Rs. 6.35 crores (fees calculated as per Companies Act, 1956) stands payable, under the head "Other Current Liabilities" in the financial statements of the period under review.
- (d) The Company has three foreign subsidiaries; however, the company is not regular in complying with RBI Directives issued in this regard as well as FEMA.

The Board's comments on the observations, qualifications, reservations or adverse remark are as under:

- (a) Due to considerable decline in the business of the company coupled with the funds that are available with the company are being utilized for repayments of loans from Banks. Arrangements are being made to clear the dues stock exchanges soon.
- (b) The Company is in the process of filing an appeal before the Hon'ble Securities Appellate Tribunal.
- (c) As regards observation made by the Secretarial Auditor in its Secretarial Audit Report, the same has been appropriately dealt with in the Board's comments on the opinion made by the Statutory Auditors in their audit report hence the same is not being repeated herein for the sake of brevity.

## COMPLIANCE WITH SECRETARIAL STANDARDS

The Company has complied with the applicable mandatory Secretarial Standards.

### C. Internal Auditor

Pursuant to the provision of the Companies Act, 2013, and Rules framed thereunder, the Board of Directors on the recommendation of the Audit Committee has appointed M/s. Sanghi & Co., Chartered Accountants as the Internal Auditor of the company for the FY 2020-21.

## 25. PARTICULARS OF EMPLOYEES

No employees were employed throughout the Financial Year who was in receipt of remuneration of Rs. One crore and two lakh rupees or no employee employed for a part of the financial year, was in receipt of remuneration of eight lakh and fifty thousand rupees per month.

The ratio of the remuneration of whole-time director and key managerial personnel (KMP) to the median of employees remuneration as per section 197(12) of the Companies Act, 2013, read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 forms part of the Board's Report. However,



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as per the provisions of Section 136 of the Companies Act, 2013, the reports and accounts are being sent to all the members of the Company and others entitled thereto, excluding the aforesaid information. Any member interested in obtaining such particulars may write to the Company Secretary at the Registered Office of the Company. The said information shall also be made available for inspection at the registered office of the Company during working hours.

## 26. CONTRACTS OR ARRANGEMENTS WITH RELATED PARTIES

In line with the requirements of the Companies Act, 2013 and Listing Regulations, your Company has formulated a Policy on Related Party Transactions which is also available on the Company's website at <http://www.mpsinfotec.com/investorszone>. The Policy intends to ensure that proper reporting approval and disclosure processes are in place for all transactions between the Company and Related Parties.

All Related Party Transactions are placed before the Audit Committee for review and approval. Prior omnibus approval is obtained for Related Party Transactions which are entered in the ordinary course of business and are at Arm's Length.

All Related Party Transactions that were entered into during the financial year were on an arm's length basis. There were no materially significant related party transactions made by the Company with Promoters, Directors, Key Managerial Personnel or other designated persons which may have a potential conflict with the interest of the Company at large.

Except Mr. Peeyush Kumar Aggarwal and M/s Omkam Global Capital Markets Private Limited, None of the Directors have any material pecuniary relationships or transactions with the Company except to the extent of their shareholding.

Pursuant to Section 134 (3)(h) of the Companies Act, 2013 and Rules made there under, particulars of transactions with related parties as required under section 188(1) of the Companies Act, 2013, in the prescribed Form AOC-2 is annexed herewith as "**Annexure-B.**"

## 27. OBLIGATION OF COMPANY UNDER THE SEXUAL HARASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION AND REDRESSAL) ACT, 2013

The Company is an equal opportunity provider and consciously strives to build a work culture that promotes the dignity of all employees. As required under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 and Rules framed there under, the Company has implemented a policy on prevention, prohibition and redressal of sexual harassment at the workplace.

The Company has zero tolerance on Sexual Harassment at workplace. During the year under review, there were no cases filed pursuant to the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.

## 28. CORPORATE GOVERNANCE

Our corporate governance practices are a reflection of our value system encompassing our culture, policies, and relationships with our stakeholders. Integrity and transparency are key to our corporate governance practices to ensure that we gain and retain the trust of our stakeholders at all times. Corporate governance is about maximizing shareholder value legally, ethically and sustainably. At MPS, the 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. Our **Corporate governance report** together with a Certificate



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from the Statutory Auditors of the Company regarding Compliance of conditions of Corporate Governance as stipulated under Listing Regulations for fiscal 2020 forms part of this Annual Report.

A Certificate of the CEO and CFO of the Company in terms of Listing Regulations, inter-alia, confirming the correctness of the financial statements and cash flow statements, adequacy of the internal control measures and reporting of matters to the Audit Committee also forms part of Report on Corporate Governance.

## **29. MANAGEMENT DISCUSSION AND ANALYSIS REPORT**

A detailed Management Discussion and Analysis Report for the year under review, as stipulated under Regulation 34 of the Listing Regulations, 2015 forms part of this Report.

## **30. COST RECORDS**

Maintenance of cost records and requirement of cost audit as prescribed under the provisions of Section 148 (1) of the Companies Act 2013 are not applicable for the business activities of the Company.

## **31. RISK MANAGEMENT POLICY**

The Board of Directors of the Company has formed a Risk Management Committee to frame, implement and monitor the risk management plan for the Company. The Committee is responsible for monitoring and reviewing the risk management plan and ensuring its effectiveness. The Audit Committee has additional oversight in the area of financial risks and controls. The major risks identified by the businesses and functions are systematically addressed through mitigating actions on a continuing basis. The development and implementation of risk management policy has been covered in the Management Discussion and Analysis, which forms part of this report.

## **32. ESTABLISHMENT OF VIGIL MECHANISM**

The Company has laid down Whistle Blower Policy covering Vigil Mechanism with protective Clauses for the Whistle Blowers. The Whistle Blower Policy is made available on the website of the Company.

## **33. PARTICULARS OF LOANS, GUARANTEES AND INVESTMENTS UNDER SECTION 186 OF THE COMPANIES ACT, 2013.**

The particulars of loans, guarantees and investments as per Section 186 of the Act by the Company, have been disclosed in the financial statements.

## **34. CORPORATE SOCIAL RESPONSIBILITY**

Pursuant to section 135 of Companies Act, 2013, the Company has constituted a CSR Committee and also in line with requirement CSR Policy is formed by the Company the details of which are available on the website of the Company (URL: [www.mpsinfotec.com/investors zone](http://www.mpsinfotec.com/investors_zone) ). Due to inadequacy of profit the Company had not contribute any amount towards CSR activities as required under the CSR Rules, 2014.

The Corporate Social Responsibility Committee of the Company has formulated and recommended to the Board, a Corporate Social Responsibility Policy (CSR Policy) indicating the activities to be undertaken by the Company, which has been approved by the Board.

The CSR Policy may be accessed on the Company's website at the link: [https://www.mpsinfotec.com/investors zone](https://www.mpsinfotec.com/investors_zone).



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The company's CSR Policy intends to:

- Strive for economic development that positively impacts the society at large with minimal resource footprint.
- Embrace responsibility for the Company's actions and encourage a positive impact through its activities on hunger, poverty, malnutrition, environment, communities, stakeholders and the society.

**The Composition of the CSR Committee during the Financial Year 2020-21 was:**

Mr. Peeyush Kumar Aggarwal	Managing Director and Promoter and Chairman of the Committee.
Mr. Manoj Kumar Jain	Independent Director and Member of the Committee.
Mrs. Madhu Sharma	Independent Director and Member of the Committee.

Prescribed CSR Expenditure (two per cent of the amount as in item 3 above): The average net profits for preceding 3 financial years are in negative, therefore no amount that is required to be spent by the Company as CSR expenditure.

Details of CSR spent during the financial year:

(a) Total amount to be spent for the financial year: Nil

(b) Amount unspent, if any: Nil

I Manner in which the amount sent during the financial year is detailed below:

1	2	3	4	5	6	7	8
<b>S.No.</b>	CSR Project or activity identified	Sector in which the Project is covered	Projects or Programs (1) Local Area or other (2) Specify the State and district where projects or programs was undertaken	Amount outlay (budget) project or program wise	Amount spent on the projects or programs  Sub-heads: Direct expenditure on projects or programs overheads	Cumulative expenditure upto the reporting period	Amount spent direct or through implementing agency
Not Applicable since the company had suffered losses during the last three years							

## 35. DISCLOSURE REQUIREMENT

As per Regulation 34 of the SEBI (Listing Obligation and Disclosure Requirement) Regulations 2015, corporate governance report with auditors' certification thereon and management discussion and analysis are attached and forms part of this report.

Details of familiarization programme of the independent directors are available on the website of the Company (URL: <http://mpsinfotec.com/pdf/Familiarization-Programme-for-Independent-Directors.pdf>)

Policy on dealing with related party transactions is available on the website of the Company (URL: <http://mpsinfotec.com/pdf/CC/Policy-on-Related-Party-Transaction.pdf>)



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The Company has formulated and published a Whistle Blower Policy to provide Vigil Mechanism for employees including directors of the company to report genuine concerns. The provisions of this policy are in line with the provisions of the Section 177(9) of the Act and the revised Regulation 22 of the listing agreements with Stock Exchanges. (URL: [http://mpsinfotec.com/pdf/CC/vigil\\_mechanism.pdf](http://mpsinfotec.com/pdf/CC/vigil_mechanism.pdf))

The Board has, on the recommendation of the Nomination & Remuneration Committee framed a policy for selection and appointment of Directors, Senior Management and their remuneration. The Remuneration Policy is stated in the Corporate Governance Report. The remuneration policy is also available on the company's website. (URL: <http://mpsinfotec.com/pdf/Nomination-&Remuneration-Policy.pdf>)

## 36. DEPOSITS

Though Your Company has not accepted any fixed deposits and, as such, no amount of Principal or interest on deposits from public was outstanding as of the date of balance sheet yet pursuant to the provisions of Chapter V of the Act, below are the details relating to deposits:

S. No	Particulars	Amount *Rs. / Remarks
(a)	Accepted during the year	Nil
(b)	Remained unpaid or unclaimed as at the end of the year	Nil
I	Whether there has been any default in repayment of deposits or payment of interest thereon during the year and if so, number of such cases and the total amount involved	N.A since the company has not accepted any deposits
	(iii) at the beginning of the year	Nil
	(ii) maximum during the year	Nil
	(iii) at the end of the year	Nil

## 37. CONSERVATION OF ENERGY AND TECHNOLOGY ABSORPTION

Your Company is mainly engaged in the business of IT and IT enabled services, providing solutions to the customers. The operations of your Company are accordingly not energy intensive. However, adequate measures are taken to conserve energy and ensure its optimum consumption by using and purchasing energy-efficient equipments. Your Company is committed to follow a high standard of environmental protection and provision of a safe and healthy work place for our people, customers and visitors. As energy costs comprise a very small part of our total expenses, the financial impact of these measures is not material. The company has not imported any technology during the year under review.

## 38. RESEARCH & DEVELOPMENT

Your Company strives to deliver high quality services to its customers and in such endeavor, constantly invests in and undertakes research & development aimed at improving its solutions. MPS has a dedicated business unit for Research & Development which delivers innovative solutions to clients and also fosters R&D within all business units to create intellectual property in the form of re-usable components, frameworks, etc., which help drive greater productivity. The company is carrying on R and D in multiple forms, but all of these are focused on better efficiency through continuous improvement in processes, systems methodologies and capabilities. Your company is committed to provide I.T. solutions that are innovative and continuously upgraded in keeping with emerging technology trends by a motivated workforce that includes R and D group, on time; all the time; resulting in maximizing stake holder's value. We have continued to invest in some fundamental research involving small budget with long term perspective. In order to excel at new operations and activities MPS stress is on continuous innovation and research, based on market requirements and customer expectations.



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## 39. EXTRACT OF ANNUAL RETURN

Pursuant to the provisions of Section 134(3)(a) and Section 92 of the Companies Act, 2013 read with Rule 12 of the Companies (Management and Administration) Rules, 2014 Annual Return of the Company as at 31<sup>st</sup> March, 2020 is uploaded on the website of the Company at [www.mpsinfotec.com](http://www.mpsinfotec.com).

## 40. FOREIGN EXCHANGE EARNINGS AND OUTGO

Particulars of foreign exchange earnings and outgo are as follows:

Particulars	Year ended 31.03.2021	Year ended 31.03.2020
Foreign exchange earnings	Rs.0.39 Lacs	Rs. 303.46 Lacs
Foreign exchange Outgo	Rs. 21.37 lacs	Rs. 19.01 Lacs

## 41. ACKNOWLEDGEMENTS

The Board of Directors acknowledges their deep appreciation to our customers, vendors, Financial Institutions, Business Associates, Bankers and all other Stakeholders for their continued co-operation and support to the Company.

The Board places its special appreciation and values the trust reposed and faith shown by every shareholder of the Company.

The Board places on record its deep appreciation for the cooperation extended by Auditors of the Company. Further, the Board wishes to record its deep gratitude to all the members of MPS family for their whole hearted support. The Board is also confident that the employees will continue to contribute their best in the year to come.

**For and on Behalf of the Board of Directors  
MPS Infotecnics Limited**

<b>Sd/-</b>	<b>Sd/-</b>
<b>Rachit Garg</b>	<b>Peeyush Kumar Aggarwal</b>
<b>Director</b>	<b>Managing Director</b>
<b>DIN: 07574194</b>	<b>DIN: 00090423</b>

**Place: New Delhi**  
**Date: 30/06/2021**





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## Management Discussion & Analysis Report

### Industry Overview

India is regarded as the back office of the world owing mainly to its IT and ITES industry. The IT industry accounted for 8% of India's GDP in 2020. Exports from the Indian IT industry are expected to increase by 1.9% to reach US\$ 150 billion in FY21. In 2020, the IT industry recorded 138,000 new hires. According to STPI (Software Technology Park of India), the software exports by its registered units increased by 7% YoY to reach Rs. 5 lakh crore (US\$ 67.40 billion) in FY21 from Rs. 4.66 lakh crore (US\$ 62.82 billion) in FY20, driven by rapid digitization and the IT industry's timely transition to remote working environments that helped to keep up the industry's growth amid coronavirus pandemic. Indian software product industry is expected to reach US\$ 100 billion by 2025.

Software and computing technology are transforming businesses in every industry around the world in a profound and fundamental way. Companies are rapidly adopting digital technologies to reimagine their cost structures, increase business resilience and agility, personalize experiences for their customers and employees, and launch new and disruptive products and services. While these trends have been unfolding for a few years now, they have been accelerated because of the COVID-19 pandemic and resulting shifts.

Technology has rapidly evolved for the past decade and so is the demand for Information Technology services and products leading to the industrial revolution in the Indian market. IT helped represent India as a big player in the global market is one of the finest growing economies in the world providing the high-end business solution and opening new export verticals. Indian IT's core competencies and strengths have attracted significant investment from major countries. The computer software and hardware sector in India attracted cumulative foreign direct investment (FDI) inflows worth US\$ 71.05 billion between April 2000 and March 2021. The sector ranked 2<sup>nd</sup> in FDI inflows, as per the data released by Department for Promotion of Industry and Internal Trade (DPIIT). In FY21, computer software and hardware topped FDI investments, accounting for 44% share of the total FDI inflows of US\$ 81.72 billion.

The world economy was beginning to regain its vitality during the most part of this financial year, having emerged from multiple macro challenges recently. The US-China trade war and Brexit conflict continued, and the automobile slowdown caused a demand contraction in related sectors. However, a new unforeseen challenge in the form of the Coronavirus pandemic disrupted the socio-economic equilibrium, marking a turning point in world economic history.

With business of most of its clients getting impacted by the coronavirus outbreak and likely lower discretionary spending as a result, growth for India's IT services sector is going to be a big challenge in the coming fiscal.

With restriction on movement of people following the scare, Indian IT companies' ability to deliver services on-site could get severely impacted but that could be addressed to some extent by working remotely. The significant weaknesses the IT industry is facing now is due to the fall in the economy, as a lot of companies are forced to ask their employees to work from home (remotely) keeping in the account of the public health concerns. Due to this, there is a massive loss in opportunity for many companies who have international dealers.

Most of the clients of the industry are getting impacted following the coronavirus outbreak and it will have a drastic impact on discretionary spending and some of the digital spending by clients. Global markets such as the US, Europe and Japan are already witnessing significant slowdown in economic growth. The spread of this deadly virus has caused a lot of tech conferences to get cancelled, which could have been a great partnership opportunity for many companies to expand their horizons. A few of the meetings were shifted to teleconferences, but this won't have the same reach, and the conference attendees will not be able to have the networking opportunity as they would be attending the actual conference. Due to the cancellation of these major tech conferences, there is



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an estimated loss of US\$ 1 Billion. The growth for Indian IT services industry is going to be a big challenge in the coming year as there will be significant impact on spending.

Even after all this, compared to many other industries, the IT industry is expected to have an enormous market boom from US\$ 131 Billion in 2020 to US\$ 295 in the next five years by 2025. The main reason for this increase in the economy for this industry is the increased demand for software and social media platforms such as Google Hangouts, WhatsApp Video call, Zoom, and Microsoft Teams. Due to the coronavirus, a lot of opportunities opened up in the IT industry, such as the growing need for the 5th generation (5G) technology. This will help increase connections that support the primed remote interactions. This has become the top priority for many organizations due to the pandemic.

Overall current account deficits and surpluses widened in 2020 to 3.2 percent of world GDP. The IMF's multilateral approach suggests that global excessive imbalances were broadly unchanged in 2020 at about 1.2 percent of world GDP. The external outlook for 2021 is highly uncertain given the divergent economic prospects across countries. The outlook for global current account balances is a gradual narrowing during 2022–26, mainly reflecting a narrowing of the US deficit and China's surplus to below pre-pandemic levels. Over the medium term, collective action is needed to reduce global imbalances in a growth-friendly manner.

## Company Profile

THE COMPANY IS PRESENTLY ENGAGED IN THE FOLLOWING AREAS:

- IT Solutions & Products, which comprise of:
  - Computer Hardware and peripherals
  - System Integration and Networking Solutions (Including Hardware)
  - Enterprise Software
  - Trading of UID Kit

The entire business has three modes of execution of business i.e. Trading of Hardware and Peripherals; Establishing IT Infrastructure and Customization and up-gradation. The Company procures material from leading Dealers and Distributors of leading brands of IT and IT Infrastructure product manufacturers like HP, Samsung, LG, Lenovo, Dell, Acer, etc. Based on the orders, the company procures the goods from leading manufacturers and thereafter the same are supplied.

During the year under review your company did not generate any revenue in this segment. The reasons for under performance in this sector as the same was considered unviable due to low credit periods, purchase of products in case and sale on credit, Low Margins, tough competition from the organized and unorganized sector.

- IT Enabled Services comprising of:
  - ✓ Domain registration,
  - ✓ web hosting,
  - ✓ value added services,
  - ✓ site builder tool,
  - ✓ site design,
  - ✓ consulting services and
  - ✓ infrastructure services.
  - Domain Registration & Web Hosting Services
  -

SignDomains™ is India's first ICANN Accredited domain registrar which offers on-line domain registration of top level domains (TLD) including .com .net .org .info .biz .in etc. Catering to a global client base through its on-line presence and secure payment gateway. SignDomains™ has several corporates, large portals, resellers and end-users as its clientele.



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The Company has tied up with various top level TLDs and offer these TLDs to our clients through its network of over 400 Re-sellers as well as directly by the Company.

MPS offers web-hosting solutions on MPS dedicated servers located at server farms and data centers located in US.

During the year under review, the revenue generated from the segment was Rs. 41.48 lacs the breakup of which is as under:

Product	Amount in lacs
Web Hosting	Rs.6.40 Lacs
Domain Registration	Rs. 35.08 Lacs
Software sale	NIL
Telecom	NIL

There was no revenue generated during the year under review from Telecommunication segment due to impact of pandemic COVID-19. Since December, 2019, COVID 19 when for the first time was detected in China and after that COVID-19 First wave spreads all over the world due to which your Company were not able to export Blackberry Mobile Phones. However, the management of your Company is hopeful of regaining the lost ground once the pandemic is over and normal economic activities resume.

- VAS & IT enabled Services

Value added services like SMS, payment gateways, messaging, e-identity management, e-commerce are available for corporate clients and other businesses.

The business of the company has considerably declined in all the sectors / areas in which it is engaged in. The main reason for the decline in the company's business is due to stiff competition not only from the organised sector but also from un-organised sector; various e-commerce portals are providing their goods and services, along with lucrative schemes and that too on payment of cash; the company's business has suffered as the company has to procure goods and services on cash and selling them on credit; there are number of mobile application available, which again provides their goods and services with lucrative discounts and schemes.

Since the company is facing stiff competition in the sectors in which it is operating, Your Company started exploring new avenues to increase its market share in the areas in which it operates. With this vision in mind your company has ventured into trade in mobile phones, where not much investment is required and in case it is required, the investment can be recovered in short span of time.

With the above background the company has on a trial basis started exporting mobile phones since June 2019 to Taiwan and Hong Kong as well as sold mobile handsets in the Domestic Market Your Company could not export mobile phones since December 2019 due to outbreak of COVID-19 pandemic and consequently complete lockdown imposed by the Governments across the globe to prevent the outbreak of the pandemic.

Though in the initial export trades, the company had incurred losses, however, the company hopes to recover the losses and make good profit on continued supplies to these countries on account of better purchase prices on quantity buying once the lockdown imposed by the Government is lifted.

Your Company also expects to trade mobile phones in the domestic market.

Apart from trading in Mobile phones your company is also exploring to provide consultancy and advisory services to entities in the field of Solar Power, which would include but not limited to setting up of Solar Power Plants, its management, supervision, development & trading of software, control the business of transmission of solar power, manufacturing and/or trading in parts of Solar Power Plants, supplying, generation, distribution, and



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dealing in electricity. The management of the company is in the process of negotiating with various strategic partners.

## **Opportunities and Challenges:**

The changing economic and business conditions, rapid technological innovation, proliferation of the internet and globalization are creating an increasingly competitive environment. The role of technology has evolved from supporting corporations to transforming them. Global companies are increasingly turning to offshore technology service providers in order to meet their need for high quality and cost competitive technology solutions.

We understand that being in the IT and ITES industry, your company can encounter a wide variety of risks and challenges in their endeavor to create and maintain a seamless, successful, sustainable and scalable business.

## **Telecommunication**

MPS's existing business model has been impacted by the uncertainty due to its high dependence on Telecommunication segment which has shown a significant decline due to various reasons, consequently losses have mounted leading to difficulty in bank financing and increasing dependence on loans from others. Your company has now diversified into export of telecommunication equipments and as well as sale of Mobile Handsets in the domestic market and exported Blackberry mobile to Hongkong and Taiwan. Though it has suffered trading losses in initial trades, but your company hopes to recover losses and make good profits on continued supplies to these countries on account of better purchase prices on quantity buying. Your Company had also ventured into selling these mobile handsets in the domestic market as well.

Smartphones have been taking the world by storm. Earlier mobile phone advertisements talked only about the product however, these days they paint a picture of society. People can find directions on Google Maps instead of asking people. Indians bought more smartphones during the period due to pent up demand after a pandemic-ravaged 2020, sending phone shipments up 23% year-over-year to more than 38 million units, the best sales for any first quarter, but a massive second wave of COVID-19 infections will hit future sales in the world's No.2 smartphone market.

India is also the second-largest telecommunications market in the world (after China), with over 1.05 billion subscribers. The mobile phone market in India has grown exponentially in the past decade, and with the emergence of smartphones, the growth has increased substantially. The Indian economy is also affected by smartphone sales, with the smartphone market accounting for a significant portion of the GDP. India is also the fourth largest economy in terms of usage of mobile applications.

Policies have been liberalized by the government which would see a strong and rapid growth of the smartphone market as there would be a huge consumer demand. Increase in smartphone sales and internet usage along with the government's efforts to increase the penetration of technology in rural regions have made this possible. The IDC also predicts India to overtake the US smartphone market in a few years.

Lot of factors have contributed to the rapid growth of the Indian smartphone market, but the two most important ones are the low cost of phones and their short shelf life. Our country is a cost-conscious economy, where affordable products sell the highest. Not surprisingly, the sub-10,000 segment of smartphones has seen the highest sales since 2012. Every smartphone maker wants to capitalize on the demand for budget devices with sub-10,000 offerings. From local brands to foreign brands, budget smartphones have flooded the market. The growth of the online market has also strongly affected the smartphone industry.

With 4G services entering the Indian market, smartphone sales are expected to be at an all-time high. By 2025, India will have 700 million internet users, with the telecom market touching Rs. 10 trillion. The India government



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has been playing a vital role in making the country tech-savvy. As 5G Network has entered the market, there networks offer the potential to transform industrial sectors and deliver significant social and economic benefits in India. Over the period 2023–2040, we (According to gsma) forecast that 5G technologies will make an overall contribution of approximately \$450 billion to the Indian economy (0.6% of GDP by 2040). The manufacturing sector is set to benefit the most from 5G applications (accounting for 20% of the total benefit), followed by retail (12%) and ICT (11%).

The smartphone market in India is strong enough to ensure a healthy competition among new, upcoming, and existing brands. There are over 100 mobile phone brands in India right now, and new ones are coming up every quarter. A number of factors will ensure the market remains on an upward curve, including low smartphone penetration, ease of foreign investment in India, and the ascendancy of Long-Term Evolution (LTE).

Mobile phone exports from India have witnessed a boom in 2018 with the country jumping 21 positions to the 17th spot on the exporters list. Indian companies sold mobile phones worth \$1.07 bn in 2018, said a statement by the Federation of Indian Export Organizations. Mobile phone exports from India grew 17 per cent annually in the last 5 years, becoming the 23rd largest export item from the country. In July 2018, Hon'ble Prime Minister Shri. Narendra Modi inaugurated a Samsung facility in Noida which is the world's largest mobile phone manufacturing unit. The facility exports mobile handsets to overseas markets. Hong Kong, UAE, and Russia are the top 3 export destinations for Indian manufacturers.

The mobile phones exports are expected to grow further as Chinese investments in the Indian mobile phone market is likely to come in the near future, he added. As per the reports Chinese brands controlled 75% of the Indian smartphone market.

Indian mobile phone makers are now seeking a paradigm shift to move far beyond — 'Make in India for Global'. Buoyed by the growing demand for mobile devices on domestic turf, the mobile handset companies in India now want to tap the global markets by shifting focus to exports of the home-made phones.

To fuel further growth, the mobile handset companies are now seeking a 10-year tax holiday and reforms to focus on exports that can enable them to grow by over eleven-fold to \$230 billion by 2025, a joint report by Indian Cellular and Electronics Association (ICEA) and McKinsey, that has been submitted to the government, showed.

The recommendations by the mobile handset companies also include reduction of various duties, greater flexibility in working hours, relaxing retrenchment of labour and closing of establishments rules, among others. There is a potential to manufacture 1,250 million (125 crore) handsets by the end of 2025, the report said. This would also lead to providing an employment to about 47 lakh people across the country in assembly, programming, testing in packaging (APIP) operations in the process, it added 120 manufacturing units. It may be noted that approximately 120 manufacturing units in the mobile manufacturing segment have come up since 2014 on the back of strong domestic market demand and with the support of government policy.

## **Make in India vs Make for the World**

India's mobile manufacturing industry currently produces primarily for the domestic market. If it continues to manufacture mobile handsets and components only for itself, it would be likely to produce only about 450 million handsets as compared with 1,250 million and employ just 80 lakh people for an industry worth nearly \$80 billion by 2025.

## **Changes in current policies**

The companies have recommended to bring changes to the current policies on taxes, labour laws and e-waste for orientation of the industry towards the global markets and to attract core manufacturing processes of global



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brands. Just in the Apple supplier eco-system, the top 15 component suppliers in China earned over \$80 billion in annual revenues in 2016 alone, on investment of about \$96 billion since 2007, the report showed.

### Exciting Future

The business of mobile phone assembly is a rare Make-in-India success story. India had two mobile manufacturing units in 2014. By 2019, there were over 200. The number of mobile handsets produced shot up from 60 to 290 million in the same period; the value of handsets produced jumped 10 times to \$30 billion. Moreover, rise in mobile-phone penetration and decline in data costs will add 500 million new internet users in India over the next five years. Fast Track Task Force (FTTF), under the Indian Ministry of Electronics and IT, estimates a 500 million mobile phones production in India by 2019, valued at USD 46 billion. The target is also to create a component manufacturing production worth USD 8 billion and employment worth USD 1.5 million by 2019. The factors that will ensure the market remains on an upward curve, including low smartphone penetration, ease of foreign investment in India, and the ascendancy of Long-Term Evolution.

With the above background the company has on a trial basis started exporting mobile phones since June 2019 to Taiwan and Hong Kong. The exports sales made during the year 2019 aggregates to Rs. 761.61 lacs. Though in the initial export trades, Your company had incurred losses, however, Your company hopes to recover the losses and make good profit on continued supplies to these countries on account of better purchase prices on quantity buying.

The efforts of your company in reviving its operation in the Telecom sector got a dent due to outbreak of COVID-19 Corona Virus pandemic as your company could not generate revenues since December 2019. Your Company hopes to recover as soon as pandemic is over and the economic situation normalizes.

Despite the fact that the company is facing stiff competition, yet, Your Company is exploring new avenues to increase its market share in the areas in which it operates. Your company expects to gain substantial amount of the market share in the times to come.

### SEGMENT WISE PERFORMANCE

The company is mainly operating in three segments:

- ✓ Telecommunication.
- ✓ IT Solutions & Products.
- ✓ IT enabled Services.

The segment wise revenues and profits / (loss) are tabulated hereunder:

Amount (Rs. in Lacs)				
Segment	Standalone		Consolidated	
	2020-21	2019-20	2020-21	2019-20
IT Solutions & Products	0	0	0	0
IT Enabled Services	14.75	52.58	14.75	52.58
Telecommunication	0	761.61	0	761.61
Total	14.75	814.19	14.75	814.19
Segment results - Profit / (loss) (before Interest & Tax)				
IT Solutions & Products	0	0	0	0



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IT Enabled Services	(26.01)	(6.43)	(26.01)	(26.43)
Telecommunication	0	(137.99)	0	(117.99)
Total	(26.01)	(144.42)	(26.01)	(144.42)
Less: Interest	15.65	41.89	15.65	41.89
Less: Other un-allocable Expenditure net off.	93.44	375.64	93.44	375.64
Add: Un-allocable Income	0.06	0.29	0.05	0.29
Profit before Tax	(135.05)	561.66	(135.05)	561.66

## INTERNAL CONTROL SYSTEM & THEIR ADEQUACY

Your Company has a proper and adequate system of internal controls to ensure that its assets are safeguarded and protected against loss. We have an audit committee which oversees the financial and operating reporting processes and disclosure of financial information to ensure that the financial statements are correct, sufficient and credible.

The audit committee also reviews with management and statutory auditor the adequacy of internal control systems, compliance, etc. The Company has in place adequate systems of internal control commensurate with its size and the nature of its operations. The systems and the procedures are constantly upgraded to suit the requirements.

## HUMAN RESOURCE AND DEVELOPMENT

The human resources strategy enabled the Company to attract, integrate, develop and retain the best talent required for driving business growth. The sustained strategic focused to enhance employee capability, improve efficiency and groom future leaders has helped MPS (earlier Visesh) maintain its position in the IT industry.

The Company has created a performance driven environment where innovation is encouraged, performance is recognized and employees are motivated to realize their potential. Our relentless pursuit to connect with employees on a regular basis, communicate in an open and transparent manner, provide opportunities to learn and grow within the organization are yielding desired results as is evident from the high retention rates and the motivation and engagement levels of our employees. The Company considers the quality of its human resources to be its most important asset and fosters an environment that encourages and values diversity and promotes personal and professional development of employees.

Your company is privileged to have the right blend of professionals both in field of technical & other professional areas. Dedication, a positive attitude, skills and professionalism have always been the feature of our workforce at all levels of organization.

The computer has been called 'the machine that changed the world.' We believe that Information Technology has and will continue to revolutionize all aspects of human life. The Information Technology Sector in India has to take care of threats and should trap the bundle of opportunities into its basket in order to take maximum benefits of its Information Technology competitive advantage.

## CAUTIONARY STATEMENT

Statements in the Management Discussion and Analysis describing company objectives, projections, estimates may be 'forward looking statements' within the meaning of the applicable security laws and regulations. Actual results could differ materially from those expressed or implied, depending upon economic conditions, changes in



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Government regulations and policies, demand, supply and price conditions, political and economic developments within and outside the country and various incidental factors.

The company assumes no responsibility to publicly amend, modify, or revise any forward looking statements, on the basis of any subsequent developments, information or events.

**For and on behalf of the Board**

**Sd/-**

**Peeyush Aggarwal**

**Chairman & Managing Director**

**DIN: 00090423**

**Place: New Delhi**

**Date: 30<sup>th</sup> June 2020**





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## **REPORT ON CORPORATE GOVERNANCE**

*In accordance with Regulation 34 (3) read with Schedule V of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 [“Listing Regulations, 2015”], the report containing the details of Corporate Governance of MPS Infotecnics Limited (“the Company”/ “MPS”) are as follows:*

### **OUR CORPORATE GOVERNANCE PHILOSOPHY**

Our Corporate Governance is a reflection of our value system encompassing our culture, policies, and relationships with our stakeholders. Integrity and transparency are key to our Corporate Governance practices to ensure we gain and retain the trust of our stakeholders at all times.

MPS believes in continuous good corporate governance and always strives to improve performance at all levels by adhering to corporate governance practices, such as managing its affairs with diligence, transparency, responsibility and accountability. Your Company has, therefore, designed its systems and action plans to enhance performance and stakeholders’ value in the long run.

To create a culture of good governance, your Company has adopted practices, that comprise of performance accountability, effective management control, fair representation of professionally qualified, executive, non-executive and independent Directors on the Board, adequate and timely compliance, disclosure of information on performance, ownership and governance of the Company. The Compliance Report on Corporate Governance herein signifies compliance of mandatory requirements of Corporate Governance as provided in Chapter IV of SEBI [Listing Obligations and Disclosure Requirements] Regulations, 2015.

Our Corporate Governance framework ensures that we make timely disclosures and share accurate information regarding our financials and performance, as well as disclosures related to the leadership and governance of MPS (‘the Company’). We believe that an active, well-informed and independent board is necessary to ensure the highest standards of Corporate Governance.

At MPS, the Board of Directors (‘the Board’) is at the core of our Corporate Governance practice. The Board oversees the Management’s functions and protects the long-term interests not only of the Shareholders but all other stakeholders.

The responsibility of the Board is to determine the overall corporate objectives and give direction and freedom to the management to achieve those objectives within a given framework. The organizational and governance structure enables an environment for value creation through sustainable and profitable growth.

The governance structure is based on the principles of freedom to the executive management within a given framework to ensure that the powers vested in the executive management are exercised with due care and responsibilities. The governance system encourages the entrepreneurship, risk taking and growth orientation with an objective to lead full accountability enabled by appropriate empowerment.

Your Company’s commitment to the principles of transparency, integrity, professionalism and accountability in all its dealings is the foundation of its continuous efforts to create sustainable value for all its stakeholders including shareholders, customers, employees and the society at large. In line with this philosophy, your Company follows highest standards of Corporate Governance practices.

The Company continues to focus its resources, strengths and strategies to achieve its vision, of becoming truly Global IT Company, while consciously taking all such actions as may be necessary in order to achieve its goal of value creation, safety in all process and operations, good governance and maximization of shareholder’s wealth.



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Under the overall supervision and control of the Board, the Managing Director is accountable for the overall working of the Company.

As on 31<sup>st</sup> March, 2021, the Board comprised of 6 members, of which three members are independent directors including a woman director. An independent director is the chairperson of each of the Board committees, namely Audit Committee, Nomination & Remuneration Committee, Stakeholders Relationship Committee and Risk Management Committees.

The Company is in compliance with the requirements of the guidelines on Corporate Governance stipulated under Regulation 27 of the SEBI (LODR) Regulations, 2015 with the Stock Exchanges.

## BOARD OF DIRECTORS (“BOARD”)

### a) Composition And Category Of Directors

We believe that our Board needs to have an appropriate mix of executive, non-executive and independent directors to maintain its independence, and separate its functions of governance and management. As on March 31, 2021, Our Board Comprise of six members, out of which three are Independent Directors, which includes a woman director. The composition of the Board comprise of a Managing Director, who is promoter of the company also; two Non-independent non-executive director; and three Independent Directors.

The composition of the Board is in conformity with Regulation 17 of the SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 (“Listing Regulations, 2015”) read with Section 149 of the Companies Act, 2013 (“the Act”). The Chairman of the Board Meetings is an Executive Director designated as Managing Director.

The names, designation, categories of the Directors and their shareholdings in the Company as on 31st March, 2021, are as exhibited below:

<i>Name of the Director</i>	<i>Category</i>	<i>Shareholding in the Company</i>
<i>Mr. Peeyush Kumar Aggarwal (DIN-00090423)</i>	<i>Managing Director &amp; Promoter</i>	<i>78,67,50,193 Equity Shares</i>
<i>Mr. Manoj Kumar Jain (DIN-018847852)</i>	<i>Non-Executive Independent Director</i>	<i>82,500</i>
<i>Mrs. Madhu Sharma (DIN-06947852)</i>	<i>Non-Executive Independent Director</i>	<i>Nil</i>
<i>Mr. Rachit Garg (DIN-07574194)</i>	<i>Non-Executive Director</i>	<i>Nil</i>
<i>Mr. Santosh Pradha (DIN – 00354664)</i>	<i>Non-Executive Independent Director</i>	<i>Nil</i>
<i>Mr. Ram Niwas Sharma (DIN – 08427985)</i>	<i>Non-Executive Director</i>	<i>Nil</i>

### b) Attendance of each director at the meeting of the board of directors and the last Annual General Meeting:

The Board of Directors is entrusted with the ultimate responsibility of the management, general affairs, direction and performance of the Company and has been vested with requisite powers, authorities and duties. The Board meets once a quarter to review a Quarterly Results and other agenda items on the agenda, and also on the occasion of the AGM. Additional meetings are held when necessary. Independent Directors are expected to attend at least four quarterly board meetings and the AGM. Committees of the Board usually meet before the Board Meeting, or whenever the need arises for transacting the business.



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The Board members are expected to rigorously prepare for, attend and participate in Board and applicable committee meetings.

Details of Directors' attendance at the meeting of the board of directors during the Financial Year 2020-21 and at the last Annual General Meeting, number of Directorships in other Indian companies and Committee memberships/Chairmanship held by them in Indian public companies as on 31st March, 2021 are furnished below:

Name of the Director	No of Board Meetings held during the tenure	No. of meetings attended	Attendance at the last AGM held on 30 <sup>th</sup> September 2019	No. of Directorship held in listed companies including this company	No. of Independent Directorship in Listed Entities including this Listed Entity	No. of committee Memberships / Chairmanships held in Public companies including this company*	
						As Member	As Chairman
Mr. Peeyush Kumar Aggarwal	8	8	Yes	3	0	6	0
Mr. Manoj Kumar Jain	8	8	Yes	3	3	2	4
Mrs. Madhu Sharma	8	8	Yes	6	6	5	3
Mr. Rachit Garg	8	8	Yes	1	0	0	1
Mr. Ram Niwas Sharma#	8	8	Yes	2	0	0	0
Mr. Santosh Pradhan	8	8	Yes	2	2	2	0

The necessary quorum was present at all the meetings.

### c) Names of the listed entities where the person is a director and the category of directorship

The names & categories of the Directors as on 31st March, 2021 are as exhibited below:

Name of the Director	Name of the Companies	Designation
Mr. Peeyush Kumar Aggarwal	MPS Infotecnics Limited	Managing Director
	Interworld Digital Limited	Non-Executive Director
	Advik Laboratories Limited	Managing Director
Mr. Manoj Kumar Jain	North Eastern Carrying Corporation Limited	Non-Executive Independent Director
	Advik Laboratories Limited	Non-Executive Independent Director
	MPS Infotecnics Limited	Non-Executive Independent Director
Mrs. Madhu Sharma	RCC Cements Limited	Non-Executive Independent



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	Advik Laboratories Limited	Director Non-Executive Director	Independent
	Interworld Digital Limited	Non-Executive Director	Independent
	MPS Infotecnics Limited	Non-Executive Director	Independent
	Polar Marmo Agglomerates Limited	Non-Executive Director	Independent
Mr. Rachit Garg	MPS Infotecnics Limited	Non-Executive Director	
Mr. Ram Niwas Sharma	MPS Infotecnics Limited Advik Laboratories Limited	Non-Executive Director Non-Executive Director	
Mr. Santosh Pradhan	MPS Infotecnics Limited	Non-Executive Director	Independent
	RCC Cements Limited	Non-Executive Director	Independent

**d) Number of meetings of the board of directors held and dates on which held:**

During the Financial Year 2020-21, eight meetings of the Board were held with a time gap of not more than one hundred and twenty days between any two consecutive meetings. These meetings were held on June 01, 2020, July 30, 2020, September 11, 2020, November 11, 2020, November 30, 2020, December 30, 2020, February 12, 2021, March 22, 2021.

All the Directors have made necessary disclosures regarding their directorship as required under Section 184 of the Act and on the Committee positions held by them in all the companies. None of the Directors on the Company's Board hold the office of director in more than 20 Companies, including maximum 10 public companies and none of the Directors of the Company are related to each other. In accordance with Regulation 26 of the Listing Regulations, 2015 none of the Directors are members in more than 10 committees or act as chairperson of more than 5 committees (the committees being, Audit Committee and Stakeholders Relationship Committee). All Non-Executive Directors who are not Independent Directors are liable to retire by rotation.

Independent Directors are Non-Executive Directors as defined under Regulation 16(1) (b) of the Listing Regulations, 2015 read with Section 149(6) of the Act. The maximum tenure of each Independent Director is in compliance with the Act. All the Independent Directors have confirmed that they meet the criteria as mentioned under Regulation 16(1)(b) of the SEBI Listing Regulations read with Section 149(6) of the Act.

**e) Web link where details of familiarization programmes imparted to independent directors is disclosed**

All our Directors are aware and also updated, whenever required, of their role, responsibilities, liabilities and obligations under the provisions of the Companies Act, 2013 and Rules made there under, as well as Regulation 25 of the Listing Regulations, 2015. The Independent Directors are also made aware of their roles and responsibilities at the time of their appointment and a detailed Letter of Appointment is issued to them. Familiarization programs can be accessed at [http://www.mpsinfotec.com/investors\\_zone.html](http://www.mpsinfotec.com/investors_zone.html) under the tab "Code of Conduct".

**f) Matrix setting out the skills/expertise/competence of the Board:**

The Board of Directors have identified the following Core Skills/ Expertise/ Competencies as required in the context of its business(es) and sector(s) for it to function effectively:



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The following is the list of core skills / competencies identified by the Board of Directors as required in the context of the Company's business and that the said skills are available within the Board Members:

- 1) Embrace the shared vision, mission and values of the organisation;
- 2) Knowledge of industry / sector, policies, major risks / threats and potential opportunities in which the Company operates;
- 3) Technical skills / experience in accounting / finance / government or public policy / economy / human resource management / strategy development and implementation / Capital planning;
- 4) Governance competencies like Director in large organisation, compliance focus, leadership, risk management experience, Business judgement.

### ***Independent Directors' Meeting***

Schedule IV of the Companies Act, 2013 and the Rules made thereunder mandate that the independent directors of the company shall hold at least one meeting in a year, without the attendance of non-independent directors and members of the Management.

In accordance with section 149(8) read with Schedule IV of the Companies Act, 2013 and Regulation 25(3) and 25(4) of the Listing Regulations, 2015 a meeting of the Independent Directors was held on 1<sup>st</sup> July, 2021 without the attendance of the Non-Independent Directors and members of the management to review the performance of the Non-Independent, Non-Executive Directors including the Chairman of the Board and performance of the Board as a whole for the FY 2020-21 and to Assess 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 its duties.

### **COMMITTEES OF BOARD OF DIRECTORS**

The Board Committees play a crucial role in the governance structure of the Company and have been constituted to deal with specific areas/activities which concern the Company and need a closer review. The Board Committees are set up under the formal approval of the Board to carry out clearly defined roles which are considered to be performed by members of the Board, as a part of good governance practice. The Committees operate as empowered agents of the Board as per their terms of reference. The Board supervises the execution of its responsibilities by the Committees and is responsible for their action. The Chairman of the respective committee informs the Board about the summary of the discussions held in the Committee Meetings. The minutes of the meetings of all Committees are placed before the Board for review.

The Board as on March 31, 2021, had five committees: audit committee, nomination & remuneration committee, stakeholders relationship committee and corporate social responsibility.

#### **(1) AUDIT COMMITTEE**

Our Audit Committee comprised of three members as on 31<sup>st</sup> March, 2021:

- a) Mrs. Madhu Sharma-Chairman
- b) Mr. Peeyush Kumar Aggarwal-Member
- c) Mr. Manoj Kumar Jain-Member

The Company Secretary acts as the Company Secretary of the Committee.



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The Primary objective of the committee is to monitor and provide an effective supervision of the Management's financial reporting process, to ensure accurate and timely disclosures, with the highest levels of transparency, integrity and quality of financial reporting. The committee notes the processes and safeguards employed by each of them. Audit Committee has the ultimate authority and responsibility to select, evaluate and, where appropriate, replace the independent auditors in accordance with law. All possible measures are taken by the Committee to ensure the objectivity and independence of the independent auditor. The committee is headed by an Independent Director. All possible measures taken by the committee to ensure the objectivity and independence of the independent directors.

## **a) Brief description of terms of reference**

As per Regulation 18 (3) read with Part C of Schedule II of the Listing Regulations and Section 177 of the Companies Act, 2013, the Audit Committee has been entrusted with the following responsibilities:

- Oversight of the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible;
- Recommend the appointment, remuneration and terms of appointment of Statutory & Internal Auditor of the Company as well as Secretarial Auditor of the Company;
- Approving the payment to Statutory Auditors for any other services rendered by the Statutory Auditor
- Reviewing, with the management, the Annual financial statements and Auditor's Report thereon before submission to the board for approval, with particular reference to:
  - (a) Matters required to be included in the director's responsibility statement to be included in the board's report in terms of clause (c) of sub-section (3) of section 134 of the Companies Act, 2013;
  - (b) Changes, if any, in accounting policies and practices and reasons for the same;
  - (c) Major accounting entries involving estimates based on the exercise of judgment by management
  - (d) Significant adjustments made in the financial statements arising out of audit findings;
  - (e) Compliance with listing and other legal requirements relating to financial statements;
  - (f) Disclosure of related party transactions;
  - (g) Modified opinion(s) in the draft audit report.
- Reviewing, with the management, the quarterly financial statements before submissions to the board for approval;
- Reviewing, with the management, the statement of use / application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the offer document / prospectus / notice and the report submitted by the monitoring agency monitoring the utilization of proceeds of a public or a rights issue and making appropriate recommendations to the board to take steps in the matter;
- Reviewing and monitoring the auditors independence and performance and effectiveness of audit process
- Approve any subsequent modifications of transactions of the company with related parties;
- Scrutiny of Inter Corporate loans and investments;
- Valuation of undertakings or assets of the company, wherever it is necessary;
- Evaluation of internal financial controls and risk management systems;
- Reviewing, with the management, performance of statutory and internal auditors, adequacy of the internal control systems;
- Reviewing the adequacy of internal audit function, if any, including the structure of the Internal Audit department, staff and seniority of the official heading the department, reporting structure coverage and frequency of internal audit;
- Discussion with internal auditors of any significant findings and follow up thereof;



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- Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the board;
- 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;
- To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders, (in case of non-payment of declared dividend) and creditors;
- Establish a vigil mechanism for directors and employees to report genuine concerns in such manner as may be prescribed;
- To review the functioning of whistle blower mechanism.
- Approval of appointment of Chief Financial Officer after assessing the qualification, experience and background, etc. of the candidate;
- Carrying out any other function as is mentioned in the terms of reference of the audit committee
- Oversee financial reporting controls and process for material subsidiaries;
- Reviewing statement of significant related party transactions (as defined by the audit committee), submitted by management;

The Committee is governed by the terms of reference which are in line with the regulatory requirements mandated by the Act and Listing Regulations. The Audit Committee ensures that it has reviewed each area that it is required to review under its terms of reference and under applicable legislation or by way of good practice. This periodic review ensures that all areas within the scope of the Committee are reviewed.

The Committee granted omnibus approval for the related party transactions proposed to be entered into by the Company at the beginning of the fiscal 2017. On a periodical basis, the committee reviewed and approved related party transactions.

### (b) Meeting of Audit Committee and attendance of members during the year

The Committee meets at least once a quarter. As on March 31, 2021, Audit Committee of the Company comprises of the following:

S.No	Name of Member	Category	Number of meetings during the Financial Year 2020-21	
			Held	Attended
1	Mrs. Madhu Sharma	Chairman	5	5
2	Mr. Peeyush Aggarwal	Member	5	5
3	Mr. Manoj Kumar Jain	Member	5	5

During the Financial Year 2020-21 , five meetings were held on 01/06/2020,30/07/2020,11/09/2020, 11/11/2020 and 12/02/2021. The time gap between two meetings did not exceed 120 days. The quorum was present for all the above five meetings.

The Company Secretary acts as the Secretary of the Committee.

The Company does not have any material non-listed Indian subsidiary Company however, your company has three (3) Foreign Subsidiaries namely Axis Convergence INC, Mautitius; Greenwire Network Limited, Hong Kong; and Opentech Thai Network Specialists Co. Limited, Thailand.

The Audit Committee of the Company reviews the financial statements of its Foreign Subsidiaries periodically. Significant issues pertaining to these foreign subsidiary companies are also discussed at Audit Committee Meetings. The Performance of all its subsidiaries is also reviewed by the Board periodically.



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## (2) NOMINATION AND REMUNERATION COMMITTEE:

### (a) CONSTITUTION AND COMPOSITION OF THE COMMITTEE

The Nomination and Remuneration Committee of the Company is constituted in line with the provisions of Regulation 19(1) and (2) of the Listing Regulations read with Section 178 of the Act. The terms of reference of the NRC are as per the guidelines set out in part D (A) of Schedule II of the Listing Regulations which are as follows:

- Recommend to the board the set up and composition of the board and its committees including the “*formulation of the criteria for determining qualifications, positive attributes and independence of a director*”.
- Recommend to the board of directors a policy relating to, the remuneration of the Directors, Key Managerial Personnel and other employees.
- Devising a policy on diversity of board of directors.
- Formulation of criteria for evaluation of performance of Independent Directors and the Board of Directors.
- Identifying persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down.
- Recommend to the Board of Directors their appointment and removal.
- On an annual basis, recommend to the board the remuneration payable to the directors and oversee the remuneration to executive team or key managerial personnel of the Company.
- Oversee familiarization programs for directors.
- Recommend to the Board whether to extend or continue the term of appointment of the independent director, on the basis of the report of performance evaluation of independent directors.

The Nomination & Remuneration Committee met on 30/11/2020.

The present composition of the committee and the attendance details of the members are given below:

Name of the Member	Category	No. of meetings held during the Financial Year 2020-21	No. of meetings attended during the Financial Year 2020-21
Mrs. Madhu Sharma	Chairman	1	1
Mr. Manoj Kumar Jain	Member	1	1
Mr. Rachit Garg	Member	1	1

The Company Secretary acts as the Secretary of the Committee.

### (b) PERFORMANCE EVALUATION CRITERIA FOR INDEPENDENT DIRECTORS

The Company has adopted a robust process for the performance evaluation of the entire Board including the Independent Directors. Please refer to the Directors’ Report for details on the Performance Evaluation of the Board.

### (c) REMUNERATION TO DIRECTORS

#### (a) Remuneration policy:





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Nomination and Remuneration policy in the Company is designed to create a high performance culture. It enables the Company to attract, retain and motivate employees to achieve results. Our business model promotes customer centricity and requires employee mobility to address project needs. The remuneration policy supports such mobility through pay models that are compliant to local regulations.

The Company pays remuneration by way of salary, benefits, perquisites and allowances (fixed component). Annual increments are decided by the Nomination and Remuneration Committee (NRC) within the salary scale approved by the members of the Company.

In terms of section 178 of the Companies Act, 2013 and Regulation 19 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended from time to time, this policy on Nomination and remuneration of Directors, Key Managerial Personnel (KMP), senior management and other employees of the Company has been formulated by the Nomination and Remuneration Committee of the Company and approved by the Board of Directors.

## **b) Criteria for Making Payment to the Non-Executive Directors:**

The Company has a separate Policy for Remuneration of Non- Executive Directors and Employees and the same is available on the Company's website i.e. [http://www.mpsinfotec.com/investors\\_zone](http://www.mpsinfotec.com/investors_zone) under the tab "Code of Conduct".

## **c) Performance Evaluation Criteria for Independent Directors:**

The Company has adopted a robust process for the performance evaluation of the entire Board including the Independent Directors. Please refer to the Directors' Report for details on the Performance Evaluation of the Board.

## **d) Remuneration of Key Managerial Personnel and Directors:**

Details of remuneration of the Key Managerial Personnel for the year ended March 31<sup>st</sup>, 2021 has been provided in Annual Return i.e., which will be available at Company's Website [http://www.mpsinfotec.com/investors\\_zone](http://www.mpsinfotec.com/investors_zone).

## **(3) STAKEHOLDER' RELATIONSHIP COMMITTEE:**

The Stakeholder's Relationship Committee comprises Mr. Rachit Garg as the Committee's Chairman and Mr. Manoj Kumar Jain and Mr. Peeyush Kumar Aggarwal as members of the Committee. The Company Secretary acts as Secretary to the Committee.

### **The role of Stakeholder's Relationship Committee is as follows:**

- transfer/transmission of shares and such other securities as may be issued by the Company from time to time.
- issue of duplicate share certificates for shares/debentures and other securities reported lost, defaced or destroyed, as per the laid down procedure;
- issue new certificates against subdivision of shares, renewal, split or consolidation of share certificates / certificates relating to other securities;
- issue and allot right shares / bonus shares pursuant to a Rights Issue / Bonus Issue made by the Company, subject to such approvals as may be required;
- to approve and monitor dematerialization of shares / debentures / other securities and all matters incidental or related thereto;



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- to authorize the Company Secretary and Compliance Officer and/or other Officers of the Secretarial Share Department to attend to matters relating to non-receipt of annual reports, notices, non-receipt of declared dividend / interest, change of address for correspondence etc. and to monitor action taken;
- To look into the redressal of shareholders complaints and enquiries and monitoring expeditious redressal of investors / stakeholders grievances;
- all other matters incidental or related to shares, debenture

The Committee has periodic interaction with the representatives of the Registrar and Transfer Agent of the Company. The Company Secretary being the Compliance Officer takes personal interest in all the matters of concern for investors and reports the same to the Committee. To expedite the process of share transfers, the Board has delegated the power of share transfer to Mass Services Pvt. Ltd. viz. Registrar and Share Transfer Agent who attend to the share transfer formalities.

The Committee also ensures that the shareholders / investors' grievances and correspondence are attended and resolved expeditiously.

## Meetings of Stakeholders Relationship Committee

During the F.Y ending March 31, 2020 Stakeholder' Relationship Committee comprises of following members:

S. No.	Name of Member	Category	No. of meetings held during the Financial Year 2020-21	No. of meetings attended during the Financial Year 2020-21
1	Mr. Rachit Garg	Chairman	0	0
1	Mr. Peeyush Aggarwal	Member	0	0
2	Mr. Manoj Kumar Jain	Member	0	0

The Committee meets on a need basis to ensure the regular process of transfers / transmission of shares, split, Consolidation, demat / remat and issuance of duplicate share certificate

No meetings were held during the financial year 2020-21 under review.

The Company Secretary acts as Secretary to the Committee.

## Details of Shareholders' complaints

There were no complaints pending at the beginning of the year under review. Your Company didn't receive any complaints during the year and there were no complaints which were pending at the end of the year under review.

### (4) CORPORATE SOCIAL RESPONSIBILITY (CSR) COMMITTEE

The CSR Committee was constituted in accordance with the requirements of the statutes.

The Corporate Social Responsibility Committee comprises of Mrs. Madhu Sharma as the Chairman and Mr. Manoj Kumar Jain & Mr. Peeyush Kumar Aggarwal as the members of the Committee.

### The Role of Corporate Social Responsibility Committee is as follows:

- a) Formulating and recommending to the Board the CSR Policy and activities to be undertaken by the Company;



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- b) Reviewing the performance of Company in the area of CSR;
- c) Providing external and independent oversight and guidance on the environment and social impact of how the Company conducts its business;
- d) Monitoring CSR Policy of the Company from time to time;

No contribution had been made by the company as your company has suffered loss during the financial year under review.

## Meeting of CSR Committee and attendance of members during the year

No meeting was held during the Year under review.

The company Secretary acts as the Secretary to the Committee.

The CSR report, as required under the Companies Act, 2013 for the year ended March 31,2021 forms part of the Boards Report.

## (5) RISK MANAGEMENT COMMITTEE

As on 31<sup>st</sup> March, 2021, the Risk Management Committee of the Company comprises of Mr. Manoj Kumar Jain as the Chairman and Mr. Peeyush Kumar Aggarwal & Mrs. Madhu Sharma as members of the Committee.

The role of Risk Management Committee is to:

- a) Oversee the implementation of Risk Management Systems and framework;
- b) Review the Company's financial and risk management policies;
- c) Assess risk and procedures to minimise the same;
- d) Frame, implementing and monitoring the risk management plan for the Company.

## GENERAL BODY MEETING

Details of the last three Annual General Meeting and Extra-Ordinary General Meeting of the Company are as follows:

Date	Location	Time	No. of Special Resolution passed
30.12.2020	703, Arunachal Building, 19 Barakhamba Road, New Delhi-110001	10:00	5
30.09.2019	703, Arunachal Building, 19 Barakhamba Road, New Delhi-110001	10:00	2
29.09.2018	703, Arunachal Building, 19 Barakhamba Road, New Delhi-110001	10:30	1

### Whether any Special Resolution passed last year through postal ballot:

No special resolution was passed through postal ballot last year.

### Whether any Special Resolution is proposed to be conducted through postal ballot: No

Procedure for Postal Ballot: Not Applicable.



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## AFFIRMATION AND DISCLOSURE

All the members of the Board have affirmed their compliance with the Code of Conduct as on 31<sup>st</sup> March, 2021 and a declaration to that effect, signed by the Chairman and Chief Financial Officer (CEO), is attached and forms part of the Board Report.

There are no materially significant related party transactions of the Company, which have potential conflict with the interest of the Company at large. Suitable disclosure as required by accounting standard (AS) – Related party transaction has been made in Annual Report. All the Related party transaction is dealt with in accordance with the provisions of Companies Act, 2013 & Regulation 23 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

### Auditors Certificate on Corporate Governance

The Company has complied with all the mandatory- requirements of Corporate Governance, as required under the SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015.

Further, as required by Schedule V of the Listing Regulations, the Auditors Certificate on Corporate Governance forms part of this Report.

The Company has complied with the requirements specified in regulations 17 to 27 and regulation 46 of the Listing Regulations, 2015.

### Disclosure on Website

The following documents/information is linked with the website of the Company, i.e, [www.mpsinfotec.com](http://www.mpsinfotec.com) :-

Particulars	Web Link
Familiarization programs for independent directors	<a href="http://www.mpsinfotec.com/investors_zone.html">http://www.mpsinfotec.com/investors_zone.html</a>
Policy for determining ‘material subsidiaries’	<a href="http://www.mpsinfotec.com/investors_zone.html">http://www.mpsinfotec.com/investors_zone.html</a>
Policy on dealing with related party transactions	<a href="http://www.mpsinfotec.com/investors_zone.html">http://www.mpsinfotec.com/investors_zone.html</a>
CSR Policy	<a href="http://www.mpsinfotec.com/investors_zone.html">http://www.mpsinfotec.com/investors_zone.html</a>
Code of conduct for Directors and Senior Management	<a href="http://www.mpsinfotec.com/investors_zone.html">http://www.mpsinfotec.com/investors_zone.html</a>
Whistle Blower Policy/Vigil Mechanism	<a href="http://www.mpsinfotec.com/investors_zone.html">http://www.mpsinfotec.com/investors_zone.html</a>
Policy for preservation and archival of documents	<a href="http://www.mpsinfotec.com/investors_zone.html">http://www.mpsinfotec.com/investors_zone.html</a>
Policy on determination of materiality of events or information	<a href="http://www.mpsinfotec.com/investors_zone.html">http://www.mpsinfotec.com/investors_zone.html</a>
Nomination and Remuneration Policy	<a href="http://www.mpsinfotec.com/investors_zone.html">http://www.mpsinfotec.com/investors_zone.html</a>
Succession plan for appointment to the Board and senior management	<a href="http://www.mpsinfotec.com/investors_zone.html">http://www.mpsinfotec.com/investors_zone.html</a>
Code of conduct for Insider Trading	<a href="http://www.mpsinfotec.com/investors_zone.html">http://www.mpsinfotec.com/investors_zone.html</a>
Policy on Risk Management	<a href="http://www.mpsinfotec.com/investors_zone.html">http://www.mpsinfotec.com/investors_zone.html</a>

## MEANS OF COMMUNICATION

All important information relating to the Company, its financial performance, shareholding pattern, quarterly results, other information as per the Listing Regulations are regularly posted on Company’s website i.e



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[www.mpsinfotec.com](http://www.mpsinfotec.com). The quarterly, half-yearly and annual financial results of the Company are published in one prominent widely circulated English newspaper and one in daily Hindi Newspaper viz. The Business Standard (English) & (Hindi). These results are also made available on the websites of the Company, BSE Limited and National Stock Exchange of India Limited. The Annual Report, Quarterly Results, Shareholding Pattern, Intimation of Board Meetings and other relevant information of the Company are posted through BSE Listing Centre and NSE Electronic Application Processing System (NEAPS) portals for investor information.

As per Regulation 47 (1) (b) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, an extract of the detailed format of Quarterly/Annual Financial Results filed with the Stock Exchanges under Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 are published in the newspapers. The full format of the Quarterly/Annual Financial Results is also available on the Company's website and Stock Exchange websites [www.nseindia.com](http://www.nseindia.com) and [www.bseindia.com](http://www.bseindia.com).

The notice of AGM along with Annual Report is sent to the shareholders well in advance of the AGM which is also published in newspapers. In addition, the Stock Exchange is notified of any important developments that may materially affect the working of the Company. Annual report of the Company is circulated to all the members and all others entitled thereto.

## GENERAL SHAREHOLDER'S INFORMATION

a)	Registered Office	:	703, Arunachal Building, 19, Barakhamba Road, New Delhi 110001
b)	Annual General Meeting <ul style="list-style-type: none"> <li>• Date</li> <li>• Day</li> <li>• Time</li> <li>• Venue</li> <li>• Posting of Annual Report</li> <li>• Last date of receipt of Proxy Form</li> </ul>	:	30 <sup>th</sup> September Thursday 11:00 A.M. 703, Arunachal Building, 19, Barakhamba Road, New Delhi 110001  On or before 4 <sup>th</sup> September, 2021 48 hours before the Meeting i.e. 28 <sup>th</sup> September, 2021 by 11:00 A.M.
c)	Financial Year Financial year for the period under review First Quarter Second Quarter Third Quarter Fourth Quarter	:	1 <sup>st</sup> April to 31 <sup>st</sup> March 1 <sup>st</sup> April 2020 to 31 <sup>st</sup> March 2021  1 <sup>st</sup> April 2020 to 30 <sup>th</sup> June 2020 1 <sup>st</sup> July 2020 to 30 <sup>th</sup> September 2020 1 <sup>st</sup> October 2020 to 31 <sup>st</sup> December 2020 1 <sup>st</sup> January 2020 to 31 <sup>st</sup> March 2021
d)	Dividend Payment Date	:	For the year ended March 31, 2021, the Directors have not recommended dividend.
e)	Date of Book Closure	:	The Register of members and share transfer Books of the Company shall remain closed from 24 <sup>th</sup> September, 2021 to 30 <sup>th</sup> September, 2021 (both days inclusive)
f)	Registrar & Share Transfer Agents (RTA)	:	<b>Address &amp; Contact Details</b> T-34, 2 <sup>nd</sup> Floor, Okhla Industrial Area, Phase-II, New Delhi-110020 Tel no. : 011-26387281-83 Fax : 011- 26387384 e-Mail : info@massserv.com
g)	Listing of Shares	:	Shares are listed on following Stock Exchanges: <b>1) Name: National Stock Exchange of India Ltd.</b> Address: Exchange Plaza, Bandra, Kurla Complex,



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			Bandra(E) Mumbai-400051 <b>Stock Code: VISESHINFO</b>
			<b>2) Name: BSE Limited</b> Address: Phiroze Jeejeebhoy Tower, Dalal Street, Mumbai-400001 <b>Stock Code: 532411</b>
<b>WITH EFFECT FROM 28<sup>TH</sup> AUGUST, 2000 THE SHARES OF MPS INFOTECNICS LIMITED (FORMERLY VISESH INFOTECNICS LIMITED) ARE TRADED IN DE-MAT FORM ONLY:</b>			
h)	ISIN Code	:	INE861A01058
i)	Investor service cell & address for correspondence Address  Telephone No Fax E-mail	:	703, Arunachal Building, 19, Barakhamba Road, New Delhi 110001 +91 11 43571044 +91 11 43571047 <a href="mailto:info@mpsinfotec.com">info@mpsinfotec.com</a>
j)	Compliance Officer	:	Mrs. Garima Singh, Company Secretary & Compliance Officer

## STOCK MARKET DATA

The monthly high and low quotations and volume of shares traded at National Stock Exchange of India Limited (NSE) & Bombay Stock Exchange Limited (BSE) are as follows:

Financial Year April 2020 to March 2021	National Stock Exchange			Bombay Stock Exchange		
	High	Low	No. of shares traded	High	Low	No. of shares traded
April, 2020	0.00	0.00	0	0.00	0.00	0
May, 2020	0.00	0.00	0	0.00	0.00	0
June, 2020	0.00	0.00	0	0.00	0.00	0
July, 2020	0.00	0.00	0	0.00	0.00	0
August, 2020	0.00	0.00	0	0.00	0.00	0
September, 2020	0.00	0.00	0	0.00	0.00	0
October, 2020	0.00	0.00	0	0.00	0.00	0
November, 2020	0.00	0.00	0	0.00	0.00	0
December, 2020	0.00	0.00	0	0.00	0.00	0
January, 2021	0.00	0.00	0	0.00	0.00	0
February, 2021	0.00	0.00	0	0.00	0.00	0
March, 2021	0.19	0.19	11910394 8	0.10	0.10	138963276

The trading in the shares of the company is suspended since 12<sup>th</sup> March 2020. However, in March 2021, trading has been started First Monday of the week on trade to trade basis.



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## Share Transfer System:

Share transfers, where transfer documents are found in order, are registered and returned in the normal course within a period of 15 days from the date of receipt of the documents. Any requests for Dematerialisation / re-materialization of shares are processed and confirmation is given to depositories i.e. National Securities Depositories Limited (NSDL) or Central Depositories Services (India) Limited (CDSL), as the case may be, within 30 days from the date of receipt.

## Dematerialization of Shares

Pursuant to an agreement with the NSDL and CDSL, the shareholders have the option to dematerialize their shares with either of the depositories. Equity shares of the Company are actively traded at National Stock Exchange & Bombay Stock Exchange.

## Status of issued capital as on 31<sup>st</sup> March, 2021:

Total Issued Capital	No. of Shareholders	No. of Shares	% to total shareholding
NSDL (Demat Form)	22341	1352429176	35.83
CDSL (Demat Form)	25609	2413165093	63.94
Physical Form	1990	8842386	0.23
<b>TOTAL</b>	<b>49940</b>	<b>3774436655</b>	<b>100.00</b>

## DISTRIBUTION OF SHAREHOLDING AS ON 31<sup>ST</sup> MARCH 2021:

Shareholding of Nominal Value of (₹)	No. of shareholders	% to total no. of shareholders	Amount in (₹)	% to total shareholding
Upto 5000	26500	54.107	41619079	1.102
5,001-10,000	6788	13.859	57198177	1.515
10,001-20,000	4582	9.355	71527304	1.895
20,001-30,000	2220	4.532	57269239	1.517
30,001-40,000	1048	2.139	38235641	1.013
40,001-50,000	1713	3.497	83354349	2.208
50,001-1,00,000	2945	6.013	245111644	6.493
1,00,001 and above	3181	6.494	3180121222	84.254
<b>TOTAL</b>	<b>48977</b>	<b>100.00</b>	<b>3774436655</b>	<b>100.00</b>

\*430 Shareholders are common in Demat & Physical.

## Outstanding GDRs/ADRs/warrants or any convertible instruments, conversion date and likely impact on equity:

The Company has no GDRs/ADRs or any commercial instrument pending conversion.

## Commodity price risk or foreign exchange risk and hedging activities

The Company monitors the price of key commodities closely and formulates the procurement strategies basis actual price movements / trends /projections in India and Global Markets. The Company has adequate governance structure of aligning and reviewing the procurement strategies in line with external and internal dynamics.



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The Company does not hedge foreign exchange risk as the exposure is not material.

## ADDITIONAL INFORMATION

### Investor Relations Section

The Investors Relations Section is located at the Registered Office of the Company.

Contact Person	:	Mrs. Garima Singh Compliance Officer
Time	:	10:00 AM to 6:00 PM On all working days of the Company (except Sundays)
Telephone	:	011-43571043-44
Fax	:	011-43571047
Email	:	<a href="mailto:info@mpsinfotec.com">info@mpsinfotec.com</a>

## OTHER DICLOSURES

### **(a) Disclosures on materially significant related party transactions that may have potential conflict with the interests of listed entity at large:**

All related party transactions are placed before the Audit Committee and also the Board meeting for approval. Omnibus approval of the Audit Committee and Board was obtained on a yearly basis for the transactions which are of a foreseen or repetition nature.

Suitable disclosure as required by applicable Accounting Standards (IND AS) has been made in the notes to the Financial Statements.

The Board of Directors of the Company, on the recommendation of the Audit Committee, adopted a policy on Related Party Transactions, to regulate the transactions between the Company and its Related Parties, in compliance with the applicable provisions of the Companies Act, 2013 and SEBI (LODR) Regulations, 2015.

The Policy as approved by the Board is uploaded on the Company's website at [www.mpsinfotec.com](http://www.mpsinfotec.com). The details of the Related Party Transactions in Form AOC-2 are annexed to the Directors' Report.

### **(b) Details of non-compliance by the listed entity, penalties, strictures imposed on the listed entity by stock exchange(s) or the board or any statutory authority, on any matter related to capital markets, during the last three years;**

The Script of the Company has been suspended by the Stock Exchanges due to Non-Payment of Listing Fees pursuant of SEBI/Stock Exchange Circular bearing No. LIST/COMP/OPS/16/2019-2020 dated June 11, 2019. In terms of the said circular the depositories on the instructions of the stock exchanges where the shares of the company are listed has frozen the demat account of the Directors and Promoters of the Company. The Company has paid the Listing Fees dated 27th July, 2021. Your Company is waiting for the orders frm the Stock Exchanges for normal resumption of trading in the shares of the Company.

### **(c) Details of establishment of vigil mechanism, whistle blower policy, and affirmation that no personnel has been denied access to the audit committee;**





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In accordance with the provisions of Section 177(9) of the Companies Act 2013 and the Rules made thereunder and also Regulation 22 of the SEBI (LODR) Regulations 2015, Whistle Blower Policy of the Company can be visited at its website [http://www.mpsinfotec.com/investors\\_zone.html](http://www.mpsinfotec.com/investors_zone.html) under the tab "Policies". The Company has not denied any personnel access to the Audit Committee of the Company (in respect of matters involving alleged misconduct) and it has provided protection to "Whistle Blowers" from unfair termination and other unfair or prejudicial employment practices.

**(d) Details of compliance with mandatory requirements and adoption of the non-mandatory requirements;**

All the applicable mandatory requirements of Corporate Governance norms as enumerated under Schedule II to the SEBI (LODR) Regulations, 2015.

**(e) Web link where policy for determining 'material' subsidiaries is disclosed;**

The Company has no material subsidiary as defined under the SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015, as amended or under the Companies Act, 2013, as amended, for the year ending March 31st, 2019.

**(f) Disclosure of commodity price risks and commodity hedging activities.**

The Company monitors the price of key commodities closely and formulates the procurement strategies basis actual price movements / trends / projections in India and Global Markets. The Company has adequate governance structure of aligning and reviewing the procurement strategies in line with external and internal dynamics.

**(g) A certificate from a company secretary in practice that none of the directors on the board of the company have been debarred or disqualified from being appointed or continuing as directors of companies by the Board/Ministry of Corporate Affairs or any such statutory authority.**

The Certificate dated 18th June, 2021 received from M/s. Kundan Agrawal & Associates Practicing Company Secretary confirming that none of the Directors on the Board of the Company have been debarred or disqualified from being appointed or continuing as Directors of the Company by the Board/Ministry of Corporate Affairs or any such Statutory Authority "**Annexure-D.**"

**(h) Total fees for all services paid by the listed entity and its subsidiaries, on a consolidated basis, to the statutory auditor and all entities in the network firm/network entity of which the statutory auditor is a part.**

The Company has paid fees of Rs. 1,50,000/- to Statutory Auditors for all services and includes past outstanding.

**(i) Disclosures in relation to the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013:**

The Company has zero tolerance for sexual harassment at workplace and has adopted a Policy on prevention, prohibition and redressal of sexual harassment at workplace in line with the provisions of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 and the Rules thereunder and same is posted on the website of the Company and can be accessed at [http://www.mpsinfotec.com/investors\\_zone.html](http://www.mpsinfotec.com/investors_zone.html). No complaint has been received during the financial year 2018-19



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## DISCRETIONARY REQUIREMENTS

### **Furnishing of half yearly results:**

The Company's half yearly results are published in the newspapers and also posted on its website i.e. [www.mpsinfotec.com](http://www.mpsinfotec.com) and are, therefore, not sent to the shareholders. However, the Company furnishes the quarterly and half yearly results on receipt of a request from the shareholders.

### **Reporting of Internal Auditor:**

The Internal Auditor of the Company directly reports to the Audit Committee

## COMPLIANCE WITH MANDATORY REQUIREMENTS

The Company has complied with all the mandatory requirements specified in Regulation 17 to 27 and clauses (b) to (i) of sub regulation (2) of Regulation 46 and paragraph C, D and E of Schedule V of the SEBI (LODR) Regulations, 2015.

### **"Go Green" Initiative**

As a continuing endeavor towards the "Go Green" initiative, the Company has sent various notices/documents/Annual reports to the shareholders through electronic modes at their e-mail id registered with the Depository Participants. The shareholders, who have so far opted for it, are being provided these documents in electronic mode and further, the copy of such documents is also be available on the website of the Company i.e. [www.mpsinfotec.com](http://www.mpsinfotec.com).

You are also entitled to be furnished, a physical copy of the above documents of the Company on demand. We would greatly appreciate and encourage more Members to register their email address with their Depository Participant or the Registrar and Transfer Agent of the Company, to receive soft copies of the Annual Report, Postal Ballot Notices and other information disseminated by the Company, on a real-time basis without any delay.

### **CEO and CFO Certification**

The Certificate issued by the Managing Director (CEO) and Chief Financial Officer (CFO) certifying the accuracy of the financial statements and adequacy of internal controls for financial reporting, as required under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015; as amended, forms part of this Annual Report.

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

Sd/-

**Peeyush Kumar Aggarwal  
Chairman & Managing Director  
DIN: 00090423**

**Place: New Delhi  
Date: 30<sup>th</sup> June,2021**



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## **Declaration as required under Schedule V Part D of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015**

I declare that all Board Members and Senior Management have individually affirmed compliance with the code of business conduct and ethics adopted by the company during the year 2019-20. The Code of conduct is available on the Company's website i.e. [www.mpsinfotec.com](http://www.mpsinfotec.com).

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

**Place: New Delhi  
Date: 30<sup>th</sup> June,2021**

**Sd/-  
Peeyush Kumar Aggarwal  
Chairman & Managing Director  
DIN: 00090423**



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## AUDITORS' CERTIFICATE ON CORPORATE GOVERNANCE

To,  
**The Members of MPS Infotecnics Ltd.**

We have examined the compliance of conditions of Corporate Governance by MPS Infotecnics Ltd. for the financial year ended 31<sup>st</sup> March, 2021, as stipulated under Regulation 17 to 27 of the SEBI (Listing Obligation and Disclosure Requirements) Regulation 2015 of the said Company with the Stock Exchanges.

The compliance of conditions of Corporate Governance is the responsibility of management. Our Examination was limited to procedures and implementation thereof, adopted by the Company for ensuring the compliance of conditions of the Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us, and the representations made by the Directors and the management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the Listing Agreement.

We state that as per the report given by the Registrar and Transfer Agent of the Company to the Stakeholder' Relationship Committee, as on March 31, 2021, there were no investor grievance matters against the Company remaining unattended / pending for more than 15 days.

We further state that such compliance is neither an assurance as to future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.

**For Nemani Garg Agarwal & Co.,**  
**Chartered Accountants**  
**Firm Registration No. 010192N**

**Sd/-**  
**SK Nemani**  
**Partner**  
**Membership Number - 037222**

**Place: New Delhi**  
**Date: 30<sup>th</sup> June, 2021**



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## CEO & CFO Certification

To  
The Board of Directors  
MPS Infotecnics Limited  
New Delhi

We, Peeyush Kumar Aggarwal, Managing Director & CEO and Sanjay Shama, CFO of MPS Infotecnics Limited, to the best of our knowledge and belief, certify that:

- (a) We have reviewed Financial Statements and the Cash Flow Statement for the year ended 31st March, 2021 and:
  - (i) These Financial Statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
  - (ii) These Financial 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 is, to the best of our knowledge and belief, no transaction entered into by the Company during the year ended 31st March, 2021, which is fraudulent, illegal or violative of the Company's code of conduct.
- (c) We accept responsibility for establishing and maintaining Internal Controls for financial reporting and that we have evaluated the effectiveness of 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 or 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 Audit Committee that for the year ended 31st March, 2021, there were:
  - (i) Significant changes, if any, in internal control over financial reporting during the year;
  - (ii) Significant changes, if any, in accounting policies during the year and that the same have been disclosed in the notes to the financial statements; and
  - (iii) No instances of significant fraud of which we have become aware and there has been no involvement therein of the management or an employee having a significant role in the Company's Internal Control System over financial reporting.

Sd/-  
Peeyush Kumar Aggarwal  
Chairman & Managing Director

Sd/-  
Sanjay Sharma  
Chief Financial Officer

Place: Delhi  
Date: 30<sup>th</sup> June, 2021



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FORM AOC-1				
[Pursuant to first proviso to sub-section (3) of Section 129 read with rule 5 of the Companies (Accounts) Rules, 2014]				
Statement containing salient features of the financial statement of subsidiaries / associate companies / joint ventures				
Part "A": Subsidiaries				
(Information in respect of each subsidiary to be presented with amounts in Rs. )				
Sl. No.	Particulars	Details		
1	Name of subsidiary	Axis Convergence INC	Greenwire Network Limited	Opentech Thai Network Specialists Limited
2	Reporting period for the subsidiary concerned, if different from the holding company's reporting period	1st April 2020 to 31st March 2021	1st April 2020 to 31st March 2021	1st January 2020 - 31st December 2021
3	Reporting currency and Exchange rate as on the last date of the relevant Financial year in the case of foreign subsidiaries	US Doller	US Doller	Thai Bhat
4	Share Capital	20000	25641	13000000
5	Reserves & Surplus	858507	114729	(13048088.15)
6	Total Assets	1399427	810834	763046.02
7	Total Liabilities	1399427	810834	763046.02
8	Investments	-	-	2000
9	Turnover	-	-	-
10	Profit before taxation	-	-	-
11	Provision for taxation	-	-	-
12	Profit after taxation	-	-	-
13	Proposed Dividend	-	-	-
14	% of Shareholding	100%	100%	99.996%
1.Name of Subsidiaries which are yet to commence operations-Not Applicable				
2.Name of Subsidiaries which have been liquidated or sold during the year-Not Applicable				
Part "B": Associate and Joint Ventures				
Statement Pursuant to Sec.129(3) of the Companies Act, 2013 related to Associate Companies and Joint Ventures				
	Name of Associates or Joint Ventures	Not	Not Applicable	Not Applicable



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		Applicable		
1	Latest Audited Balance Sheet Date	-	-	-
2	Date on which the Associate or Joint Venture was associated or acquired	-	-	-
3	Shares of Associate or Joint Ventures held by the Company on the Year End	-	-	-
	No.	-	-	-
	Amount of Investment in Associates or Joint Ventures	-	-	-
	Extent of Holding ( in percentage)	-	-	-
4	Description of how there is significant influence	-	-	-
5	Reason why the Associate/Joint Venture is not Consolidated	-	-	-
6	Networth attributable to Shareholding as per latest Audited Balance Sheet	-	-	-
7	Profit or Loss of the Year	-	-	-
(i)	Considered in Consolidation	-	-	-
(ii)	Not Considered in Consolidation	-	-	-
1.Name of Associates or Joint Ventures which are yet to commence operations-Not Applicable				
2.Name of Associates or Joint ventures which have been liquidated or sold during the year-Not Applicable				

For & On behalf of the Board of Directors of  
MPS Infotecnics Ltd.

Sd/-

Peeyush Aggarwal  
Chairman & Managing Director

Place: New Delhi  
Date: 30<sup>th</sup> June, 2021

FORM NO. AOC.2



# MPS INFOTECNICS LIMITED

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<b>Form for disclosure of particulars of contracts/arrangements entered into by the company with related parties referred to in sub-section (1) of section 188 of the Companies Act, 2013 including certain arms length transactions under third proviso thereto</b>				
<b>(Pursuant to clause (h) of sub-section (3) of section 134 of the Act and Rule 8(2) of the Companies (Accounts) Rules, 2014)</b>				
<b>1</b>		<b>Details of contracts or arrangements or transactions not at arm's length basis - N.A</b>		
	<b>a</b>	<b>Name(s) of the related party and nature of relationship</b>		
	<b>b</b>	<b>Nature of contracts/arrangements/transactions</b>		
	<b>c</b>	<b>Duration of the contracts/arrangements/transactions</b>		
	<b>d</b>	<b>Salient terms of the contracts or arrangements or transactions including the value, if any</b>		
	<b>e</b>	<b>Justification for entering into such contracts or arrangements or transactions</b>		
	<b>f</b>	<b>date(s) of approval by the Board</b>		
	<b>g</b>	<b>Amount paid as advances, if any:</b>		
	<b>h</b>	<b>Date on which the special resolution was passed in general meeting as required under first proviso to section 188</b>		
<b>2</b>		<b>Details of material contracts or arrangement or transactions at arm's length basis</b>		
	<b>a</b>	<b>Name(s) of the related party and nature of relationship</b>	Mr. Peeyush Kumar Aggarwal - Promoter Director	1.Omkam Global Capital Pvt. Ltd. - Mr. Peeyush Aggarwal is also a Director in OGCL 2. E-visesh.com Limited
	<b>b</b>	<b>Nature of contracts/arrangements/transaction</b>	Unsecured loans received	Unsecured loans received Unsecured loans received
	<b>c</b>	<b>Duration of the contracts/arrangements/transaction</b>	N.A	N.A N.A
	<b>d</b>	<b>Salient terms of the contracts or arrangements or transactions including the value, if any</b>	The promoter director had been infusing funds from time to time for the smooth functioning of the Company and to meet	Mr. Peeyush Aggarwal, Promoter Director of the Company is also a promoter director of Omkam Global M/s. E-visesh.com Limited- Mr. Peeyush Kumar Aggarwal is the Managing





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			short term fund requirements. During the year under review, Mr. Peeyush Aggarwal had infused Rs. 18.28 lacs . In aggregate the company over the years has received a sum of Rs. 176.72 lacs . The funds received by the promoter are repayable on demand and/or as and when the company has surplus funds and interest free.	capital Pvt. Ltd. (OGCL). The company had receiving funds from OGCL as advance, however at the advice of the statutory Auditors, the same is now being shown under the heading Other Liabilities. The funds received by the company are repayable on demand and/or as and when the company has surplus funds. During the year under review a sum of Rs. 159.64 lacs was received by the Company. As on 31.03.2021 the total amount payable by the company to OGCL is Rs. 591.18 lacs. The funds <b>made available by OGCL</b> is interest free and repayble on demand and/or as and when the company has surplus funds.	Director of the Company and holds majority of Shares of E-visesh.com Limited. During the year under review, the Company had a advanced a sum of Rs. 4.34 lacs which has been recovered.
	e	<b>Date(s) of approval by the Board</b>	<b>June 30, 2021</b>	<b>June 30,2021</b>	<b>June 30, 2021</b>
	f	<b>Amount paid as advances, if any:</b>	<b>N.A</b>	<b>N.A</b>	<b>N.A</b>



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	<b>g</b>	<b><i>Date on which the special resolution was passed in general meeting as required under first proviso to section 188</i></b>	30.12.2020 Since the services availed from the Promoter Director is within the norms set out in Rule 15(3)(iv) of the Companies (Meeting of Board & its Powers) Rules, 2014.	31.12.2020 Since the services availed from the Promoter Director is within the norms set out in Rule 15(3)(iv) of the Companies (Meeting of Board & its Powers) Rules, 2014.	N.A Since the services availed from the Promoter Director is within the norms set out in Rule 15(3)(iv) of the Companies (Meeting of Board & its Powers) Rules, 2014.
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**For & On behalf of the Board of Directors of  
MPS Infotecnics Ltd.**

**Sd/-  
Peeyush Aggarwal  
Chairman & Managing Director**

**Place: New Delhi  
Date: 30<sup>th</sup> June, 2020**



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## Kundan Agrawal & Associates

Company Secretaries

Phone: 91-11-43093900

Mobile: 09212467033, 09999415059

E-mail: agrawal.kundan@gmail.com

Form No. MR-3

### SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED 31<sup>ST</sup>MARCH, 2021

*[Pursuant to section 204(1) of the Companies Act, 2013 and rule 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]*

To

The Members

**M/s MPS INFOTECNICS LIMITED**

703, Arunachal Building, 19,  
Barakhamba Road, Connaught Place,  
New Delhi-110001

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **M/s MPS INFOTECNICS LIMITED**(hereinafter called the Company). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

We report that:

- a) Maintenance of secretarial record is the responsibility of the management of the Company. Our responsibility is to express an opinion on these secretarial records based on our audit.
- b) 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 on test basis 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. We have not verified the correctness and appropriateness of the financial records and Books of the Company.
- c) Where ever required, we have obtained the Management representation about the compliances of laws, rules and regulations and happening of events etc. The compliance of the provisions of the Corporate and other applicable laws, rules, regulations, standards is the responsibility of management.

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the company 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 31<sup>st</sup> March, 2021('Audit Period') 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.



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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 31<sup>st</sup> March, 2021 according to the provisions of:

**(Secretarial Audit Report for F.Y 2020-2021 for M/s MPS Infotecnics Limited)**

- (i) The Companies Act, 2013 (the Act) and the rules made thereunder;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
  - (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
  - (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
  - (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, 1992;
    - (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;
    - (d) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 and The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 notified on 28 October 2014;
    - (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;
    - (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;and
    - (h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998.
  - (vi) Indian Stamp Act, 1899;
  - (vii) Indian Contract Act, 1872;
  - (viii) Income Tax Act, 1961 and indirect tax laws;
  - (ix) Applicable Labour Laws; and
  - (x) Other applicable Laws;

Having regard to the compliance system prevailing in the Company and on the basis of presentation and Reports made by Compliance Auditors of the Company, we further report that the Company has adequate system to ensure the compliance of the other applicable laws specifically to the Company.

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

- Secretarial Standards issued by The Institute of Company Secretaries of India.
- Listing Agreements with Stock Exchanges in India.

During the period under review the Company has complied with the provisions of the Act, Rules, Regulations,



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Guidelines, Standards, etc.

## (Secretarial Audit Report for F.Y 2020-2021 for M/s MPS Infotecnics Limited)

We further report that

- The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors 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 generally 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. But some documents, registers, files are needed to be maintained in more improvised and updated manner. Company management could take steps for maintaining more proper compliance system. Minutes of the meetings should be in compliance with the Secretarial standards laid down by ICSI. Management is taking appropriate steps to update Statutory registers of the company.
- The Company has defaulted in payment of Annual Listing Fees to BSE and NSE, therefore, action has been initiated against the company by freezing the Demat accounts of its Promoter and Promoter Group for all debits and further equity shares of the company are also marked as suspended for trading on BSE's web portal. We have been informed by the Management that the Company is in the process to pay the Outstanding Annual Listing Fees to the Stock Exchanges. We have also been informed that the Company has written Letters to the Stock Exchanges seeking waiver of Annual Listing Fees for the Financial Year 2017-18 till 2021-22 in view of suspension of trading in the shares by the Stock Exchanges during this period.
- Penalty of Rs. 10,00,00,000/- (Rupees Ten Crore Only) is imposed on the company through an order dated 27.11.2020 in the matter of GDR issue of the company under the provisions of Section 15 HA of the SEBI Act, 1992 and Section 23E of SCRA, 1956 for violation of Section 12A(a), (b) and (c) of SEBI Act, 1992 read with Regulations 3(a), (b), (c) & (d), 4(1), 4(2) (f), (k) and (r) of SEBI (Prohibition of Fraudulent and Unfair Trade Practices Relating to FUTP) Regulations, 2003, Section 21 of SCRA, 1956 read with Clause 32, 36(7) and 50 of the listing agreement. Company is in the process of filing an Appeal against this Order in SAT.
- The company has increased its authorized capital from 52.45 crores to 377.50 crores in 2010-2011 and 2012-2013 respectively against which ROC fees of Rs. 5.86 crores (Fees calculated as per Companies Act, 1956) stands payable under the head current liabilities in the financial statements of the period under review.
- There are three foreign subsidiaries of the company. However the company is not regular in complying with the RBI directives issued in this regard as well as FEMA compliances.

We further report that based on the information received and records maintained there are adequate systems and processes in the Company commensurate with the size and operations of the company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

**Disclaimer:-**



# MPS INFOTECNICS LIMITED

CIN: L30007DL1989PLC131190

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Connaught Place, New Delhi 110 001

- 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.
- We have not verified the correctness and appropriateness of financial records and books of accounts of the company

**For Kundan Agrawal & Associates  
Company Secretaries  
FRN: S2009DE113700**

**Place: Ghaziabad  
Date: 24/07/2021**

**SD/-**

**Kundan Agrawal  
Company Secretary  
Membership No.:- 7631  
C.P. No. 8325  
UDIN: F007631C000682877**



# MPS INFOTECNICS LIMITED

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## ANNEXURE TO CORPORATE GOVERNANCE REPORT CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS (Pursuant to Regulation 34(3) and Schedule V Para C clause (10) (i) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015)

To,  
The Members of  
MPS Infotecnics Limited  
703, Arunachal Building, 19,  
Barakhamba Road, Connaught Place,  
New Delhi-110001

I have examined the relevant registers, records, forms, returns and disclosures received from the Directors of MPS Infotecnics Limited having CIN L30007DL1989PLC131190 and having registered office at 703, Arunachal Building, 19, Barakhamba Road, Connaught Place, New Delhi-110001 India (hereinafter referred to as 'the Company'), produced before me by the Company for the purpose of issuing this Certificate, in accordance with Regulation 34(3) read with Schedule V Para-C Sub clause 10(i) of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In our opinion and to the best of our information and according to the verifications (including Directors Identification Number (DIN) status at the portal ([www.mca.gov.in](http://www.mca.gov.in)) as considered necessary and explanations furnished to us by the Company & its officers, We hereby certify that none of the Directors on the Board of the Company as stated below for the Financial Year ending on 31st March, 2021 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.	Mr. Peeyush Kumar Aggarwal	00090423	03/09/1997
2.	Mr. Rachit Garg	07574194	30/05/2018
3.	Mrs. Madhu Sharma	06947852	02/03/2015
4.	Mr. Santosh Pradhan	00354664	08/01/2020
5.	Mr. Manoj Kumar Jain	01887411	02/06/2014
6	Mr. Ram Niwas Sharma	08427985	30/09/2019

Ensuring the eligibility of for the 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 Kundan Agarwal & Associates**  
**Company Secretaries**  
**FRN: S2009DE113700**  
**Sd/-**  
**Kundan Agrawal**  
**Company Secretary**  
**M.No.7631**  
**COP No.8325**  
**UDIN: F007631C000485438**

**Place:Ghaziabad**  
**Date:18/06/2021**



# MPS INFOTECNICS LIMITED

CIN: L30007DL1989PLC131190

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## AUDIT REPORT

June 30, 2021

To,  
**The Members of MPS Infotecnics Limited**  
**Report on the Audit of the Ind AS Financial Statements**

### Opinion

We have audited the accompanying standalone Ind AS financial statements of **MPS Infotecnics Limited** ("MPS" or "the Company"), which comprise the Balance Sheet as at 31<sup>st</sup> March 2021, the Statement of Profit & Loss (including Other Comprehensive Income), the Statement of Changes in Equity and the Cash Flow Statement for the year then ended, and a summary of the Significant Accounting Policies and other explanatory information (hereinafter referred to as *Standalone Financial Statements*).

In our opinion and to the best of our information and according to the explanations given to us, except for the effect of the matters described in the "*Basis for Qualified Opinion*" section below, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at 31<sup>st</sup> March 2021, the **Loss** and total comprehensive income, changes in equity and its cash flows for the year ended on that date.

### Basis for Qualified Opinion

Attention is invited to the following key matter – observations in the said financial statements:

- I. In case of the following items shown as intangible Assets / inventory, no provision for impairment of assets has been made in accordance with accounting policies E and F (Schedule to the accounts) and applying Ind AS 36 –
  - (a) Intangible Assets under development (Capital work-in-progress) - Rs. 56.44 Crores (Software development)
  - (b) Software rights - Rs. 19.49 crores
  - (c) Opening Stock (Source Codes) - Rs. 62.21 Crores

In the absence of valuation reports of above assets the extent of impairment and its impact on profit and loss account, reserves and surplus is not ascertained.

- II. Investment in subsidiaries Rs. 61.75 Crores - There are no operations in these overseas subsidiaries and no audit of accounts has been done and no updated information has been received. No provision has been made for the shortfall in value of the investment in accordance with accounting policies G and I (Schedule to the accounts) applying Ind AS 36.
- III. The Company has shown in the balance sheet, bank balances in Banco Efisa (Lisbon Portugal) amounting to Rs. 347,892,163 (USD 8,883,210.75) which the bank has adjusted and the matter is in the court of law. Consequently the bank balances shown in balance sheet are overstated by Rs. 347,892,163/- The above bank balance relates to FY 2008-09 which is treated as a current asset. No provision has been made for the possible loss on account of above.





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- IV. Other non-current assets include other loans and advances of Rs. 223.23 Cr. which are considered to be good for recovery. However as the terms and conditions regarding these loans have not been provided to us we are unable to ascertain and comment on the extent of realisability of this asset.
- V. The Company had increased its Authorized Capital from Rs. 52.45 Crores to Rs. 377.50 crores during the period from FY-2010-11 to FY 2012-13, ROC fees of Rs. 6.34 crores towards the above stands payable, under the head "Other Current Liabilities"
- MPS has filed Special Leave Petition in the Supreme Court in April 2019 and the same is pending adjudication by the Hon'ble Apex Court.
- VI. Income Tax for the Assessment year 2013-14 amounting to Rs. 20.80 lacs and interest thereon is still payable although provided for.
- VII. Company has not provided expected credit loss on outstanding debtors as required under Ind AS 109. We are not able to provide the financial impact due to non provision of expected credit loss.

Our opinion is modified in respect of above matters.

We also draw your attention to Note. No. 28 to the standalone financial statement which describes the uncertainties and the impact of COVID 19 pandemic on the Company's operations and results as assessed by the management. Our opinion is not modified in respect of this matter..

We conducted our audit of the standalone financial statements in accordance with the Standards on Auditing specified under section 143(10) of the Act (SAs).

Our responsibilities under those Standards are further described in the *Auditor's Responsibilities for the Audit of 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 (ICAI) together with the independence requirements that are relevant to our audit of the standalone financial statements under the provisions of the Act and the Rules made there under, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our **qualified 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.

In addition to the matters described in the *Basis for Qualified Opinion* section above, we have determined the matters described below to be the key audit matters to be communicated in our report.

### 1. Evaluation of uncertain tax positions:



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The Company has material uncertain direct and indirect tax positions including matters under dispute which involves significant judgment to determine the possible outcome of these disputes. Refer Note 22 under the head "Contingent Liabilities" in the Standalone Financial Statements.

## **Auditor's Response.**

We obtained from the Company's management, details of the status as of 31 March 2021 concerning tax assessments and demands for current as well as past years. We assessed the management's underlying assumptions in estimating the tax provision and the possible outcome of the disputes to evaluate whether any change was required to management's position on these uncertainties.

## **2. Company's business model**

MPS's existing business model has been impacted by the uncertainty due to its high dependence on Telecommunication segment which has shown a significant decline due to very tough competition from online operators and other service providers such as Vodafone, Idea, Jio and others who have been providing similar services. This has resulted in losses leading to difficulty in bank financing and increasing dependence on loans from others. The Company hopes to recover and recover losses and make profits as soon as the pandemic is over and the economic activities resumes globally.

- (a) The company has considered sundry debtors of Rs.1,188.08 Lacs due for more than six months as good. However in the opinion of auditors there should be a regular process of identification and making provision for bad and doubtful debts. Such a process has not been followed. We therefore are unable to comment on the extent of un-provided bad and doubtful debts and their impact on loss and reserves.
- (b) There is a delay in payment of Annual Listing Fees to the stock exchanges where the shares of the Company are listed. In term of circular bearing no. LIST/COMP/OPS/ 16 /2019-2020 dated June 11, 2019 and Notice bearing no. 20190903-37 dated September 3, 2019; action(s) is initiated against the company.
- (c) SEBI had investigated the GDR issue of the Company and SEBI in exercise of the powers conferred upon me under Sections 11(1), 11(4) and 11B of the SEBI Act, 1992 read with Section 19 of the SEBI Act, 1992, interalia, had directed the company to continue to pursue the measures to bring back the outstanding amount of \$ 8.90 million into its bank account in India and then the Directors and present Directors to ensure compliance of the directions issued by SEBI by furnish a certificate from a peer reviewed Chartered Accountant of ICAI certifying the compliance of the said directions.

The SEBI has further restrained the company from accessing the securities market and further prohibited the company from buying, selling, or dealing in securities, directly or indirectly, in any manner what so ever, or being associated with the securities market in any manner, whatsoever, till compliance with the above directions and thereafter for an additional period of years from the date of bringing back the money.

The orders passed by SEBI has also restrained the then directors of the company from accessing the securities market and further prohibited from buying, selling or otherwise dealing in securities including units of mutual funds, directly or indirectly, or being associated with the securities market in any manner, whatsoever, for a period of 5 years from the date of this order and during the period of restraint, the existing holding of securities including units of mutual funds of these Directors shall also remain frozen.

Further SEBI vide its order dated 27.11.2020 has imposed a penalty of Rs. 10.00 crores on the Company. The Company is in the process of filling an appeal before the Hon'ble Securities Appellate Tribunal (SAT).



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The Company is also in receipt of recovery certificate from SEBI and consequent thereon the SEBI has frozen the bank accounts of the company.

(d) Default in payment of working capital dues

The cash-credit account of the company with Allahabad Bank was declared as NPA by the Bank; against the one-time settlement with the Bank for Rs. 2.81 cr, the overdue arrears as on 31 Mar 2021 is Rs. 3.07 Cr. Provision for interest at the contracted rates have been made in the books of accounts though have not been paid.

(e) The Company has defaulted in payment to loan from Phoenix ARC Pvt. Ltd. (Book balance as on 31.03.2021, is Rs. 2.81 Crores).

(f) The Company has not disclosed information relating to amount payable to micro small enterprises and small enterprises as required by Schedule III of the Companies Act, 2013.

(g) Balances of trade receivables, trade payables, other loans and advances, advance to suppliers, bank balances and liabilities, are subject to confirmation.

### **Information Other than the Standalone Financial Statements and Auditor's Report Thereon**

The Company's Board of Directors is responsible for the preparation of the other information. The other information comprises the information included in the Management Discussion and Analysis Report, Board's Report including Annexures to Board's Report, Business Responsibility Report, Corporate Governance and Shareholder's Information, but does not include the standalone financial statements and our auditor's 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 during the course of our 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 Responsibility for the Standalone Financial Statements**

The Company's Board of Directors is 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 financial position, financial performance, total comprehensive income, changes in equity and cash flows of the Company in accordance with the Ind AS and other accounting principles generally accepted in India.

This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for

- safeguarding 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



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- and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the 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, management is 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 management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Board of Directors is 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 financial controls 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 system 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 made by management.
- Conclude on the appropriateness of management's 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.



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- 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.

Materiality is the magnitude of misstatements in the standalone financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the financial statements may be influenced.

We consider quantitative materiality and qualitative factors in ;

- (i) planning the scope of our audit work and in evaluating the results of our work; and
- (ii) to evaluate the effect of any identified misstatements in the financial statements.

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 auditor's 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 (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government in terms of Section 143(11) of the Act, we give in "**Annexure 1**" a statement on the matters specified in paragraphs 3 and 4 of the Order.
2. As required by Section 143(3) of the Act, based on our audit, 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 Balance Sheet, the Statement of Profit and Loss including Other Comprehensive Income, Statement of Changes in Equity and the Statement of Cash Flow dealt with by this Report are in agreement with the relevant books of account.
  - d) In our opinion, the aforesaid standalone financial statements comply with the Ind AS specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.



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- e) On the basis of the written representations received from the directors as on March 31, 2021 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2021 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 over financial reporting of the Company and the operating effectiveness of such controls, please refer to our separate Report in “**Annexure 2**”. Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company’s internal financial controls over financial reporting.
- g) With respect to the other matters to be included in the Auditor’s Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended, 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 on its financial position in its standalone financial statements.
  - ii. There are no long term contracts including derivative contracts.
  - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.

For **Nemani Garg Agarwal & Co.,**

*Chartered Accountants*

Firm Reg. No.010192N

Sd/-

**SK Nemani**

Partner

Membership no. 037222

Place : New Delhi

Date : 30th June, 2021



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## Annexure 1

(Referred to in paragraph 1 under "Report on other Legal and Regulatory requirements" section in our Report of even date)

I)	(a)	The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
	(b)	The fixed assets have been physically verified by the management in a phased manner, designed to cover all the items over a period of three years, which in our opinion, is reasonable having regard to the size of the company and nature of its business. Pursuant to the program, a portion of fixed asset has been physically verified by the management during the year and no material discrepancies between the books records and physical fixed assets have been noticed.
	(c)	The company has no immovable properties.
II)		The inventories excluding material in transit have been physically verified during the year by the management. In our opinion, the frequency of such verification is reasonable.
III)		During the year under review, the Company has not granted any loans, secured or unsecured, to the companies, firms, Limited Liability Partnerships or other parties covered in the Register maintained under Section 189 of the Act. Accordingly, the provisions of clause 3 (iii) (a) to (f) of the order are not applicable to the company.
IV)		In our opinion and according to the information and explanations given to us, the company has complied with the provisions of section 185 and 186 of the Companies Act, 2013 in respect of loans, investments, guarantees, and security.
V)		The Company has not accepted any deposits from the public and hence the directives issued by the Reserve Bank of India and the provisions of Sections 73 to 76 or any other relevant provisions of the Act and the Companies (Acceptance of Deposits) Rules, 2015 with regard to the deposits accepted from the public are not applicable.
VI)		The Central Government has not prescribed the maintenance of cost records under section 148(1) of the Companies Act, 2013. Therefore the provisions of this clause do not apply.
VII)	(a)	According to information and explanations given to us and on the basis of our examination of the books of account, and records, the company has been generally regular in depositing undisputed statutory dues including Provident Fund, Employees' State Insurance, Income Tax, Sales Tax, Service Tax, Duty of Customs, Duty of Excise, Value Added Tax, Cess and any other statutory dues with the appropriate authorities. According to the information and explanations given to us, no undisputed amounts payable in respect of the above were in arrears as at 31 <sup>st</sup> March 2021 for a period of more than six months from the date on when they become payable except for the following:

According to the information and explanations given to us, there are Income Tax dues aggregating to Rs. 9.98 cr. which has not been deposited as at 31<sup>st</sup> March, 2021 as under:

Income Tax	Demand raised by the Department	FY 2005-06	Rs. 0.12 Cr,	Appeal filed against said Assessment Order, with CIT (Appeal)-III, Bangalore vide Appeal No. 193/08-09 Dated 29.01.2009 which is still pending.
Income Tax	Demand raised by the Department	FY 2007-08	Rs. 4.38 Cr,	Order has been passed in favour of the company, However, the department has filed an appeal before the Hon'ble Delhi High Court



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Income Tax	Demand raised by the Department	FY 2008-09	Rs. 2.75 Cr.	Order has been passed in favour of the company, however, the department has filed an appeal before the Hon'ble Delhi High Court
Income Tax	Demand raised by the Department	FY 2009-10	Rs. 2.73 Cr.	Order has been passed in favour of the company, however, the department has filed an appeal before the Hon'ble Delhi High Court

VIII)	(a)	In our opinion and according to the information and explanations given to us, the company has defaulted in repayment of dues to Allahabad Bank and Pheonix ARC Pvt. Ltd. the details of which are as under:			
		Nature of borrowing	Name of lender	Amt. not paid on due date	Whether Principal or interest
		Cash Credit	Allahabad Bank	Rs. 307.89 Lacs	Principal & Interest
		Term Loans	Phoenix ARC Pvt. Ltd.	Rs. 281.36 Lacs	Principal & Interest
IX)		Based upon the audit procedures performed and the information and explanation given by the management, the company has not raised moneys during the year by way of initial public offer or further public offer including debt instruments and term loans. Accordingly, the provisions of clause 3 (ix) of the Order are not applicable to the company and hence not commented upon.			
X)		Based upon the audit procedures performed and the information and explanation given by the management, we report that no fraud by the company or on the company by its officers or employees has been noticed or reported during the year.			
XI)		Based upon the audit procedures performed and the information and explanation given by the management, no managerial remuneration has been paid or provided; accordingly, the provisions of section 197 read with Schedule V to the Companies Act are not applicable.			
XII)		The Company is not a Nidhi Company. Therefore, the provisions of clause 4 (xii) of the Order are not applicable to the Company			
XIII)		In our opinion, transactions with related parties are in compliance with section 177 and 188 of the Companies Act, 2013 and the details have been disclosed in the Financial Statements as required by the applicable accounting standard.			
XIV)		Based upon the audit procedures performed and the information and explanation given by the management, the company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review. Accordingly, the provision of clause 3 (xiv) of the Order are not applicable to the company.			
XV)		Based upon the audit procedures performed and the information and explanation given by the management, the company has not entered into any non-cash transactions with directors or persons connected with them. Accordingly, the provision of clause 3 (xv) of the Order are not applicable to the company and hence not commented upon.			
XVI)		In our opinion, the company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934 and accordingly, provisions of clause 3 (xvi) of the Order are not applicable to the company and hence not commented upon.			





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For **Nemani Garg Agarwal & Co.,**

*Chartered Accountants*

Firm Reg. No.010192N

Sd/-

**SK Nemani**

Partner

Membership no. 037222

Place: New Delhi

Date: 30<sup>th</sup> June, 2021



# MPS INFOTECNICS LIMITED

CIN: L30007DL1989PLC131190

Regd. Office : 703, Arunachal Building, 19, Barakhamba Road,  
Connaught Place, New Delhi 110 001

## **Annexure – 2**

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

### **Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 (“the Act”)**

We have audited the internal financial controls over financial reporting of MPS Infotecnics Ltd. (“the Company”) as of 31 March 2021 in conjunction with our audit of the stand-alone financial statements of the Company for the year ended on that date.

#### **Management’s Responsibility for Internal Financial Controls**

The Company’s Board of Directors is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting 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. 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.

#### **Auditors’ Responsibility**

Our responsibility is to express an opinion on the Company’s internal financial controls over financial reporting, based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the “Guidance Note”) issued by the Institute of Chartered Accountants of India and the Standards on Auditing prescribed under section 143 (10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls.

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 over financial reporting was 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 system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, 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 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 system over financial reporting.

#### **Meaning of Internal Financial Controls Over Financial Reporting**

A company’s internal financial control over financial reporting 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 control over financial reporting 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



# MPS INFOTECNICS LIMITED

CIN: L30007DL1989PLC131190

Regd. Office : 703, Arunachal Building, 19, Barakhamba Road,  
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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.

## **Limitations of Internal Financial Controls Over Financial Reporting**

Because of the inherent limitations of internal financial controls over financial reporting, 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 over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

## **Opinion**

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31 March 2021, based on the internal control over financial reporting 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.

For **Nemani Garg Agarwal & Co.,**

*Chartered Accountants*

**Firm Reg. No. 010192N**

Sd/-

**SK Nemani**

**Partner**

**Membership no. 037222**

**Place: New Delhi**

**Date: 30/06/2021**

**\*The Company has not disclosed information relating to outstanding balances of micro small enterprises and small enterprises as required by Schedule III of the Companies Act, 2013.**



# MPS INFOTECNICS LIMITED

CIN: L30007DL1989PLC131190

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## **Annexure – 2**

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

### **Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 (“the Act”)**

We have audited the internal financial controls over financial reporting of MPS Infotecnics Ltd. (“the Company”) as of 31 March 2021 in conjunction with our audit of the stand-alone financial statements of the Company for the year ended on that date.

#### **Management’s Responsibility for Internal Financial Controls**

The Company’s Board of Directors is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting 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. 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.

#### **Auditors’ Responsibility**

Our responsibility is to express an opinion on the Company’s internal financial controls over financial reporting, based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the “Guidance Note”) issued by the Institute of Chartered Accountants of India and the Standards on Auditing prescribed under section 143 (10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls.

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 over financial reporting was 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 system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, 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 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 system over financial reporting.

#### **Meaning of Internal Financial Controls Over Financial Reporting**

A company’s internal financial control over financial reporting 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 control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and



# MPS INFOTECNICS LIMITED

CIN: L30007DL1989PLC131190

Regd. Office : 703, Arunachal Building, 19, Barakhamba Road,  
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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.

## **Limitations of Internal Financial Controls Over Financial Reporting**

Because of the inherent limitations of internal financial controls over financial reporting, 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 over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

## **Opinion**

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31 March 2021, based on the internal control over financial reporting 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.

For **Nemani Garg Agarwal & Co.,**

*Chartered Accountants*

**Firm Reg. No. 010192N**

**SD/-**

**SK Nemani**

**Partner**

**Membership no. 037222**

**Place: New Delhi**

**Date: 30/06/2021**



# MPS INFOTECNICS LIMITED

CIN: L30007DL1989PLC131190

Regd. Office : 703, Arunachal Building, 19, Barakhamba Road,  
Connaught Place, New Delhi 110 001

<b>MPS Infotecnics Limited</b>			
CIN: L30007DL1989PLC131190			
703, Arunachal Building, 19, Barakhamba Road, Connaught Place, New Delhi-110001			
<b>STANDALONE BALANCE-SHEET AS AT 31st MARCH, 2021</b>			
(Amount in Rs.)			
<b>PARTICULARS</b>	<b>NOTE NO</b>	<b>AS AT 31.03.2021</b>	<b>AS AT 31.03.2020</b>
<b>ASSETS</b>			
<b>NON CURRENT ASSETS</b>			
PROPERTY, PLANT AND EQUIPMENT	2(a)	493,199	524,168
CAPITAL WORK IN PROGRESS		-	-
INVESTMENT PROPERTY		-	-
INTANGIBLE ASSETS	2(b)	194,986,727	230,644,227
INTANGIBLE ASSETS UNDER DEVELOPMENT	2(C)	564,439,755	564,439,755
<b>FINANCIAL ASSETS</b>			
INVESTMENTS	3	617,485,195	617,485,195
LOANS		-	-
OTHER FINANCIAL ASSETS		-	-
DEFERRED TAX ASSETS (NET)		-	-
OTHER NON CURRENT ASSETS	4	2,232,348,001	2,233,283,924
<b>TOTAL NON CURRENT ASSETS</b>		<b>3,609,752,878</b>	<b>3,646,377,270</b>
<b>CURRENT ASSETS</b>			
INVENTORIES	5	622,189,185	621,971,389
<b>FINANCIAL ASSETS</b>			
TRADE RECEIVABLES	6	118,940,146	185,941,262
CASH AND CASH EQUIVALENTS	7 (a)	126,387	5,860
BANK BALANCES & LOANS	7 (b)	348,768,245	349,022,841
OTHER FINANCIAL ASSETS		-	-
CURRENT TAX ASSETS (NET)		-	-
OTHER CURRENT ASSETS	8	13,779,370	10,430,187
<b>TOTAL CURRENT ASSETS</b>		<b>1,103,803,333</b>	<b>1,167,371,538</b>
<b>TOTAL ASSETS</b>		<b>4,713,556,211</b>	<b>4,813,748,808</b>
<b>EQUITY AND LIABILITIES</b>			
<b>EQUITY SHARE CAPITAL</b>			
EQUITY SHARE CAPITAL	9	3,774,436,655	3,774,436,655
OTHER EQUITY	10	573,989,606	628,069,026
<b>TOTAL EQUITY</b>		<b>4,348,426,261</b>	<b>4,402,505,681</b>
<b>LIABILITIES</b>			
<b>NON-CURRENT LIABILITIES</b>			
<b>FINANCIAL LIABILITIES</b>			
BORROWINGS	11	28,135,864	24,466,298
DEFERRED TAX LIABILITY (NET)	27	37,301,079	38,635,222
OTHER NON CURRENT LIABILITIES		-	-
<b>TOTAL NON-CURRENT LIABILITIES</b>		<b>65,436,944</b>	<b>63,101,520</b>
<b>CURRENT LIABILITIES</b>			
<b>FINANCIAL LIABILITIES</b>			
BORROWINGS	12	212,370,547	208,365,575
TRADE PAYABLES		1,581,647	62,368,973
OTHER FINANCIAL LIABILITIES		-	-
SHORT TERM PROVISIONS	13	4,917,679	4,790,595
OTHER CURRENT LIABILITIES	14	80,823,131	72,616,462
CURRENT TAX LIABILITY		-	-
<b>TOTAL CURRENT LIABILITIES</b>		<b>299,693,005</b>	<b>348,141,604</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>4,713,556,211</b>	<b>4,813,748,808</b>
SIGNIFICANT ACCOUNTING POLICIES ON FINANCIAL STATEMENTS	NOTES 1 2-		
	28		
			-
<b>As per our Audit Report of even date</b>		<b>For and on behalf of the Board of Directors</b>	
<b>For Nemani Garg Agarwal &amp; Co.</b>			
Chartered Accountants			
FRN No. : 010192N			
		Sd/-	Sd/-
		Peeyush Aggarwal	Rachit Garg
		Managing Director	Director
		DIN: 00090423	DIN: 7574194
<b>S.K. Nemani</b>		Sd/-	Sd/-
Partner		Garima Singh	Sanjay Sharma
M.No. : 037222		Company Secretary	Chief Financial Officer
<b>Place : New Delhi</b>			
<b>Date : 30/06/2021</b>			



# MPS INFOTECNICS LIMITED

CIN: L30007DL1989PLC131190

Regd. Office : 703, Arunachal Building, 19, Barakhamba Road,  
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<b>MPS Infotecnics Limited</b>			
<b>CIN: L30007DL1989PLC31190</b>			
703, Arunachal Building, 19, Barakhamba Road, Connaught Place, New Delhi-110001			
<b>Standalone Statement of Profit &amp; Loss Account for the year ended 31st March, 2021</b>			
<b>PARTICULARS</b>	<b>NOTE NO.</b>	<b>YEAR ENDED</b>	
		<b>31.03.2021</b>	<b>31.03.2020</b>
<b>REVENUE</b>			
REVENUE FROM OPERATIONS	15	4,147,818	81,419,419
OTHER INCOME	16	853,795	29,194
<b>TOTAL REVENUE</b>		<b>5,001,613</b>	<b>81,448,612</b>
<b>EXPENDITURE</b>			
PURCHASE OF STOCK -IN -TRADE & SERVICES		3,450,357	83,521,835
CHANGE IN INVENTORIES	17	(217,796)	-
EMPLOYEE BENEFIT EXPENSES	18	2,621,653	2,601,106
FINANCE COST	19	6,346,568	4,189,405
DEPRECIATION & AMORTISATION EXPENSES	2	35,688,469	35,832,376
OTHER EXPENSES	20	12,698,988	11,470,152
<b>TOTAL EXPENDITURE</b>		<b>60,588,239</b>	<b>137,614,874</b>
<b>PROFIT BEFORE TAX</b>		<b>(55,586,626)</b>	<b>(56,166,262)</b>
<b>TAX EXPENSES</b>			
- CURRENT TAX		-	-
- EARLIER YEARS (NET)		-	-
- DEFERRED TAX (NET)	27	1,334,143	23,073,349
<b>PROFIT AFTER TAX</b>		<b>(54,252,484)</b>	<b>(33,092,913)</b>
<b>OTHER COMPREHENSIVE INCOME</b>			
<b>ITEMS THAT WILL NOT BE RECLASSIFIED SUBSEQUENTLY TO PROFIT &amp; LOSS</b>			
- REMEASUREMENTS OF THE DEFINED BENEFIT LIABILITY/ASSET		173,063	(127,238)
- GAIN OR LOSS ARISING ON FAIR VALUATION OF EQUITY INSTRUMENT		-	-
<b>TOTAL OTHER COMPREHENSIVE INCOME (NET OF TAX)</b>		<b>173,063</b>	<b>(127,238)</b>
<b>TOTAL COMPREHENSIVE INCOME FOR THE YEAR</b>		<b>(54,079,421)</b>	<b>(33,220,151)</b>
<b>EARNING PER SHARE (EQUITY SHARE OF Re 1/- EACH) - BASIC &amp; DILUTED</b>		<b>(0.014)</b>	<b>(0.009)</b>
WEIGHTED AVERAGE NUMBER OF EQUITY SHARES USED IN COMPUTING EARNING PER SHARE		3,774,436,655	3,774,436,655
SIGNIFICANT ACCOUNTING POLICIES	1		
NOTES ON FINANCIAL STATEMENTS	2-28		
As per our Audit Report of even date			
<b>For Nemani Garg Agarwal &amp; Co.</b>		<b>For and on behalf of the Board of Directors</b>	
Chartered Accountants			
FRN No. : 010192N			
		Sd/-	Sd/-
		Peeyush Aggarwal	Rachit Garg
		Managing Director	Director
		DIN: 00090423	DIN: 7574194
<b>S.K. Nemani</b>		Sd/-	Sd/-
Partner		Garima Singh	Sanjay Sharma
M.No. : 037222		Company Secretary	Chief Financial Officer
<b>Place : New Delhi</b>			
<b>Date : 30/06/2021</b>			



# MPS INFOTECNICS LIMITED

CIN: L30007DL1989PLC131190

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MPS Infotecnics Limited			
L30007DL1989PLC131190			
703, Arunachal Building, 19, Barakhamba Road, Connaught Place, New Delhi-110001			
<b>Standalone Cash Flow Statement for the year ended 31st March, 2021</b>			
	Particulars	As At	As At
		31-Mar-21	31-Mar-20
<b>A.</b>	<b>CASH FLOW FROM OPERATING ACTIVITIES</b>		
	Net Profit before Tax	(55,586,626)	(56,166,262)
	Adjustment for :		
	Depreciation & Amortisation	35,688,469	35,832,376
	Leave Encashment	73,925	141,413
	Gratuity	53,160	280,753
	Comprehncive Income	173,063	(127,238)
	Provision for Income Tax & Interest on Income Tax A.Y. 2013-14	-	-
	Interest & Other Costs	6,346,568	4,189,405
	Interest Received	(53,137)	(20,194)
	(Profit) / Loss on sale of Fixed Assets	-	-
	Operating Profit Before Working Capital Changes	(13,304,580)	(15,869,746)
	(Increase)/Decrease in Current Assets	63,434,137	30,661,788
	Increase/(Decrease) in Current Liabilities	(48,575,684)	(19,839,679)
	<b>Net Cash from Operating Activities (A)</b>	<b>1,553,873</b>	<b>(5,047,637)</b>
<b>B.</b>	<b>CASH FLOW FROM INVESTING ACTIVITIES</b>		
	Purchase of Fixed Assets	-	-
	Sale of Fixed Assets	-	-
	Change in Capital WIP	-	-
	Interest Received	53,137	20,194
	Long term Loans & Advances	935,923	5,602,205
	Net Cash Outflow in Investing Activities (B)	989,061	5,622,399
<b>C.</b>	<b>CASH FLOW FROM FINANCING ACTIVITIES</b>		
	Issue of Equity Shares	-	-
	Share Application Money Received	-	-
	Increase / ( Decrease) in Long Term Borrowings	3,669,566	3,677,113
	Prior Period Item	-	-
	Interest Paid	(6,346,568)	(4,189,405)
	<b>Net Cash inflow from Financing Activities (C)</b>	<b>(2,677,001)</b>	<b>(512,293)</b>
	Net Increase/(Decrease) in Cash & Cash Equivalent (A+B+C)	<b>(134,069)</b>	<b>62,467</b>
	Cash and Cash Equivalent as at 01/04/2019	<b>349,028,701</b>	<b>348,966,233</b>
	Cash and Cash Equivalent as at 30/09/2019 / 31/03/2019	<b>348,894,632</b>	<b>349,028,700</b>
	1 Comparative figures have been regrouped wherever necessary.		
	2 The cash flow statement has been prepared under the 'Indirect Method' as set out in Accounting Standard – 3 on Cash Flow Statement notified by the Companies (Accounting Standards) Rules, 2006.		
	3 These earmarked account balances with banks can be utilised only for the specific identified purposes.		
	4 Bank Balance as shown in cash and Cash Equivalents amounting to Rs. 34,78,92,163 in Banco Efisa bank in Potugal is not available for use, because the bank has wrongly Debited the account by same amount, the matter is in court of Law.		
	As per our Audit Report of even date		
	<b>For Nemani Garg Agarwal &amp; Co.</b>	<b>For and on behalf of the Board of Directors</b>	
	Chartered Accountants		
	FRN No. : 010192N		
		Sd/-	Sd/-
		<b>Peeyush Aggarwal</b>	<b>Rachit Garg</b>
		<b>Managing Director</b>	<b>Director</b>
	<b>S.K. Nemani</b>	<b>DIN: 00090423</b>	<b>DIN: 7574194</b>
	Partner		
	M.No. : 037222	Sd/-	Sd/-
		<b>Garima Singh</b>	<b>Sanjay Sharma</b>
	<b>Place : New Delhi</b>	<b>Company Secretary</b>	<b>Chief Financial Officer</b>
	<b>Date : 30/06/2021</b>		





# MPS INFOTECNICS LIMITED

CIN: L30007DL1989PLC131190

Regd. Office : 703, Arunachal Building, 19, Barakhamba Road, Connaught Place, New Delhi 110 001

Notes to the Standalone Financial Statements For the year ended March 31, 2021												
Note 2 - Property, Plant & Equipments												
Description	Rate	Gross Block			Depreciation / Amortization			Net Block				
		As At 01.04.2020	Additions / Adjustments	Deductions / Adjustments	As At 31.03.2021	As At 01.04.2020	For the Year	Deductio ns /	As At 31.03.2021	As At 31.03.2020	As At 31.03.2020	
<b>A. Tangible Assets :</b>												
Building	1.60%	-	-	-	-	-	-	-	-	-	-	-
Plant & Machinery												
- Computers and Peripherals	16.21%	34,326,883	-	-	34,326,883	34,242,479	-	-	34,242,479	84,404	84,404	84,404
- Office Equipments	4.75%	14,329,413	-	-	14,329,413	14,256,609	8,691	-	14,265,300	64,113	72,804	72,804
Vehicles	9.50%	4,379,893	-	-	4,379,893	4,269,557	5,041	-	4,274,597	105,296	110,336	110,336
Furniture & Fixtures	6.33%	15,539,164	-	-	15,539,164	15,282,540	17,237	-	15,299,777	239,387	256,624	256,624
<b>Sub Total (A)</b>		<b>68,575,353</b>	-	-	<b>68,575,353</b>	<b>68,051,186</b>	<b>30,969</b>	-	<b>68,082,155</b>	<b>493,199</b>	<b>524,168</b>	<b>524,168</b>
<b>B. INTANGIBLE ASSETS :</b>												
Goodwill	10%	2,800,000	-	-	2,800,000	2,800,000	-	-	2,800,000	-	-	-
Software	10%	356,575,000	-	-	356,575,000	125,930,773	35,657,500	-	161,588,273	194,986,727	230,644,227	230,644,227
<b>Sub Total (B)</b>		<b>359,375,000</b>	-	-	<b>359,375,000</b>	<b>128,730,773</b>	<b>35,657,500</b>	-	<b>164,388,273</b>	<b>194,986,727</b>	<b>230,644,227</b>	<b>230,644,227</b>
<b>Total (A+B)</b>		<b>427,950,353</b>	-	-	<b>427,950,353</b>	<b>196,781,958</b>	<b>35,688,469</b>	-	<b>232,470,429</b>	<b>195,479,926</b>	<b>231,168,395</b>	<b>231,168,395</b>
<b>C. CAPITAL WORK IN PROGRESS</b>												
Capital Work-in-Progress (Including Advances on Capital Account)		564,439,755	-	-	564,439,755	-	-	-	-	564,439,755	564,439,755	564,439,755
<b>Grand Total A+B+C</b>		<b>992,390,108</b>	-	-	<b>992,390,108</b>	<b>196,781,958</b>	<b>35,688,469</b>	-	<b>232,470,429</b>	<b>759,919,681</b>	<b>795,608,150</b>	<b>795,608,150</b>
Previous Year												
<b>A. Tangible Assets :</b>												
Building	1.60%	-	-	-	-	-	-	-	-	-	-	-
Plant & Machinery												
- Computers and Peripherals	16.21%	34,326,883	-	-	34,326,883	34,167,581	74,898	-	34,242,479	84,404	159,302	159,302
- Office Equipments	4.75%	14,329,413	-	-	14,329,413	14,183,314	73,295	-	14,256,609	72,804	146,099	146,099
Vehicles	9.50%	4,379,893	-	-	4,379,893	4,264,523	5,034	-	4,269,557	110,336	115,370	115,370
Furniture & Fixtures	6.33%	15,539,164	-	-	15,539,164	15,260,891	21,649	-	15,282,540	256,624	278,273	278,273
<b>Sub Total (A)</b>		<b>68,575,353</b>	-	-	<b>68,575,353</b>	<b>67,876,309</b>	<b>174,876</b>	-	<b>68,051,185</b>	<b>524,168</b>	<b>699,044</b>	<b>699,044</b>
<b>B. INTANGIBLE ASSETS :</b>												
Goodwill	10%	2,800,000	-	-	2,800,000	2,800,000	-	-	2,800,000	-	-	-
Software	10%	356,575,000	-	-	356,575,000	90,273,273	35,657,500	-	125,930,773	230,644,227	266,301,727	266,301,727
<b>Sub Total (B)</b>		<b>359,375,000</b>	-	-	<b>359,375,000</b>	<b>93,073,273</b>	<b>35,657,500</b>	-	<b>128,730,773</b>	<b>230,644,227</b>	<b>266,301,727</b>	<b>266,301,727</b>
<b>Total (A+B)</b>		<b>427,950,353</b>	-	-	<b>427,950,353</b>	<b>160,949,582</b>	<b>35,832,376</b>	-	<b>196,781,959</b>	<b>231,168,395</b>	<b>267,000,771</b>	<b>267,000,771</b>
<b>C. CAPITAL WORK IN PROGRESS</b>												
Capital Work-in-Progress (Including Advances on Capital Account)		564,439,755	-	-	564,439,755	-	-	-	-	564,439,755	564,439,755	564,439,755
<b>Grand Total A+B+C</b>		<b>992,390,108</b>	-	-	<b>992,390,108</b>	<b>160,949,582</b>	<b>35,832,376</b>	-	<b>196,781,959</b>	<b>795,608,150</b>	<b>831,440,526</b>	<b>831,440,526</b>
Note :												
1. The Company has developed or customized various computer software in house. The company has source code for all these software and has all the rights over the product. However there is no formal registration of IPR. The company has shown these software under the sub-head "software" under the head "intangible" in its financial statements and the same is certified by the management. Capital WIP includes various software product underdeveloped / developed which also includes software with third party for development/modification.												
2. During the financial year 2013-14, the Company transferred softwares (under the head Intangible Assets in Fixed Assets) amounting to Rs. 62.23 crores into stock in trade at WDV as on 01/04/2013. The management of the company has decided to sell these various software products in the market.												



# MPS INFOTECNICS LIMITED

CIN: L30007DL1989PLC131190

Regd. Office : 703, Arunachal Building, 19, Barakhamba Road,  
Connaught Place, New Delhi 110 001

<b>MPS Infotecnics Limited</b>			
L30007DL1989PLC31190			
703, Arunachal Building, 19, Barakhamba Road, Connaught Place, New Delhi-110001			
			(Amount in Rs.)
<b>Note No.</b>	<b>Particulars</b>	<b>As at 31.03.2021</b>	<b>As at 31.03.2020</b>
<b>3</b>	<b>NON-CURRENT INVESTMENTS</b>		
	In Equity Shares of Subsidiaries Companies		
	Axis Convergence Inc -20000 Equity Share (20000 E.S.)	403,985,905	403,985,905
	Greenwire Network Ltd.-25641 Equity Share(25641 E.S.)	201,479,237	201,479,237
	Opentec Thai Network Specialists Co. Limited-129995 Equity Shares (129995 E.S.)	12,020,053	12,020,053
	<b>Total</b>	<b>617,485,195</b>	<b>617,485,195</b>
<b>Note No.</b>	<b>Particulars</b>	<b>As at 31.03.2021</b>	<b>As at 31.03.2020</b>
<b>4</b>	<b>OTHER NON CURRENET ASSETS</b>		
	<b>a. LONG-TERM LOANS &amp; ADVANCES</b>		
	Advances with Tax Authorities	9,211,280	10,178,591
	Other Loans and Advances	2,223,105,333	2,223,105,333
	<b>Total (a)</b>	<b>2,232,316,613</b>	<b>2,233,283,924</b>
	<b>b. OTHER NON CURRENT ASSETS</b>		
	Prepaid Rent on Security Deposit	31,388	31,388
	<b>Total (a)</b>	<b>31,388</b>	<b>31,388</b>
	<b>Total (a) + (b)</b>	<b>2,232,348,001</b>	<b>2,233,283,924</b>
	<b>Notes :</b>		
	1. Other Loans & Advances are subject to balance confirmation.		
	2. During the financial year 2013-14, due to change in business plan and consequential ammendment in terms, Capital Advances amounting to Rs. 220 Crore has been taken as long term advances and included in Other Loans & Advances.		
<b>Note No.</b>	<b>Particulars</b>	<b>As at 31.03.2021</b>	<b>As at 31.03.2020</b>
<b>5</b>	<b>INVENTORIES</b>		
	Stock-in-Trade	622,189,185	621,971,389
	<b>Total</b>	<b>622,189,185</b>	<b>621,971,389</b>
<b>Note No.</b>	<b>Particulars</b>	<b>As at 31.03.2021</b>	<b>As at 31.03.2020</b>
<b>6</b>	<b>TRADE RECEIVABLES</b>		
	<b>Trade Receivables</b>		
	Trade Receivables#	118,940,146	185,941,262
	Receivables from related parties	-	-
	Less: Provision for doubtful debts	-	-
	<b>Trade Receivables</b>	<b>118,940,146</b>	<b>185,941,262</b>
	Current portion	118,940,146	185,941,262
	Non-current portion	-	-
	<b>Breakup of security details</b>		
	Trade Receivable Considered good-Secured	-	-
	Trade Receivable Considered good-Unsecured	118,940,146	185,941,262
	Trade Receivable which hase significant increase in credit ri	-	-
	Trade recivable credit impaired	-	-
	<b>Total</b>	<b>118,940,146</b>	<b>185,941,262</b>
	Provision for doubtful debts	-	-
	<b>Total trade receivables</b>	<b>118,940,146</b>	<b>185,941,262</b>
	<b>Notes :-</b> Trade Receivables subject to balance confirmation. The management considers the same is good and recoverable.		



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Note No.	Particulars	As at 31.03.2021	As at 31.03.2020
<b>7 (a)</b>	<b>CASH BALANCES</b>		
	Cash in hand	126,387	5,860
	<b>Total (a)</b>	<b>126,387</b>	<b>5,860</b>
<b>7(b)</b>	<b>BANK BALANCES</b>		
	Balances with Banks	206,082	460,677
	Fixed Deposits with Banks	670,000	670,000
	Balances with Foreign Bank - Banco Efisa	347,892,163	347,892,163
	<b>Total (b)</b>	<b>348,768,245</b>	<b>349,022,840</b>
	<b>Total (a)+(b)</b>	<b>348,894,632</b>	<b>349,028,700</b>

**Note:** The funds raised by the Company from GDR issue during F.Y. 2007-08 were kept in fixed deposit account with Banco Efisa, Lisbon, Portugal, as the said amount was to be deployed in terms of INFORMATION MEMORANDUM of the GDR issue. During the F.Y. 2008-09, the Bank in Portugal, Banco Efisa wrongly debited an amount of USD 8,883,210.75 out of the balance lying in the Company's Account with the Bank. The Company has denied and disputed this debit and had initiated legal action under criminal jurisprudence of Portuguese Law. During the criminal investigation, several new facts/documents have come to our knowledge and based on the evaluation of new facts/documents by Barristers, Senior Advocates and investigation carried out of in India, London and Portugal; your Company has initiated a strong civil action for recovery of USD 8,883,210.75, along with interest, against Banco Efisa and its Holding Company, wherein the Portuguese advocates confirm that the chances of recovery are very high.

Note No.	Particulars	As at 31.03.2021	As at 31.03.2020
<b>8</b>	<b>OTHER CURRENT ASSETS</b>		
	<b>SHORT TERM LOANS &amp; ADVANCES</b>		
	Advance to Suppliers	4,803,767	4,441,468
	Advance with Tax Authorities	3,877,116	853,787
	<b>Total (a)</b>	<b>8,680,883</b>	<b>5,295,255</b>
	<b>OTHER CURRENT ASSETS</b>		
	Security Deposits	472,334	501,334
	Security Deposit Ammortisation Adjustment	(31,388)	(31,388)
	Prepaid Expenses	4,231,302	4,260,496
	Interest accrued but not due	426,240	373,103
	<b>Total (b)</b>	<b>5,098,487</b>	<b>5,134,932</b>
	<b>Total (a) + (b)</b>	<b>13,779,370</b>	<b>10,430,187</b>

**Note :** Other Loans & Advances, Advance to suppliers are subject to balance confirmation, however these loans and advances are good and recoverable.



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Note No.	Particulars	As at 31.03.2021	As at 31.03.2020		
<b>9</b>	<b>SHARE CAPITAL</b>				
	Equity Share Capital				
	Authorised Share Capital :	3,775,000,000	3,775,000,000		
	3,775,000,000 Equity Share of Re.1/- each (Previous Year 3,775,000,000 equity share of Re. 1/- each)				
(a)	Issued, Subscribed & Paid Up Share Capital :	3,774,436,655	3,774,436,655		
	(377,44,36,655 Equity Shares of Re. 1/- each Includes 102,404,764 Equity Shares Consequent to issue of 46,54,762 GDR vide information Memorandum Dated December 4 , 2007)				
	<b>Total</b>	<b>3,774,436,655</b>	<b>3,774,436,655</b>		
	<b>Notes:</b>				
	1. The Company has only one class of equity shares having a par value of Re.1/- each per share. Each holder of equity share is entitled to one vote per share.				
	2. In the event of liquidation of the Company, holders of equity shares will be entitled to receive any of the remaining assets of the Company after discharging the liabilities of the Company.				
	3. The Company had increased the authorized capital during the Financial Year 2010-11 to 2012-13, however due to technical issues necessary forms along with the fees w.r.t. increase in Authorised Capital, could not be filed and paid. Measwnhile the schedule of fees was increased as per the companies act, 2013. However, the authorised capital was increased prior to the applicability of companies act, 2013. The company has filed a Writ Petition bearing No. WP(C) 5199 of 2015 before the Hon'ble High Court of Delhi, challenging the applicability of provisions prescribed under Para 3 of Table B under Registration of Offices and Fees Rules 2014 and the same is pending adjudication.				
	<b>The Details of Shareholders holding more than 5 % shares :</b>				
		<b>As at 31.03.2021</b>		<b>31st March, 2020</b>	
<b>Name of the Shareholder</b>	<b>No. of Shares</b>	<b>% held</b>	<b>No. of Shares</b>	<b>% held</b>	
Mr. Peeyush Aggarwal	786,750,193	20.84	786,750,193	20.84	
Omkam Capital Markets Pvt. Ltd.	341,000,000	9.03	341,000,000	9.03	
	The reconciliation of the number of shares outstanding is set out as below				
<b>Particulars</b>	<b>31st March, 2021 No. of Shares</b>	<b>31st March, 2020 No. of Shares</b>			
Equity Shares at the beginning of the year	3,774,436,655	3,774,436,655			
Add: Shares issued on conversion of convertible warrants	-	-			
Add: Shares issued as Bonus Shares (1:10)	-	-			
Equity Shares at the end of the year	3,774,436,655	3,774,436,655			



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Note No.	Particulars	As at 31.03.2021	As at 31.03.2020
<b>10</b>	<b>OTHER EQUITY</b>		
	<b>a. Reserves &amp; Surplus</b>		
	Capital Reserve	51,457,116	51,457,116
	Securities Premium Reserve	899,102,506	899,102,506
	General Reserve	26,073,430	26,073,430
	(Less):-		
	Deficit in earlier year	(349,896,765)	(316,803,852)
	Deficit during the year	(54,252,483)	(33,092,913)
	<b>Total a</b>	<b>572,483,804</b>	<b>626,736,287</b>
	<b>b. Other Comprehensive Income</b>		
	Items that will not be subsequently reclassified to OCI		
	Remeasurements of Defined Benefit Liability	1,505,802	1,332,739
	<b>Total (a+b)</b>	<b>573,989,606</b>	<b>628,069,026</b>
<b>Note No.</b>	<b>Particulars</b>	<b>As at 31.03.2021</b>	<b>As at 31.03.2020</b>
<b>11</b>	<b>LONG TERM BORROWINGS</b>		
	Secured		
	Loans from Phoenix ARC Pvt. Ltd.	28,135,864	24,466,298
	<b>Total</b>	<b>28,135,864</b>	<b>24,466,298</b>
<b>Note No.</b>	<b>Particulars</b>	<b>As at 31.03.2021</b>	<b>As at 31.03.2020</b>
<b>12</b>	<b>SHORT TERM BORROWING</b>		
	Secured		
	Working Capital Loan from Allahabad Bank	30,789,169	28,112,169
	Unsecured		
	From Directors	176,215,442	174,887,470
	From Corporates	5,365,936	5,365,936
	<b>Total</b>	<b>212,370,547</b>	<b>208,365,575</b>



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Note No.	Particulars	As at 31.03.2021	As at 31.03.2020
<b>13</b>	<b>SHORT TERM PROVISIONS</b>		
	Provision for Income Tax	2,080,074	2,080,074
	Provisions for Employees Benefits - Leave Encashment	1,725,354	1,651,429
	Provisions for Employees Benefits - Gratuity	1,112,252	1,059,092
	<b>Total</b>	<b>4,917,679</b>	<b>4,790,595</b>
	<b>Note:</b> Income tax liability amounting to Rs. 20.80 Lacs in respect of assesment year 2013-14, still payable against which provision for income tax, had already been made in the books of account. As such this liability has no further impact on the profits / retained earnings of the reported period of the company.		
	<b>Notes:</b> Working Capital Loans from Allahabad Bank and Loans from Phoenix ARC Pvt. Ltd. are secured by way of charge on movable and immovable properties of the Company and collateral securities of Directors.		
	(i) Company has entered into an OTS for a sum of Rs. 118,650,000.00 with Allahabad Bank as on 14.01.2016 and paid a sum of Rs. 10,27,40,318/- till 31.05.2017 and further re-entered into an OTS of Rs. 281.00 Lacs and paid Rs. 13.30 lacs		
Note No.	Particulars	As at 31.03.2021	As at 31.03.2020
<b>14</b>	<b>OTHER CURRENT LIABLITIES</b>		
	Advance from customers	5,681,314	5,681,314
	Other Payables	75,141,817	66,935,148
	<b>Total</b>	<b>80,823,131</b>	<b>72,616,462</b>
	<b>Note :</b> Other payable includes Rs. 6.34 Crores towards ROC fees in connection with increase in Authorised share capital from Rs. 52.45 Crores to Rs. 377.50 Crores in various EGMs held and Merger through Court orders held during the Period from FY 2010-11 to FY 2012-13. Kindly refer		
	<b>Note:</b> Trade Payables are subject to balance conirmation.		



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<b>MPS Infotecnics Limited</b>			
CIN: L30007DL1989PLC31190			
<b>Note No.</b>	<b>Particulars</b>	<b>As at 31.03.2021</b>	<b>As at 31.03.2020</b>
<b>15</b>	<b>REVENUE FROM OPERATIONS</b>		
	Sale of Products & Services	4,147,818	81,192,869
	Custom Collection Refund	-	226,550
	<b>Total</b>	<b>4,147,818</b>	<b>81,419,419</b>
<b>Note No.</b>	<b>Particulars</b>	<b>As at 31.03.2021</b>	<b>As at 31.03.2020</b>
<b>16</b>	<b>OTHER INCOME</b>		
	Miscellaneous Income	800,658	9,000
	Interest income	53,137	20,194
	<b>Total</b>	<b>853,795</b>	<b>29,194</b>
<b>Note No.</b>	<b>Particulars</b>	<b>As at 31.03.2021</b>	<b>As at 31.03.2020</b>
<b>17</b>	<b>CHANGES IN INVENTORIES OF STOCK-IN-TRADE</b>		
	Opening Stock	621,971,389	621,971,389
	Less: Closing Stock	622,189,185	621,971,389
	<b>Total</b>	<b>(217,796)</b>	<b>-</b>
<b>Note No.</b>	<b>Particulars</b>	<b>As at 31.03.2021</b>	<b>As at 31.03.2020</b>
<b>18</b>	<b>EMPLOYEE'S BENEFIT EXPENSES</b>		
	Salaries and Wages	2,571,544	2,553,346
	Contribution to Provident and Other Funds	27,900	29,031
	Staff Welfare Expenses	22,209	18,729
	<b>Total</b>	<b>2,621,653</b>	<b>2,601,106</b>
<b>Note No.</b>	<b>Particulars</b>	<b>As at 31.03.2021</b>	<b>As at 31.03.2020</b>
<b>19</b>	<b>FINANCE COST</b>		
	Interest Expenses	6,346,568	4,189,405
	<b>Total</b>	<b>6,346,568</b>	<b>4,189,405</b>



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Note No.	Particulars	As at 31.03.2021	As at 31.03.2020
<b>20</b>	<b>OTHER EXPENSES</b>		
	Advertisement and Publicity	74,400	108,096
	Miscellaneous Expenses	4,750	10,113
	Audit Fees	150,000	150,000
	Bank Charges	87,662	82,915
	Communication Expenses	21,208	43,523
	Conveyance Expenses	25,930	17,967
	Diwali Expenses	2,400	-
	Exchange Rate Fluctuation	35,904	248,867
	Freight & Cartage	-	219,273
	Loading & Unloading Expenses	-	2,520
	Insurance Premium	2,735	20,515
	Legal & Professional Charges	111,150	202,960
	Listing Fees	1,533,773	1,581,523
	Membership Fee	6,356	7,250
	Power, Fuel & Water Charges	64,270	142,758
	Printing & Stationery	33,395	46,203
	Rates & Taxes	7,044,696	5,038,653
	Rent Charges	3,396,336	3,396,336
	Repair & Maintenance Charges	104,023	115,342
	Ware House Rent	-	21,333
	Ware House Registration charges	-	14,005
	<b>Total</b>	<b>12,698,988</b>	<b>11,470,152</b>





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<b>MPS Infotecnics Limited</b>		
<b>Note 21 - Disclosure Under Indian Accounting Standard 21- Transactions occurred in Foreign Currency</b>		
<b>(Amount in Rs.)</b>		
<b>Particulars</b>	<b>As at 31st March, 2021</b>	<b>As at 31st March, 2020</b>
Import/Export in Foreign Currency		
FOB Value of Export	39,027	30,346,026
Value of Imports	2,137,076	1,901,264
Expenditure in Foreign Currency	-	-
Profit and (Loss) Foreign Exchange Fluctuation	(35,904)	(248,867)
<b>Net Profit / (Loss) in Foreign Exchange Fluctuation</b>	<b>(35,904)</b>	<b>(248,867)</b>
<b>Note 22 - Disclosure under Indian Accounting Standard 29 - Contingent Liabilities</b>		
A. Dues of Income Tax excluding Interest		
a) A.Y. 2006-07 Rs. 12,45,589/- (Rs. 12,45,589/-),		
b) A.Y. 2008-09 Rs. 4,38,51,395/- (Rs. 4,38,51,395/-),		
c) A.Y. 2009-10 Rs. 2,74,87,250/- (2,74,87,250/-)		
d) A.Y. 2010-11 Rs. 2,73,06,810/- (Nil)		
B. Interest on Cash Credit (NPA as per Bank) of Rs. 1,93,55,408/- (Rs. 1,79,04,100/-), which is under settlement with Bank .		
C. ROC fees of increase in authorised share capital including interest Rs. 4,69,34,792/- (Rs. 420,61,713/-).		
D. Service Tax demand Nil. (Rs. 25,53,123/-)		
E. SEBI Penalty with Interest 10,40,76,712 (Rs. Nil)		
<b>Note 23 - Payment to auditors</b>		
<b>(Amount in Rs.)</b>		
<b>Particulars</b>	<b>As at 31st March, 2021</b>	<b>As at 31st March, 2020</b>
Audit Fee for		
-Statutory Audit	150000	150000



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MPS Infotecnics Limited				
Note 24 - Disclosure under Indian Accounting Standard 108 - Segment Reporting				
				(Amount in Rs.)
Particulars for the year ended 31st March, 2021	Business Segments			Total
	IT Solutions & Products	IT Enabled Services	Telecommunication	
Revenue	-	4,147,818	-	<b>4,147,818</b>
	-	(5,257,961)	(76,161,458)	(81,419,420)
Inter-Segment Revenue	-	-	-	-
Total	-	4,147,818	-	<b>4,147,818</b>
	-	(5,257,961)	(76,161,458)	(81,419,420)
Segment Result	-	(12,786,462)	(13,798,767)	<b>(12,786,462)</b>
Interest		(643,176)	(13,798,767)	(14,441,942)
				<b>6,346,568</b>
				(4,189,405)
				<b>(19,133,030)</b>
				(18,631,348)
Unallocable Expenses (net)				<b>37,307,391</b>
				(37,564,108)
Operating Income				<b>(56,440,421)</b>
				(56,195,455)
Other Income ( net)				<b>853,795</b>
				(29,194)
Extra ordinary & prior period itmes				-
				-
Profit before tax				<b>(55,586,627)</b>
				(56,166,262)
Tax Expenses				<b>1,334,143</b>
				(23,073,349)
<b>Net Profit for the year</b>				<b>(54,252,484)</b>
				(33,092,913)
Note:				
1. Primary Segmentation has been done according to the nature of product & services. The Company's Operations predominantly relate to the following segments:				
	a) IT Solution & Products (including software)			
	b) IT Enabled Services			
	c) Telecommunication			
2. There is no Inter division or Inter Segment transfer of goods.				
3. Since Fixed Assets used in the company's business cannot be specifically identified with any of the reportable segment, as these are used inter changeably among segments, therefore segment wise disclosure on capital employed has not been furnished.				
4. The Company caters mainly to the Domestic market and the Export turnover is not significant in the context of the total turnover. As such there are no geographical segments				



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<b>MPS Infotecnics Limited</b>				
<b>Note 25 - Disclosure Under Indian Accounting Standard 24 - RELATED PARTY</b>				
<b>Description of Relationship</b>	<b>Names of Related Parties</b>	<b>Amount Payable As At 31st March, 2021</b>	<b>Amount Payable As At 31st March, 2020</b>	
Ultimate Holding Company	No			
Holding Company	No			
Subsidiary Companies	Axis Convergence Inc Greenwire Network Limited Opentec Thai Network Specialists Limited			
Fellow Subsidiary Company	No			
Key Management Personnel (KMP)	Mr. Peeyush Kumar Aggarwal (Chairman & M.D.) Ms. Garima Singh (Company Seceretary) Mr. Sanjay Sharma (CFO)	176,215,442 74,903 231,000	174,887,470 12,903 407,500	
Relatives of KMP	None			
Entities in which KMP/ Relatives of KMP can exercise significant influence	Omkam Global Capital Private Limited	54,118,054	38,153,580	
Note:				
1. Related Parties transactions during the year, have been identified by the management				
Previous year's figures in ( )				
<b>Particulars</b>	<b>Omkam Global Capital Private Limited</b>	<b>Ms. Garima Singh</b>	<b>Mr. Sanjay Sharma</b>	<b>Ms. Prachi Sharma</b>
Sale of Goods	-	-	-	-
Purchase of Goods	-	-	-	-
Advances Received (Previous Year)	54,118,054 (38,153,580)	-	-	-
Advance given	-	-	-	-
Remuneration to Directors & KMPs (Previous Year)	-	300,000 (260,000)	782,500 (782,500)	- (27,021)
<b>MPS Infotecnics Limited</b>				
<b>Note 26 - Disclosure under Indian Accounting Standard 33 - EARNINGS PER SHARE (EPS)</b>				
		<b>(Amount in Rs.)</b>		
<b>Particulars</b>	<b>As at 31ST March 2021</b>	<b>As at 31 March 2020</b>		
<b>Basic</b>				
Net Profit after tax as per Statement of Profit & Loss	-	(33,092,913)		
Weighted Average number of equity shares outstanding	1,725,354	3,774,436,655		
Basic Earnings per share	-	(0.009)		
Face Value per equity share	1	1		
<b>Diluted</b>				
Net Profit after tax as per Statement of Profit & Loss	-	(33,092,913)		
Weighted Average number of equity shares outstanding	1,725,354	3,774,436,655		
Basic Earnings per share	-	(0.009)		
Face Value per equity share	1	1		



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<b>MPS Infotecnics Limited</b>			
<b>Note 27 - DEFERRED TAX</b>			
Movement in deferred tax assets			
	<b>Depreciation</b>	<b>Provision for Employee's Benefits</b>	<b>Total</b>
<b>As at 31st March 2019</b>	(62,303,543)	594,972	(61,708,571)
(charged/credited: - to profit or loss	22,963,586	109,763	23,073,349
(charged/credited: - to other comprehensive income	-	-	-
<b>As at 31st March 2020</b>	(39,339,958)	704,735	(38,635,222)
(charged/credited: - to profit or loss	1,301,101	33,042	1,334,143
(charged/credited: - to other comprehensive income	-	-	-
<b>As at 31st March 2021</b>	(38,038,857)	737,777	(37,301,079)

## Note 28

During the FY 2019-20, the company had explored the possibility of exporting Blackberry mobilephones and was successful in exporting these mobile phones in the internaionl as well as domestic market. However, operations in tradingin Blackberry mobile phones suffered a set back due to COVID-19 Pandemic and subsequent lockdown imposed by the Central Government. The Company is optimistic and hopes to recover as soon as the economic situation normalizes.



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## SIGNIFICANT ACCOUNTING POLICIES

### Statement of Compliance with Ind AS

In accordance with the notification dated 16th February, 2015, issued by the Ministry of Corporate Affairs, the Company has adopted Indian Accounting Standards (referred to as "Ind AS") notified under the Companies (Indian Accounting Standards) Rules, 2015 (as amended) with effect from 1st April, 2016 with restatement of previous year figures presented in this financial statements. Accordingly, the financial statements have been prepared in accordance with Ind AS prescribed under Section 133 of the Companies Act, 2013 ("Act") read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 and the Companies (Indian Accounting Standards) (Amendment) Rules, 2016.

The Company has adopted all the applicable Ind AS and the adoption was carried out in accordance with Ind AS-101 First time adoption of Indian Accounting Standards.

The transition was carried out from Generally Accepted Accounting Principles in India which comprised of applicable Accounting Standards specified under section 133 of the Companies Act, 2013, read with Rule 7 of the Companies (Accounts) Rules, 2014, other pronouncements of the Institute of Chartered Accountants of India (ICAI), relevant applicable provisions of the Companies Act, 1956, and the Companies Act, 2013 to the extent applicable and the applicable guidelines issued by the Securities and Exchange Board of India (SEBI) ("Previous GAAP").

These financial statements for the year ended 31st March, 2019 are the second financial statements of the Company prepared in accordance with Ind AS. The date of transition to Ind AS was 1st April, 2016.

All the Ind AS issued and notified by the Ministry of Corporate Affairs under the Companies (Indian Accounting Standards) Rules, 2015 (as amended) till the financial statements are approved for issue by the Board of Directors has been considered in preparing these financial statements.

### **A. Basis of Accounting & Preparation of Financial Statements**

These financial statements are prepared on the accrual basis of accounting, under the historical cost convention except for the following:

- i) Certain financial assets and financial liabilities measured at fair value;

There is no change in the system of accounting as being consistently followed from earlier years unless otherwise stated.

All assets and liabilities have been classified as current or non-current as per company's normal operating cycle and other criteria set out in the Schedule III to the Companies Act, 2013. Based on the nature of operations and time between procurement of raw material and realization in cash and cash equivalents, the Company has ascertained its operating cycle as 12 months for the purpose of current and non-current classification of assets and liabilities.



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## B. Use of Estimates

The preparation of financial statements requires estimates and assumptions to be made that affect the reported amount of assets and liabilities on the date of the financial statements and the reported amount of revenues and expenses during the reporting period. Difference between the actual results and estimates are recognised in the period in which the results are known/ materialised.

## C. Property, plant and equipment (PPE) and Capital work-in-progress (CWIP) Transition to Ind AS

The Company has elected to continue with carrying value of all Property, plant and equipment and Capital work-in-progress (CWIP) under the previous GAAP as deemed cost as at the transition date i.e. 1st April, 2016.

Under the previous GAAP, Property, plant and equipment were stated at their original cost (net of accumulated depreciation and impairment) adjusted by revaluation of certain assets.

The Property, plant and equipment (PPE) and Capital work-in-progress (CWIP) are stated at cost net of cenvat credit and/or at revalued price less accumulated depreciation and Accumulated Impairment.

Useful life of assets are considered on the basis of schedule-II of Companies Act 2013.

Subsequent costs are included in the asset's carrying amount only when it is probable that future economic benefits associated with the item will flow to the entity and the cost of the item can be measured reliably.

## D. Leased Assets

As a lessee

Leases are recognised as right-of-use assets and a corresponding liability at the date at which the leased asset is available for use by the Company.

Assets and liabilities arising from a lease are initially measured on present value basis. Lease liabilities include the net present value of the following lease payments:

- Lease payments less any lease incentives receivable
- Amounts expected to be payable by the Company under residual value guarantees, if any

The lease payments are discounted using Company's incremental borrowing rate (since the interest rate implicit in the lease cannot be readily determined). Incremental borrowing rate is the rate of interest that the Company would have to pay to borrow over a similar term, and a similar security, the funds necessary to obtain an asset of a similar value to the right-of-use asset in a similar economic environment.

Lease payments are allocated between principal and finance cost. The finance cost is charged to profit or loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period.



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Variable lease payments that depend on any key variable / condition, are recognised in profit or loss in the period in which the condition that triggers those payments occurs.

Right-of-use assets are measured at cost comprising the following:

- The amount of the initial measurement of lease liability
- Any lease payments made at or before the commencement date less any lease incentives received

Right-of-use assets are generally depreciated over the shorter of the asset's useful life and the lease term on a straight-line basis.

Payments associated with short-term leases and leases of low-value assets are recognised on a straight-line basis as an expense in profit or loss. Short-term leases are leases with a lease term of 12 months or less.

Operating Leases: Rentals are expensed with reference to lease terms and other considerations.

## **E. Intangible Assets**

### **Transition to Ind AS:**

The Company has elected to continue with carrying value of computer software under the previous GAAP, as deemed cost as at the transition date i.e. 1st April, 2016. Under the previous GAAP, computer software was stated at their original cost (net of accumulated amortization and accumulated impairment, if any).

Intangible assets expected to provide future enduring economic benefits are recorded at the consideration paid for acquisition of such assets and are carried at cost of acquisition less accumulated amortization and impairment, if any.

## **F. Depreciation and Amortisation**

Depreciation on fixed assets is provided to the extent of depreciable amount on straight line method (SLM) at the rates and in the manner prescribed in Schedule XIV to the Companies Act, 1956 over their useful life. Intangible Assets are amortised over a period of 10 years considering the useful life of the underlying assets on Straight Line Basis.

## **G. Impairment of Assets**

An asset is treated as impaired when the carrying cost of asset exceeds its recoverable value. An impairment loss is charged to the Profit and Loss Account in the year in which an asset is identified as impaired. The impairment loss recognised in prior accounting period is reversed if there has been a change in the estimate of recoverable amount.

## **H. Foreign Currency Transactions**

- (a) Transactions denominated in foreign currencies are recorded at the exchange rate prevailing on the date of the transaction or that approximates the actual rate at the date of the transaction.



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- (b) Monetary items denominated in foreign currencies at the yearend are restated at year end rates. In case of items which are covered by forward exchange contracts, the difference between the yearend rate and rate on the date of the contract is recognised as exchange difference
- (c) Non monetary foreign currency items are carried at cost.
- (d) Any income or expense on account of exchange difference either on settlement or on translation is recognised in the Profit and Loss account except in case of long term liabilities, where they relate to acquisition of fixed assets, in which case they are adjusted to the carrying cost of such assets.

## I. Fair value measurement

The Company measures financial instruments at fair value at each balance sheet date. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability; or
- In the absence of a principal market, in the most advantageous market for the asset or liability.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1 — Quoted (unadjusted) market prices in active markets for identical assets or liabilities.
- Level 2 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable.
- Level 3 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

For assets and liabilities that are recognised in the financial statements on a recurring basis, the Company determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.





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The management determines the policies and procedures for both recurring fair value measurement, such as derivative instruments and unquoted financial assets measured at fair value, and for non-recurring measurement, such as assets held for distribution in discontinued operations.

External valuers are involved for valuation of significant assets, such as properties. Involvement of external valuers is decided by the management after discussion with and approval by the Company's management. Selection criteria include market knowledge, reputation, independence and whether professional standards are maintained. The management decides, after discussions with the Company's external valuers, which valuation techniques and inputs to use for each case.

At each reporting date, the management analyses the movements in the values of assets and liabilities which are required to be remeasured or re-assessed as per the Company's accounting policies. For this analysis, the management verifies the major inputs applied in the latest valuation by agreeing the information in the valuation computation to contracts and other relevant documents.

The management, in conjunction with the Company's external valuers, also compares the change in the fair value of each asset and liability with relevant external sources to determine whether the change is reasonable.

For the purpose of fair value disclosures, the Company has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above.

## **Financial instruments**

Financial assets and financial liabilities are recognised in the Balance sheet when the Company becomes a party to the contractual provisions of the instrument. Financial assets and financial liabilities are initially measured at fair value.

### **Financial assets**

#### Initial recognition and measurement

All 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 attributable to the acquisition of the financial asset. The financial assets include equity and debt securities, trade and other receivables, loans and advances, cash and bank balances and derivative financial instruments.

#### **Subsequent measurement**

For the purpose of subsequent measurement, financial assets are classified in the following categories:

- 1) At amortised cost,
- 2) At fair value through other comprehensive income (FVTOCI), and
- 3) At fair value through profit or loss (FVTPL).



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Debt instruments at amortised cost

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

- 1) The asset is held within a business model whose objective is to hold the asset for collecting contractual cash flows, and
- 2) Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest 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.

## **Equity investments**

All equity investments in the scope of Ind AS 109 are measured at fair value except in case of investment in subsidiary carried at deemed cost and associate carried at cost.

Deemed cost is the carrying amount under the previous GAAP as at the transition date i.e. 1st April, 2016. Equity instruments included within the FVTPL category, if any, are measured at fair value with all changes recognized in profit or loss. The Company may make an irrevocable election to present in OCI 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. When the fair value has been determined based on level 3 inputs, the difference between the fair value at initial recognition and the transaction price is deferred and after initial recognition deferred difference is recognised as gain or loss to the extent it arises from change in input to valuation technique. If the Company decides to classify an equity instrument at FVTOCI, then all fair value changes on the instrument, excluding dividends, are recognized in OCI.

There is no recycling of the amounts from OCI to profit or loss, even on sale of investment. However, the Company may transfer the cumulative gain or loss within equity.

## **De-recognition**

The Company derecognizes a financial asset only when the contractual rights to the cash flows from the asset expires or it transfers the financial asset and substantially all the risks and rewards of ownership of the asset.

## **Inventories**

Items of inventories are measured at lower of cost and net realisable value after providing for obsolescence, if any. Cost of inventories comprises of cost of purchase, charges in bringing them to their respective present location and condition.

## **J. Revenue Recognition**



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Revenue from Fixed Price Software Contracts is recognised principally on the basis of completed Milestones as specified in the contracts.

Software Development and Services are recognised on time basis as per terms of specified contracts

Sale of Software / Hardware products is recognised on the dispatch of goods from company's premises. No provision has been made for possible returns or expenses during the warranty period.

Income from Annual Maintenance Contracts, Web Hosting and Domain Registration are accounted for in the ratio of period expired to the total period of the contract and the amount received from the customers towards the un-expired portion of such contract is treated as advance received.

Interest Income is recognized on time proportion basis.

## **K. Employee Benefits**

(a) Short-term employee benefits are recognised as an expense at the undiscounted amount in the Profit and Loss account of the year in which the related service is rendered.

(b) Post employment benefits:

### ***Defined contribution plans:***

A defined contribution plan is a post-employment benefit plan under which an entity pays specified contributions to a separate entity and has no obligation to pay any further amounts. The company makes specified monthly contributions towards provident fund. The Company's contribution is recognized as an expense in the statement of profit and loss during the period in which employee renders the related service.

### ***Defined benefit plan:***

The Company's gratuity benefit scheme is a defined benefit plan. The Company's net obligation in respect of a defined benefit plan is calculated by estimating the amount of future benefit that employees have earned in return for their service in the current and prior periods; that benefit is discounted to determine its present value, and the fair value of any plan assets is deducted.

The present value of the obligation under such defined benefit plan is determined based on actuarial valuation using the Projected Unit Credit Method, which recognizes each period of service as giving rise to additional unit of employee benefit entitlement and measures each unit separately to build up the final obligation.

The obligation is measured at the present value of the estimated future cash flows. The discount rates used for determining the present value of the obligation under defined benefit plan, are based on the market yields on Government securities as at the balance sheet date.

When the calculation results in a benefit to the Company, the recognized asset is limited to the net total of any unrecognized actuarial losses and past service costs and the present value of any future refunds from the plan or reductions in future contributions to the plan.

Actuarial gains and losses are recognized in the other comprehensive income



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## Long term employment benefits

The Company's net obligation in respect of long-term employment benefits is the amount of future benefit that employees have earned in return for their service in the current and prior periods. The obligation is calculated using the projected unit credit method and is discounted to its present value and the fair value of any related assets is deducted. The discount rates used for determining the present value of the obligation under defined benefit plan, are based on the market yields on Government securities as at the balance sheet date.

## **L. Borrowing Costs**

Borrowing costs that are attributable to the acquisition or construction of qualifying assets are capitalised as part of the cost of such assets. A qualifying asset is one that necessarily takes substantial period of time to get ready for its intended use. All other borrowing costs are charged to Profit and Loss account.

## **M. Provision for Current and Deferred Tax**

Provision for current tax is made after taking into consideration benefits admissible under the provisions of the Income-tax Act, 1961.

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the financial statement and the corresponding tax bases used in the computation of taxable profit.

Deferred tax assets are recognised for all deductible temporary differences to the extent that it is probable that taxable profit will be available against which the deductible temporary difference can be utilised. Such deferred tax assets and liabilities are not recognised if the temporary difference arises from the initial recognition of an asset or liability in a transaction (other than a business combination) affects neither accounting profit nor taxable profit (tax loss).

Deferred tax assets are recognised for the carry forward of unused tax losses and unused tax credit to the extent that it is probable that future taxable profit will be available against which the unused tax losses and unused tax credits can be utilised. Deferred tax liabilities and assets are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realised, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period. The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Company expects, at the end of reporting period, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax liabilities are generally recognised on all taxable temporary differences.

## **N. Provisions, Contingent Liabilities and Contingent Assets**

Provisions involving substantial degree of estimation in measurement are recognized when there is a present obligation as a result of past events and it is probable that there will be an outflow of resources. Contingent Liabilities are not recognised but are disclosed in the notes. Contingent assets are neither recognized nor disclosed in the financial statements.



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## **O. Estimated fair value of unlisted securities**

The fair values of financial instruments that are not traded in an active market and cannot be measured based on quoted prices in active markets is determined using valuation techniques including the net assets value (NAV) model. The Group uses its judgment to select a variety of method / methods and make assumptions that are mainly based on market conditions existing at the end of each financial year. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgment is required in establishing fair values. Judgments include considerations of inputs such as liquidity risk, credit risk and volatility. Changes in assumptions about these factors could affect the reported fair value of financial instruments.

**P. The previous year figures have been regrouped / reclassified, wherever necessary to confirm to the current year presentation**



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## CONSOLIDATED AUDIT REPORT

To,  
**The Members of MPS Infotecnics Limited**  
**Report on the Audit of the Ind AS Financial Statements**

### Opinion

We have audited the accompanying consolidated financial statements of MPS Infotecnics Limited (“MPS” or “Holding company”) and its subsidiaries, (the Company and its subsidiaries together referred to as “the Group”), which comprise the Consolidated Balance Sheet as at 31st March 2021, and 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 for the year then ended, and a summary of significant accounting policies and other explanatory information (herein after 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, except for the effect of the matters described in the “*Basis for Qualified Opinion*” section below, the aforesaid consolidated financial statements give the information required by the Companies Act, 2013 (“the Act”) in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended (‘Ind AS’), and other accounting principles generally accepted in India, of the consolidated state of affairs of the Group as at 31st March 2021, consolidated Loss, consolidated total comprehensive income, consolidated changes in equity and consolidated cash flows for the year ended on that date.

### Basis for Qualified Opinion

1. The following items shown as Intangible Assets / Inventories, no provision for impairment of assets has been made in accordance with Ind AS 36 –
  - (a) Intangible Assets under development (Capital Work-in-progress) (software development) Rs. 56.44 Cr.;
  - (b) Software rights Rs. 19.49 Cr.; and
  - (c) Stock-in-trade (source codes) Rs. 62.21 Cr. which are being carried forward in the accounts since the last over 3 years.
  - (d) Company has not provided for expected credit loss on outstanding Debtors as per IND AS-109

In the absence of valuation reports of above assets the extent of impairment and its impact on profit and loss account, reserves and surplus is not ascertained.

### 2. **Assets of subsidiaries – Rs. 16.42 Cr.**

Though Company has no subsidiaries in India; the consolidated statements include those of 3 subsidiaries in Mauritius, Hong Kong and Thailand. There have been no operations in these overseas subsidiaries since the last few years, nor is there updated information in respect thereof.

The consolidated financial statements as of 31st March 2021 include the following, pertaining to the 3 subsidiaries:

- (a) Total assets of -Rs.16.42 Cr. which are not material to the Group
- (b) Total revenue of -Nil .
- (c) Net cash inflows of – NIL for the year ended on that date.



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The consolidated statements also include the holding company's share of net loss (and other comprehensive income) of NIL for the year under review.

No audit of the subsidiaries has been done either by us or by a local audit Firm; such unaudited financial statements and information 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 disclosure included in respect of these subsidiaries and our report in terms of subsections 3 and 11 of section 143 of the Act, in so far as it relates to the aforesaid subsidiaries, is based solely on such un-audited financial information.

Goodwill (Investment in subsidiaries) aggregating to Rs. 61.69 Cr.

In the absence of valuation reports of Goodwill, the extent of impairment and its impact, if any, on profit and loss account, reserves and surplus is not ascertained.

There is also uncertainty in the realization of receivables of these subsidiaries, aggregating to Rs. 16.08 Cr. In the absence of balance confirmation, we are unable to comment on the same and its impact on profit and loss account, reserves and surplus is not ascertained.

### 3. **Disputed bank balance in overseas Bank Rs. 34.79 Cr.**

The Holding Company has shown in the balance sheet, bank balances in Banco Efisa (Lisbon Portugal) amounting to Rs .347,892,163 (USD 8,883,210.75) which the bank has adjusted and the matter is in the court of law. Consequently the bank balances shown in balance sheet are overstated by Rs. 347,892,163/-. The above bank balance relates to FY 2008-09 which is treated as a current asset. No provision has been made for the possible loss on account of above.

4. Other non-current assets include other loans and advances of Rs. 223.33 Cr. which are considered to be good for recovery. However as the terms and conditions regarding these loans have not been provided to us we are unable to ascertain and comment on the extent of realisability of this asset.

5. The Company had increased its Authorized Capital from Rs.52.45 Crores to Rs. 377.50 crores during the period from FY 2010-11 to FY 2012-13, ROC fees of Rs. 6.34 crores towards the above stands payable although provided for.

MPS has filed Special Leave Petition in the Supreme Court in April 2019 and the same is pending adjudication by the Hon'ble Apex Court.

6. Income Tax for the Assessment year 2013-14 amounting to Rs. 20.80 lacs and interest thereon is still payable although provided for.

Our opinion is modified in respect of these matters.

We also draw your attention to Note. No. 28 to the consolidated financial statement which describes the uncertainties and the impact of COVID 19 pandemic on the Company's operations and results as assessed by the management. Our opinion is not modified in respect of this matter.

We conducted our audit of the consolidated financial statements in accordance with the Standards on Auditing specified under section 143(10) of the Act (SAs).

Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of Consolidated Financial Statements section of our report. We are independent of the Company in accordance with



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the Code of Ethics issued by the Institute of Chartered Accountants of India (ICAI) together with the independence requirements that are relevant to our audit of the consolidated financial statements under the provisions of the Act and the Rules made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified 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.

In addition to the matters described in the Basis for Qualified Opinion section above, we have determined the matters described below to be the key audit matters to be communicated in our report.

1. Evaluation of uncertain tax positions: The Holding Company has material uncertain direct and indirect tax positions including matters under dispute which involves significant judgment to determine the possible outcome of these disputes. Refer Note 22 under the head "Contingent Liabilities" in the Consolidated Financial Statements.

### Auditor's Response.

We obtained from the Company's management, details of the status as of 31st March 2021 concerning tax assessments and demands for current as well as past years. We assessed the management's underlying assumptions in estimating the tax provision and the possible outcome of the disputes to evaluate whether any change was required to management's position on these uncertainties.

2. Holding Company's business model

MPS's existing business model has been impacted by the uncertainty due to its high dependence on Telecommunication segment which has shown a significant decline due to very tough competition from online operators and other service providers such as Vodafone, Idea, Jio and others who have been providing similar services. This has resulted in losses leading to difficulty in bank financing and increasing dependence on loans from others. The Company hopes to recover and recover losses and make profits as soon as the pandemic is over and the economic activities resumes globally.

3. Sundry Debtors in consolidated balance sheet aggregates to Rs. 27.97 Crores which are more than 6 months old. These debtors include sundry debtors pertaining to Subsidiaries aggregating to Rs. 16.08 Crores which are more than 3 years.. However in the opinion of auditors there should be a regular process of identification and making provision for bad and doubtful debts. Such a process has not been followed. We therefore are unable to comment on the extent of un-provided bad and doubtful debts and their impact on loss and reserves.

4. There is a delay in payment of Annual Listing Fees to the stock exchanges where the shares of the Holding Company are listed. In term of circular bearing no. LIST/COMP/OPS/ 16 /2019-2020 dated June 11, 2019 and Notice bearing no. 20190903-37 dated September 3, 2019; action(s) is initiated against the Holding Company.

5. SEBI had investigated the GDR issue of the Holding Company and SEBI in exercise of the powers conferred upon me under Sections 11(1), 11(4) and 11B of the SEBI Act, 1992 read with Section 19 of the SEBI Act, 1992, interalia, had directed the company to continue to pursue the measures to bring back the outstanding amount of \$ 8.90 million into its bank account in India and then the Directors and present Directors to ensure compliance of the





# MPS INFOTECNICS LIMITED

CIN: L30007DL1989PLC131190

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directions issued by SEBI by furnish a certificate from a peer reviewed Chartered Accountant of ICAI certifying the compliance of the said directions.

The SEBI has further restrained the Holding Company from accessing the securities market and further prohibited the company from buying, selling, or dealing in securities, directly or indirectly, in any manner what so ever, or being associated with the securities market in any manner, whatsoever, till compliance with the above directions and thereafter for an additional period of years from the date of bringing back the money.

The orders passed by SEBI has also restrained the then directors of the Holding Company from accessing the securities market and further prohibited from buying, selling or otherwise dealing in securities including units of mutual funds, directly or indirectly, or being associated with the securities market in any manner, whatsoever, for a period of 5 years from the date of this order and during the period of restraint, the existing holding of securities including units of mutual funds of these Directors shall also remain frozen.

Further SEBI vide its order dated 27.11.2020 has imposed a penalty of Rs. 10.00 crores on the Holding Company. The Holding Company is in the process of filing an appeal before the Hon'ble Securities Appellate Tribunal (SAT). The Holding Company is also in receipt of recovery certificate from SEBI and consequent thereon the SEBI has frozen the bank accounts of the Holding Company.

## 6. Default in payment of working capital dues

The cash-credit account of the Holding Company with Allahabad Bank was declared as NPA by the Bank; against the one-time settlement with the Bank for Rs. 2.81 cr, the overdue arrears as on 31 Mar 2021 is Rs. 3.07 Cr. Provision for interest at the contracted rates have been made in the books of accounts though have not been paid.

7. The Holding Company has defaulted in payment to loan from Phoenix ARC Pvt. Ltd. (Book balance as on 31.03.2021, is Rs. 2.81 Crores).

8. The Holding Company has not disclosed information relating to amount payable to micro small enterprises and small enterprises as required by Schedule III of the Companies Act, 2013.

9. Balances of trade receivables, trade payables, other loans and advances, advance to suppliers, bank balances and liabilities, are subject to confirmation.

## Information Other than the Consolidated Financial Statements and Auditor's Report Thereon

The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Management Discussion & Analysis, Board's report including the Annexures and the Corporate Governance Report, but does not include the consolidated financial statements, standalone financial statements and our auditor's 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 consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.



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## Other Information

The Holding Company's Board of Directors is responsible for the other information. The other information comprises the information included in the annual report, but does not include the consolidated financial statements and our auditor's 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, 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 Responsibility for the Consolidated Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these consolidated financial statements that give a true and fair view of the consolidated financial position, consolidated financial performance including other comprehensive income, consolidated changes in equity and consolidated cash flows of the Group in accordance with the Ind AS and other accounting principles generally accepted in India.

The respective 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 the Group 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 the 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.

In preparing the consolidated financial statements, the respective Board of Directors of the companies included in the Group are responsible for assessing the ability of the Group to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the management either intends to liquidate the Group or cease operations, or has no realistic alternative but to do so.

The respective Board of Directors of the companies included in the Group is also responsible for overseeing the financial reporting process of each company.

## Auditor's Responsibility 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



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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 financial 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 and its subsidiary companies which are companies incorporated in India, have adequate internal financial controls system 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 made by the management.
- Conclude on the appropriateness of management's 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 ability of the Group 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 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 audit 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 the entities and 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.

Materiality is the magnitude of misstatements in the consolidated financial statements that, individually or in the aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the consolidated financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work and (ii) to evaluate the effect of any identified misstatements in the consolidated financial statements.

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.



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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 auditor's 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.

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 financial information certified by the Management.

## Report on Other Legal and Regulatory Requirements

1. As required by Section 143(3) of the Act, based on our audit and consideration of financial information of the 3 subsidiaries, as were certified by the Management, and as referred to in para 2 in the Basis for Qualified Opinion section above, 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 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.
- 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 read with Rule 7 of the Companies (Accounts) Rules, 2014.
- e) On the basis of the written representations, as on 31st March 2021, received from the directors of the Holding company incorporated in India and certificate of Non-disqualification of Directors pursuant to section 164 (2) issued by the Secretarial Auditor M/s. Kundan Aggarwal & Associates, both taken on record by the Holding company's Board of Directors, none of the directors are disqualified as on 31st March 2021 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 over financial reporting and the operating effectiveness of such controls, please refer to our separate Report in "Annexure A" which is based on our audit report of the Holding company and the unaudited information given by Management concerning the 3 subsidiary companies. Our report expresses an unmodified opinion on the adequacy and operating effectiveness of internal financial controls over financial reporting of those companies.
- g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197 (16) of the Act, as amended, according to the information and explanations given to us, no remuneration has been paid by the Company to its directors during the year.
- h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014 as amended, in our opinion and to the best of our information and according to the explanations given to us :
- i) The consolidated financial statements disclose the impact of pending litigations on the consolidated financial position of the Group.



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ii) There are no long-term contracts including derivative contracts and hence no provision is required to be made in the consolidated financial statements, as required under the applicable law or accounting standards, for material foreseeable losses, if any.

iii) There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund, by the Holding company; there are no Indian subsidiaries.

**For Nemani Garg Agarwal & Co.**

**Chartered Accountants**

**Firm Reg. No. 010192N**

**Sd/-**

**SK Nemani**

**Partner**

**Membership no. 037222**

**Place: New Delhi**

**Date: 30 June, 2021**



# MPS INFOTECNICS LIMITED

CIN: L30007DL1989PLC131190

Regd. Office : 703, Arunachal Building, 19, Barakhamba Road,  
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## Annexure A

(Referred to in paragraph 1 (f) under “Report on other Legal and Regulatory requirements” section in our Report of even date)

### Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 (“the Act”)

In conjunction with our audit of the consolidated financial statements of the Company as of and for the year ended 31 March, 2021, we have audited the internal financial controls over financial reporting of the Holding company, MPS Infotecnics Limited; we have relied on the unaudited information given by Management with respect to the 3 overseas subsidiary companies which form part of the consolidated statements covered by this Report.

#### Management’s Responsibility for Internal Financial Controls

The Board of Directors of the Holding company and its subsidiaries are responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the respective Companies considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting ( “Guidance Note”) issued by the Institute of Chartered Accountants of India (“ICAI”). 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 Act.

#### Auditor’s Responsibility

Our responsibility is to express an opinion on the internal financial controls over financial reporting of the Holding company only as the 3 subsidiary companies, are incorporated outside India and have not been audited. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing, prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls. 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 over financial reporting was 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 system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, 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 judgment, including the assessment of the risks of material misstatement of the 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 system over financial reporting of the Holding company excluding its subsidiary companies which are companies incorporated outside India and have not been audited.

#### Meaning of Internal Financial Controls Over Financial Reporting

A company’s internal financial control over financial reporting 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 control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in



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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 authorizations of management and directors of the company and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

## **Limitations of Internal Financial Controls Over Financial Reporting**

Because of the inherent limitations of internal financial controls over financial reporting, 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 over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

## **Opinion**

In our opinion, to the best of our information and according to the explanations given to us and based on Management's certificate concerning the subsidiaries incorporated outside India, the Group has, in all material respects, a reasonably adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating reasonably effectively as at 31 March 2020 in accordance with the internal control over financial reporting criteria established by the respective companies 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.

**For Nemani Garg Agarwal & Co.**

**Chartered Accountants**

**Firm Reg. No. 010192N**

**Sd/-**

**SK Nemani**

**Partner**

**Membership no. 037222**

**Place: New Delhi**

**Date: 30 June, 2021**



# MPS INFOTECNICS LIMITED

CIN: L30007DL1989PLC131190

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<b>MPS Infotecnics Limited</b>			
CIN: L30007DL1989PLC131190			
703, Arunachal Building, 19, Barakhamba Road, Connaught Place, New Delhi-110001			
<b>CONSOLIDATED BALANCE-SHEET AS AT 31st MARCH, 2021</b>			
(Amount in Rs.)			
<b>PARTICULARS</b>	<b>NOTE NO</b>	<b>AS AT 31.03.2021</b>	<b>AS AT 31.03.2020</b>
<b>ASSETS</b>			
<b>NON CURRENT ASSETS</b>			
PROPERTY, PLANT AND EQUIPMENT	2(a)	493,199	524,168
CAPITAL WORK IN PROGRESS		-	-
INVESTMENT PROPERTY		-	-
GOODWILL		616,910,728	616,910,728
INTANGIBLE ASSETS	2(b)	194,986,727	230,644,227
INTANGIBLE ASSETS UNDER DEVELOPMENT	2(C)	564,439,755	564,439,755
<b>FINANCIAL ASSETS</b>			
INVESTMENTS	3	4,735	4,669
LOANS		-	-
OTHER FINANCIAL ASSETS		-	-
DEFERRED TAX ASSETS (NET)		-	-
OTHER NON CURRENT ASSETS	4	2,233,305,452	2,234,227,890
<b>TOTAL NON CURRENT ASSETS</b>		<b>3,610,140,597</b>	<b>3,646,751,438</b>
<b>CURRENT ASSETS</b>			
INVENTORIES	5	622,189,185	621,971,389
<b>FINANCIAL ASSETS</b>			
TRADE RECEIVABLES	6	279,756,228	350,873,097
CASH AND CASH EQUIVALENTS	7(a)	511,908	387,086
BANK BALANCES & LOANS	7(b)	348,768,245	349,036,453
OTHER FINANCIAL ASSETS		-	-
CURRENT TAX ASSETS (NET)		-	-
OTHER CURRENT ASSETS	8	15,858,597	12,530,789
<b>TOTAL CURRENT ASSETS</b>		<b>1,267,084,163</b>	<b>1,334,798,813</b>
<b>TOTAL ASSETS</b>		<b>4,877,224,761</b>	<b>4,981,550,252</b>
<b>EQUITY AND LIABILITIES</b>			
EQUITY SHARE CAPITAL	9	3,774,436,655	3,774,436,655
OTHER EQUITY	10	648,185,346	704,183,197
<b>TOTAL EQUITY</b>		<b>4,422,622,001</b>	<b>4,478,619,852</b>
<b>LIABILITIES</b>			
<b>NON-CURRENT LIABILITIES</b>			
<b>FINANCIAL LIABILITIES</b>			
BORROWINGS	11	28,135,864	24,466,298
DEFERRED TAX LIABILITY (NET)	27	37,301,079	38,635,222
OTHER NON CURRENT LIABILITIES		-	-
<b>TOTAL NON-CURRENT LIABILITIES</b>		<b>65,436,944</b>	<b>63,101,520</b>
<b>CURRENT LIABILITIES</b>			
<b>FINANCIAL LIABILITIES</b>			
BORROWINGS	12	212,370,547	208,365,575
TRADE PAYABLES		88,577,694	151,591,502
OTHER FINANCIAL LIABILITIES		-	-
SHORT TERM PROVISIONS	13	5,449,853	5,336,389
OTHER CURRENT LIABILITIES	14	82,767,721	74,535,413
CURRENT TAX LIABILITY		-	-
<b>TOTAL CURRENT LIABILITIES</b>		<b>389,165,816</b>	<b>439,828,878</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>4,877,224,761</b>	<b>4,981,550,252</b>
SIGNIFICANT ACCOUNTING POLICIES ON FINANCIAL STATEMENTS	NOTES 1-28		
<b>As per our Audit Report of even date For Nemani Garg Agarwal &amp; Co.</b>			
Chartered Accountants		<b>For and on behalf of the Board of Directors</b>	
FRN No. : 010192N		Sd/-	Sd/-
		Peeyush Aggarwal	Rachit Garg
		Managing Director	Director
		DIN: 00090423	DIN: 7574194
<b>S.K. Nemani</b>		Sd/-	Sd/-
Partner		Garima Singh	Sanjay Sharma
M.No. : 037222		Company Secretary	Chief Financial Officer
Place : New Delhi			
Date : 30/06/2021			





# MPS INFOTECNICS LIMITED

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<b>MPS Infotecnics Limited</b>			
<b>CIN: L30007DL1989PLC31190</b>			
703, Arunachal Building, 19, Barakhamba Road, Connaught Place, New Delhi-110001			
<b>Consolidated Statement of Profit &amp; Loss Account for the year ended 31st March, 2021</b>			
PARTICULARS	NOTE N	YEAR ENDED	
		31.03.2021	31.03.2020
<b>REVENUE</b>			
REVENUE FROM OPERATIONS	14	4,147,818	81,419,419
OTHER INCOME	15	853,795	29,194
<b>TOTAL REVENUE</b>		<b>5,001,613</b>	<b>81,448,612</b>
<b>EXPENDITURE</b>			
PURCHASE OF STOCK -IN -TRADE & SERVICES		3,450,357	83,521,835
CHANGE IN INVENTORIES	16	(217,796)	-
EMPLOYEE BENEFIT EXPENSES	17	2,621,653	2,601,106
FINANCE COST	18	6,346,568	4,189,405
DEPRECIATION & AMORTISATION EXPENSES	2	35,688,468	35,832,376
OTHER EXPENSES	19	12,698,988	11,470,152
<b>TOTAL EXPENDITURE</b>		<b>60,588,239</b>	<b>137,614,874</b>
<b>PROFIT BEFORE TAX</b>		<b>(55,586,626)</b>	<b>(56,166,262)</b>
<b>TAX EXPENSES</b>			
- CURRENT TAX		-	-
- EARLIER YEARS (NET)		-	-
- DEFERRED TAX (NET)	27	1,334,143	23,073,349
<b>PROFIT AFTER TAX</b>		<b>(54,252,483)</b>	<b>(33,092,913)</b>
<b>OTHER COMPREHENSIVE INCOME</b>			
<b>ITEMS THAT WILL NOT BE RECLASSIFIED SUBSEQUENTLY TO PROFIT &amp; LOSS</b>			
- REMEASUREMENTS OF THE DEFINED BENEFIT LIABILITY/ASSET		173,063	(127,238)
- GAIN OR LOSS ARISING ON FAIR VALUATION OF EQUITY INSTRUMENT		-	-
<b>TOTAL OTHER COMPREHENSIVE INCOME (NET OF TAX)</b>		<b>173,063</b>	<b>(127,238)</b>
<b>TOTAL COMPREHENSIVE INCOME FOR THE YEAR</b>		<b>(54,079,420)</b>	<b>(33,220,151)</b>
<b>EARNING PER SHARE (EQUITY SHARE OF Re 1/- EACH) - BASIC &amp; DILUTED</b>		(0.014)	(0.009)
WEIGHTED AVERAGE NUMBER OF EQUITY SHARES USED IN COMPUTING EARNING PER SHARE		3,774,436,655	3,774,436,655
SIGNIFICANT ACCOUNTING POLICIES	1		
NOTES ON FINANCIAL STATEMENTS	2-28		
As per our Audit Report of even date			
<b>For Nemani Garg Agarwal &amp; Co.</b>		<b>For and on behalf of the Board of Directors</b>	
Chartered Accountants			
FRN No. : 010192N			
		Sd/-	Sd/-
		Peeyush Aggarwal	Rachit Garg
		Managing Director	Director
		DIN: 00090423	DIN: 7574194
<b>S.K. Nemani</b>		Sd/-	Sd/-
Partner		Garima Singh	Sanjay Sharma
M.No. : 037222		Company Secretary	Chief Financial Officer
Place : New Delhi			
Date : 30/06/2021			



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CIN: L30007DL1989PLC131190

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MPS Infotecnics Limited			
L30007DL1989PLC131190			
703, Arunachal Building, 19, Barakhamba Road, Connaught Place, New Delhi-110001			
Consolidated Cash Flow Statement for the year ended 31st March, 2021			
	Particulars	As At	
		31-Mar-21	31-Mar-20
<b>A.</b>	<b>CASH FLOW FROM OPERATING ACTIVITIES</b>		
	Net Profit before Tax	(55,586,626)	(56,166,262)
	Adjustment for :		
	Depreciation & Amortisation	35,688,468	35,832,376
	Leave Encashment	73,925	141,413
	Gratuity	53,160	280,753
	Provision for Expenses	(13,620)	44,995
	Comprehncive Income	173,063	(127,238)
	Interest & Other Costs	6,346,568	4,189,405
	Interest Received	(53,137)	(20,194)
	Operating Profit Before Working Capital Changes	(13,318,200)	(15,824,751)
	(Increase)/Decrease in Current Assets	67,571,265	16,915,797
	Increase/(Decrease) in Current Liabilities	(50,776,527)	(12,296,143)
	<b>Net Cash from Operating Activities (A)</b>	<b>3,476,538</b>	<b>(11,205,097)</b>
<b>B.</b>	<b>CASH FLOW FROM INVESTING ACTIVITIES</b>		
	Purchase of Fixed Assets	-	-
	Sale of Fixed Assets	-	-
	Change in Capital WIP	-	-
	(Increase)/Decrease in Investments	(66)	(246)
	Interest Received	53,137	20,194
	Long term Loans & Advances	922,438	5,552,654
	<b>Net Cash Outflow in Investing Activities (B)</b>	<b>975,509</b>	<b>5,572,602</b>
<b>C.</b>	<b>CASH FLOW FROM FINANCING ACTIVITIES</b>		
	Issue of Equity Shares	-	-
	Share Application Money Received	-	-
	Increase / ( Decrease) in Long Term Borrowings	3,669,566	3,677,113
	Prior Period Item	-	-
	Interest Paid	(6,346,568)	(4,189,405)
	<b>Net Cash inflow from Financing Activities (C)</b>	<b>(2,677,001)</b>	<b>(512,293)</b>
	Foreign Currency Translation Reserve	(1,918,430)	6,239,397
	<b>Net Increase/(Decrease) in Cash &amp; Cash Equivalent (A+B+C)</b>	<b>1,775,046</b>	<b>(6,144,787)</b>
	Cash and Cash Equivalent as at 01/04/2020	<b>349,423,539</b>	<b>349,328,930</b>
	Cash and Cash Equivalent as at 31/03/2021	<b>349,280,153</b>	<b>349,423,539</b>
	Notes:		
	1 Comparative figures have been regrouped wherever necessary.		
	2 The cash flow statement has been prepared under the 'Indirect Method' as set out in Accounting Standard – 3 on Cash Flow Statement notified by the Companies (Accounting Standards) Rules, 2006.		
	3 These earmarked account balances with banks can be utilised only for the specific identified purposes.		
	4 Bank Balance as shown in cash and Cash Equivalents amounting to Rs. 34,78,92,163 in Banco Efisa bank in Potugal is not available for use, because the bank has wrongly Debited the account by same amount, the matter is in court of Law.		
	As per our Audit Report of even date		
	<b>For Nemani Garg Agarwal &amp; Co.</b>	<b>For and on behalf of the Board of Directors</b>	
	Chartered Accountants		
	FRN No. : 010192N		
		Sd/-	Sd/-
		<b>Peeyush Aggarwal</b>	<b>Rachit Garg</b>
		<b>Managing Director</b>	<b>Director</b>
		<b>DIN: 00090423</b>	<b>DIN: 7574194</b>
	<b>S.K. Nemani</b>		
	Partner		
	M.No. : 037222	Sd/-	Sd/-
		<b>Garima Singh</b>	<b>Sanjay Sharma</b>
	<b>Place : New Delhi</b>	<b>Company Secretary</b>	<b>Chief Financial Officer</b>
	<b>Date : 30/06/2021</b>		



# MPS INFOTECNICS LIMITED

CIN: L30007DL1989PLC131190

Regd. Office : 703, Arunachal Building, 19, Barakhamba Road,  
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MPS Infotecnics Limited											
Notes to the Standalone Financial Statements For the year ended March 31, 2021											
Note 2 - Property, Plant & Equipments											
Description	Rate	Gross Block			Depreciation / Amortization For the Year	Deductio ns /	As At		As At		(Amount in Rs.)
		As At 01.04.2020	Additions / Adjustments	Deductions / Adjustments			31.03.2021	01.04.2020	31.03.2021	31.03.2020	
<b>A. Tangible Assets :</b>											
Building	1.60%	-	-	-	-	-	-	-	-	-	-
Plant & Machinery											
- Computers and Peripherals	16.21%	34,326,883	-	-	-	-	34,242,479	34,242,479	84,404	84,404	84,404
-Office Equipments	4.75%	14,329,413	-	-	8,691	-	14,265,609	14,265,609	64,113	72,804	72,804
Vehicles	9.50%	4,379,893	-	-	5,041	-	4,274,597	4,274,597	105,296	110,336	110,336
Furniture & Fixtures	6.33%	15,539,164	-	-	17,237	-	15,299,777	15,299,777	239,387	256,624	256,624
<b>Sub Total (A)</b>		<b>68,575,353</b>	-	-	<b>30,969</b>	-	<b>68,051,186</b>	<b>68,051,186</b>	<b>493,199</b>	<b>524,168</b>	<b>524,168</b>
<b>B. INTANGIBLE ASSETS :</b>											
Goodwill	10%	2,800,000	-	-	-	-	2,800,000	2,800,000	-	-	-
Software	10%	356,575,000	-	-	35,657,500	-	161,588,273	194,986,727	194,986,727	230,644,227	230,644,227
<b>Sub Total (B)</b>		<b>359,375,000</b>	-	-	<b>35,657,500</b>	-	<b>164,388,273</b>	<b>194,986,727</b>	<b>194,986,727</b>	<b>230,644,227</b>	<b>230,644,227</b>
<b>Total (A+B)</b>		<b>427,950,353</b>	-	-	<b>35,688,469</b>	-	<b>196,781,958</b>	<b>232,470,429</b>	<b>195,479,936</b>	<b>231,168,395</b>	<b>231,168,395</b>
<b>C. CAPITAL WORK IN PROGRESS</b>											
Capital Work-in-Progress (including Advances on Capital Account)		564,439,755	-	-	-	-	564,439,755	-	-	564,439,755	564,439,755
<b>Grand Total A+B+C</b>		<b>992,390,108</b>	-	-	<b>35,688,469</b>	-	<b>196,781,958</b>	<b>232,470,429</b>	<b>759,919,681</b>	<b>795,608,150</b>	<b>795,608,150</b>
Previous Year											
<b>Description</b>	<b>Rate</b>	<b>As At 01.04.2019</b>	<b>Additions / Adjustments</b>	<b>Deductions / Adjustments</b>	<b>Depreciation / Amortization For the Year</b>	<b>Deductio ns /</b>	<b>As At 01.04.2019</b>	<b>As At 31.03.2020</b>	<b>As At 31.03.2020</b>	<b>As At 31.03.2019</b>	<b>Net Block</b>
<b>A. Tangible Assets :</b>											
Building	1.60%	-	-	-	-	-	-	-	-	-	-
Plant & Machinery											
- Computers and Peripherals	16.21%	34,326,883	-	-	74,898	-	34,167,581	34,242,479	84,404	159,302	159,302
-Office Equipments	4.75%	14,329,413	-	-	73,295	-	14,183,314	14,256,609	72,804	146,099	146,099
Vehicles	9.50%	4,379,893	-	-	5,034	-	4,264,523	4,269,557	110,336	115,370	115,370
Furniture & Fixtures	6.33%	15,539,164	-	-	21,649	-	15,282,540	15,282,540	256,624	278,273	278,273
<b>Sub Total (A)</b>		<b>68,575,353</b>	-	-	<b>174,876</b>	-	<b>67,876,309</b>	<b>68,051,185</b>	<b>524,168</b>	<b>699,044</b>	<b>699,044</b>
<b>B. INTANGIBLE ASSETS :</b>											
Goodwill	10%	2,800,000	-	-	-	-	2,800,000	2,800,000	-	-	-
Software	10%	356,575,000	-	-	35,657,500	-	90,273,273	125,930,773	230,644,227	266,301,727	266,301,727
<b>Sub Total (B)</b>		<b>359,375,000</b>	-	-	<b>35,657,500</b>	-	<b>93,073,273</b>	<b>128,730,773</b>	<b>230,644,227</b>	<b>266,301,727</b>	<b>266,301,727</b>
<b>Total (A+B)</b>		<b>427,950,353</b>	-	-	<b>35,832,376</b>	-	<b>160,949,582</b>	<b>196,781,959</b>	<b>231,168,395</b>	<b>267,000,771</b>	<b>267,000,771</b>
<b>C. CAPITAL WORK IN PROGRESS</b>											
Capital Work-in-Progress (including Advances on Capital Account)		564,439,755	-	-	-	-	564,439,755	-	-	564,439,755	564,439,755
<b>Grand Total A+B+C</b>		<b>992,390,108</b>	-	-	<b>35,832,376</b>	-	<b>160,949,582</b>	<b>196,781,959</b>	<b>795,608,150</b>	<b>831,440,526</b>	<b>831,440,526</b>

Note :

- The Company has developed or customized various computer software in house. The company has source code for all these software and has all the rights over the product. However there is no formal registration of IPR. The company has shown these software under the sub-head "Software" under the head "Intangible" in its financial statements and the same is certified by the management. Capital WIP includes various software product underdeveloped / developed which also includes software with third party for development/modification.
- During the financial year 2013-14, the Company transferred softwares (under the head Intangible Assets in Fixed Assets) amounting to Rs. 62.23 crores into stock in trade at WDV as on 01/04/2013. The management of the company has decided to sell these various software products in the market.



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MPS Infotecnics Limited			
Note No.	Particulars	31/03/2021	31/03/2020
<b>3 NON-CURRENT INVESTMENTS</b>			
	OTHERS	4,735	4,669
	<b>Total</b>	<b>4,735</b>	<b>4,669</b>
Note No.	Particulars	31/03/2021	31/03/2020
<b>4 OTHER NON CURRENT ASSETS</b>			
<b>a. LONG-TERM LOANS &amp; ADVANCES</b>			
	Advances with Tax Authorities	9,211,280	10,178,591
	Other Loans and Advances	2,224,062,784	2,224,049,299
	<b>Total (a)</b>	<b>2,233,274,064</b>	<b>2,234,227,890</b>
<b>b. OTHER NON CURRENT ASSETS</b>			
	Prepaid Rent on Security Deposit	31,388	31,388
	<b>Total (a)</b>	<b>31,388</b>	<b>31,388</b>
	<b>Total (a) + (b)</b>	<b>2,233,305,452</b>	<b>2,234,227,890</b>
<b>Notes :</b>			
1. Other Loans & Advances are subject to balance confirmation.			
2. During the financial year 2013-14, due to change in business plan and consequential ammendment in terms, Capital Advances amounting to Rs. 220 Crore has been taken as long term advances and included in Other Loans & Advances.			
Note No.	Particulars	As at 31.03.2021	As at 31.03.2020
<b>5 INVENTORIES</b>			
	Stock-in-Trade	622,189,185	621,971,389
	<b>Total</b>	<b>622,189,185</b>	<b>621,971,389</b>
Note No.	Particulars	As at 31.03.2021	As at 31.03.2020
<b>6 TRADE RECEIVABLES</b>			
<b>Trade Receivables</b>			
	Trade Receivables#	279,756,228	350,873,097
	Receivables from related parties	-	-
	Less: Provision for doubtful debts	-	-
	<b>Trade Receivables</b>	<b>279,756,228</b>	<b>350,873,097</b>
	Current portion	279,756,228	350,873,097
	Non-current portion	-	-
<b>Breakup of security details</b>			
	Trade Receivable Considered good-Secured	-	-
	Trade Receivable Considered good-Unsecured	279,756,228	350,873,097
	Trade Receivable which hase significant increase in credit risk	-	-
	Trade recivable credit impaired	-	-
	<b>Total</b>	<b>279,756,228</b>	<b>350,873,097</b>
	Provision for doubtful debts	-	-
	<b>Total trade receivables</b>	<b>279,756,228</b>	<b>350,873,097</b>
<b>Notes :-</b> Trade Receivables subject to balance confirmation. The management considers the same is good and recoverable.			



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Note No.	Particulars	As at 31.03.2021	As at 31.03.2020
<b>7 (a)</b>	<b>CASH BALANCES</b>		
	Cash in hand	511,908	387,086
	<b>Total (a)</b>	<b>511,908</b>	<b>387,086</b>
<b>7 (b)</b>	<b>BANK BALANCES</b>		
	Balances with Banks	206,082	474,290
	Fixed Deposits with Banks	670,000	670,000
	Balances with Foreign Bank - Banco Efisa	347,892,163	347,892,163
	<b>Total (b)</b>	<b>348,768,245</b>	<b>349,036,453</b>
	<b>Total (a)+(b)</b>	<b>349,280,153</b>	<b>349,423,539</b>
	<p><b>Note:</b> The funds raised by the Company from GDR issue during F.Y. 2007-08 were kept in fixed deposit account with Banco Efisa, Lisbon, Portugal, as the said amount was to be deployed in terms of INFORMATION MEMORANDUM of the GDR issue. During the F.Y. 2008-09, the Bank in Portugal, Banco Efisa wrongly debited an amount of USD 8,883,210.75 out of the balance lying in the Company's Account with the Bank. The Company has denied and disputed this debit and had initiated legal action under criminal jurisprudence of Portuguese Law. During the criminal investigation, several new facts/documents have come to our knowledge and based on the evaluation of new facts/documents by Barristers, Senior Advocates and investigation carried out of in India, London and Portugal; your Company has initiated a strong civil action for recovery of USD 8,883,210.75, along with interest, against Banco Efisa and its Holding Company, wherein the Portuguese advocates confirm that the chances of recovery are very high.</p>		
Note No.	Particulars	As at 31.03.2021	As at 31.03.2020
<b>8</b>	<b>OTHER CURRENT ASSETS</b>		
	<b>SHORT TERM LOANS &amp; ADVANCES</b>		
	Advance to Suppliers	6,708,788	6,363,404
	Advance with Tax Authorities	4,051,322	1,032,452
	<b>Total (a)</b>	<b>10,760,110</b>	<b>7,395,856</b>
	<b>OTHER CURRENT ASSETS</b>		
	Security Deposits	472,334	501,334
	Security Deposit Ammortisation Adjustment	(31,388)	(31,388)
	Prepaid Expenses	4,231,302	4,260,496
	Interest accrued but not due	426,240	373,103
	<b>Total (b)</b>	<b>5,098,487</b>	<b>5,134,933</b>
	<b>Total (a) + (b)</b>	<b>15,858,597</b>	<b>12,530,789</b>
	<p><b>Note :</b> Other Loans &amp; Advances, Advance to suppliers are subject to balance confirmation, however these loans and advances are good and recoverable.</p>		



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Note No.	Particulars	As at 31.03.2021	As at 31.03.2020		
<b>9</b>	<b>SHARE CAPITAL</b>	3,775,000,000	3,775,000,000		
	Equity Share Capital				
	Authorised Share Capital :				
	3,775,000,000 Equity Share of Re.1/- each				
	(Previous Year 3,775,000,000 equity share of Re. 1/- each)				
	(a) Issued, Subscribed & Paid Up Share Capital :	3,774,436,655	3,774,436,655		
	(377,44,36,655 Equity Shares of Re. 1/- each Includes				
	102,404,764 Equity Shares Consequent to issue of				
	46,54,762 GDR vide information Memorandum Dated				
	December 4 , 2007)				
	<b>Total</b>	<b>3,774,436,655</b>	<b>3,774,436,655</b>		
	<b>Notes:</b>				
	1. The Company has only one class of equity shares having a par value of Re.1/- each per share. Each holder of equity share is entitled to one vote per share.				
	2. In the event of liquidation of the Company, holders of equity shares will be entitled to receive any of the remaining assets of the Company after discharging the liabilities of the Company.				
	3.The Company had increased the authorized capital during the Financial Year 2010-11 to 2012-13, however due to technical issues necessary forms along with the fees w.r.t. increase in Authorised Capital, could not be filed and paid. Measnrwhile the schedule of fees was increased as per the companies act, 2013. However, the authorised capital was increased prior to the applicability of companies act, 2013. The company has filed a Writ Petition bearing No. WP(C) 5199 of 2015 before the Hon'ble High Court of Delhi, challenging the applicability of provisions prescribed under Para 3 of Table B under Registration of Offices and Fees Rules 2014 and the same is pending adjudication.				
	<b>The Details of Shareholders holding more than 5 % shares :</b>				
	<b>Name of the Shareholder</b>	<b>No. of Shares</b>	<b>% held</b>	<b>No. of Shares</b>	<b>% held</b>
	Mr. Peeyush Aggarwal	786,750,193	20.84	786,750,193	20.84
	Omkam Capital Markets Pvt. Ltd.	341,000,000	9.03	341,000,000	9.03



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The reconciliation of the number of shares outstanding is set out as below			
<b>Particulars</b>			
	Equity Shares at the beginning of the year	3774436655	3,774,436,655
	Add: Shares issued on conversion of convertible warrants	-	-
	Add: Shares issued as Bonus Shares (1:10)	-	-
	Equity Shares at the end of the year	3774436655	374,436,655
<b>Note No.</b>	<b>Particulars</b>	<b>As at 31.03.2021</b>	<b>As at 31.03.2020</b>
<b>10</b>	<b>OTHER EQUITY</b>		
	<b>a. Reserves &amp; Surplus</b>		
	Capital Reserve	51,457,116	51,457,116
	Securities Premium Reserve	899,102,506	899,102,506
	General Reserve	54,570,009	54,570,009
	Foreign Currency Translation Reserve	45,649,492	47,567,922
	(Less):-	-	-
	Deficit in earlier year	(349,847,097)	(316,754,182)
	Deficit during the year	(54,252,483)	(33,092,913)
	<b>Total a</b>	<b>646,679,544</b>	<b>702,850,458</b>
	<b>b. Other Comprehensive Income</b>		
	Items that will not be subsequently reclassified to OCI	-	-
	Remeasurements of Defined Benefit Liability	1,505,802	1,332,739
	<b>Total (a+b)</b>	<b>648,185,346</b>	<b>704,183,197</b>
<b>Note No.</b>	<b>Particulars</b>	<b>As at 31.03.2021</b>	<b>As at 31.03.2020</b>
<b>11</b>	<b>LONG TERM BORROWINGS</b>		
	Secured		
	Loans from Phoenix ARC Pvt. Ltd.	28,135,864	24,466,298
	<b>Total</b>	<b>28,135,864</b>	<b>24,466,298</b>
<b>Note No.</b>	<b>Particulars</b>	<b>As at 31.03.2021</b>	<b>As at 31.03.2020</b>
<b>12</b>	<b>SHORT TERM BORROWING</b>		
	Secured		
	Working Capital Loan from Allahabad Bank	30,789,169	28,112,169
	Unsecured		
	From Directors	176,215,442	174,887,470
	From Corporates	5,365,936	5,365,936
	<b>Total</b>	<b>212,370,547</b>	<b>208,365,575</b>



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Note No.	Particulars	As at 31.03.2021	As at 31.03.2020
<b>13</b>	<b>SHORT TERM PROVISIONS</b>		
	Provision for Income Tax	2,080,074	2,080,074
	Provisions for Employees Benefits - Leave Encashment	1,725,354	1,651,429
	Provisions for Employees Benefits - Gratuity	1,112,252	1,059,092
	Provisions for Expenses	532,174	545,794
	<b>Total</b>	<b>5,449,853</b>	<b>5,336,389</b>
	<b>Note:</b> Income tax liability amounting to Rs. 20.80 Lacs in respect of assesment year 2013-14, still payable against which provision for income tax, had already been made in the books of account. As such this liability has no further impact on the profits / retained earnings of the reported period of the company.		
	Notes: Working Capital Loans from Allahabad Bank and Loans from Phoenix ARC Pvt. Ltd. are secured by way of charge on movable and immovable properties of the Company and collateral securities of Directors.		
	(i) Company has entered into an OTS for a sum of Rs. 118,650,000.00 with Allahabad Bank as on 14.01.2016 and paid a sum of Rs. 10,27,40,318/- till 31.05.2017 and further re-entered into an OTS of Rs. 281.00 Lacs and paid Rs. 13.30 lacs		
	(ii) Other Unsecured loans included a sum of Rs. 174,887,470/- from directors.		
Note No.	Particulars	As at 31.03.2021	As at 31.03.2020
<b>14</b>	<b>OTHER CURRENT LIABLITIES</b>		
	Advance from customers	5,681,314	5,681,314
	Other Payables	77,086,407	68,854,099
	<b>Total</b>	<b>82,767,721</b>	<b>74,535,413</b>
	<b>Note :</b> Other payable includes Rs. 6.34 Crores towards ROC fees in connection with increase in Authorised share capital from Rs. 52.45 Crores to Rs. 377.50 Crores in various EGMs held and Merger through Court orders held during the Period from FY 2010-11 to FY 2012-13. Kindly refere Note No. 1 (3) under the head "Share Capital".		
	<b>Note:</b> Trade Payables are subject to balance conirmation.		





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Note No.	Particulars	31/03/2021	31/03/2020
<b>15</b>	<b>REVENUE FROM OPERATIONS</b>		
	Sale of Products & Services	4,147,818	81,192,869
	Custom Collection Refund	-	226,550
	<b>Total</b>	<b>4,147,818</b>	<b>81,419,419</b>
<b>16</b>	<b>OTHER INCOME</b>		
	Miscellaneous Income	800,658	9,000
	Interest income	53,137	20,194
	<b>Total</b>	<b>853,795</b>	<b>29,194</b>
<b>17</b>	<b>CHANGES IN INVENTORIES OF STOCK-IN-TRADE</b>		
	Opening Stock	621,971,389	621,971,389
	Less: Closing Stock	622,189,185	621,971,389
	<b>Total</b>	<b>(217,796)</b>	<b>-</b>
<b>18</b>	<b>EMPLOYEE'S BENEFIT EXPENSES</b>		
	Salaries and Wages	2,571,544	2,553,346
	Contribution to Provident and Other Funds	27,900	29,031
	Staff Welfare Expenses	22,209	18,729
	<b>Total</b>	<b>2,621,653</b>	<b>2,601,106</b>
<b>19</b>	<b>FINANCE COST</b>		
	Interest Expenses	6,346,568	4,189,405
	<b>Total</b>	<b>6,346,568</b>	<b>4,189,405</b>



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Note No.	Particulars	31/03/2021	31/03/2020
<b>20</b>	<b>OTHER EXPENSES</b>		
	Advertisement and Publicity	74,400	108,096
	Miscellaneous Expenses	4,750	10,113
	Audit Fees	150,000	150,000
	Bank Charges	87,662	82,915
	Communication Expenses	21,208	43,523
	Conveyance Expenses	25,930	17,967
	Diwali Expenses	2,400	-
	Exchange Rate Fluctuation	35,904	248,867
	Freight & Cartage	-	219,273
	Loading & Unloading Expenses	-	2,520
	Insurance Premium	2,735	20,515
	Legal & Professional Charges	111,150	202,960
	Listing Fees	1,533,773	1,581,523
	Membership Fee	6,356	7,250
	Power, Fuel & Water Charges	64,270	142,758
	Printing & Stationery	33,395	46,203
	Rates & Taxes	7,044,696	5,038,653
	Rent Charges	3,396,336	3,396,336
	Repair & Maintenance Charges	104,023	115,342
	Ware House Rent	-	21,333
	Ware House Registration charges	-	14,005
	<b>Total</b>	<b>12,698,988</b>	<b>11,470,152</b>



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<b>Note 21 - Disclosure Under Indian Accounting Standard 21- Transactions occurred in Foreign Currency</b>		
	<b>(Amount in Rs.)</b>	
<b>Particulars</b>	<b>As at 31st March, 2021</b>	<b>As at 31st March, 2020</b>
Import/Export in Foreign Currency		
FOB Value of Export	39,027	30,346,026
Value of Imports	2,137,076	1,901,264
Expenditure in Foreign Currency	-	-
Profit and (Loss) Foreign Exchange Fluctuation	(35,904)	(248,867)
<b>Net Profit / (Loss) in Foreign Exchange Fluctuation</b>	<b>(35,904)</b>	<b>(248,867)</b>
<b>Note 22 - Disclosure under Indian Accounting Standard 29 - Contingent Liabilities</b>		
A. Dues of Income Tax excluding Interest		
a) A.Y. 2006-07 Rs. 12,45,589/- (Rs. 12,45,589/-),		
b) A.Y. 2008-09 Rs. 4,38,51,395/- (Rs. 4,38,51,395/-),		
c) A.Y. 2009-10 Rs. 2,74,87,250/- (2,74,87,250/-)		
d) A.Y. 2010-11 Rs. 2,73,06,810/- (Nil)		
B. Interest on Cash Credit (NPA as per Bank) of Rs. 1,93,55,408/- (Rs. 1,79,04,100/-), which is under settlement with Bank .		
C. ROC fees of increase in authorised share capital including interest Rs. 4,69,34,792/- (Rs. 420,61,713/-).		
D. Service Tax demand Nil. (Rs. 25,53,123/-)		
E. SEBI Penalty with Interest 10,40,76,712 (Rs. Nil)		
<b>Note 23 - Payment to auditors</b>		
	<b>(Amount in Rs.)</b>	
<b>Particulars</b>	<b>As at 31st March, 2021</b>	<b>As at 31st March, 2020</b>
Audit Fee for		
-Statutory Audit	150000	150000



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Note 24 - Disclosure under Indian Accounting Standard 108 - Segment Reporting				(Amount in Rs.)
Particulars for the year ended 31st March, 2021	Business Segments			Total
	IT Solutions & Products	IT Enabled Services	Telecommunication	
Revenue	-	4,147,818	-	<b>4,147,818</b>
Inter-Segment Revenue	-	(5,257,961)	(76,161,458)	(81,419,420)
Total	-	4,147,818	-	<b>4,147,818</b>
Segment Result	-	(5,257,961)	(76,161,458)	(81,419,420)
Interest	-	(643,176)	(13,798,767)	(14,441,942)
				<b>6,346,568</b>
				(4,189,405)
				<b>(19,133,030)</b>
Unallocable Expenses (net)				(18,631,348)
				<b>62,207,162</b>
				(37,564,108)
Operating Income				<b>(81,340,192)</b>
				(56,195,455)
Other Income ( net)				-
				(29,194)
Extra ordinary & prior period itmes				-
				-
Profit before tax				<b>(81,340,193)</b>
				(56,166,262)
Tax Expenses				<b>1,334,143</b>
				(23,073,349)
<b>Net Profit for the year</b>				<b>(80,006,050)</b>
(P.Y.)				(33,092,913)
Note:				
1. Primary Segmentation has been done according to the nature of product & services. The Company's Operations predominantly relate to the following segments:				
	a) IT Solution & Products (including software)			
	b) IT Enabled Services			
	c) Telecommunication			
2. There is no Inter division or Inter Segment transfer of goods.				
3. Since Fixed Assets used in the company's business cannot be specifically identified with any of the reportable segment, as these are used inter changeably among segments, therefore segment wise disclosure on capital employed has not been furnished.				
4. The Company caters mainly to the Domestic market and the Export turnover is not significant in the context of the total turnover. As such there are no geographical segments				



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Note 25 - Disclosure Under Indian Accounting Standard 24 - RELATED PARTY				
Description of Relationship	Names of Related Parties	Amount Payable As At 31st March, 2021	Amount Payable As At 31st March, 2020	
Ultimate Holding Company	No			
Holding Company	No			
Subsidiary Companies	Axis Convergence Inc Greenwire Network Limited Opentec Thai Network Specialists Limited			
Fellow Subsidiary Company	No			
Key Management Personnel (KMP)	Mr. Peeyush Kumar Aggarwal (Chairman & M.D.) Ms. Garima Singh (Company Seceretary) Mr. Sanjay Sharma (CFO)	176,215,442 74,903 231,000	174,887,470 12,903 407,500	
Relatives of KMP	None			
Entities in which KMP/ Relatives of KMP can exercise significant influence	Omkam Global Capital Private Limited	54,118,054	38,153,580	
Note:				
1. Related Parties transactions during the year, have been identified by the management				
Previous year's figures in ( )				
Particulars	Omkam Global Capital Private Limited	Ms. Garima Singh	Mr. Sanjay Sharma	Ms. Prachi Sharma
Sale of Goods	-	-	-	-
Purchase of Goods	-	-	-	-
Other Advances	54,118,054	-	-	-
(P. Y.)	(38,153,580)	-	-	-
Advance given	-	-	-	-
Remuneration to Directors & KMPs	-	300,000	782,500	-
(P. Y.)	-	(260,000)	(782,500)	(27,021)



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<b>Note 26 - Disclosure under Indian Accounting Standard 33 - EARNINGS PER SHARE (EPS)</b>			
	<b>(Amount in Rs.)</b>		
<b>Particulars</b>	<b>As at 31ST March 2021</b>	<b>As at 31 March 2020</b>	
<b>Basic</b>			
Net Profit after tax as per Statement of Profit & Loss attributable to equity shareholders	-	(33,092,913)	
Weighted Average number of equity shares used as denominator	3,774,436,655	3,774,436,655	
Basic Earnings per share	-	(0.009)	
Face Value per equity share	1	1	
<b>Diluted</b>			
Net Profit after tax as per Statement of Profit & Loss attributable to equity shareholders	-	(33,092,913)	
Weighted Average number of equity shares used as denominator	3,774,436,655	3,774,436,655	
Basic Earnings per share	-	(0.009)	
Face Value per equity share	1	1	
<b>Note 27 - DEFERRED TAX</b>			
<b>Movement in deferred tax assets</b>			
	<b>Depreciation</b>	<b>Provision for Employee's Benefits</b>	<b>Total</b>
<b>As at 31st March 2019</b>	(62,303,543)	594,972	(61,708,571)
(charged/credited: - to profit or loss	22,963,586	109,763	23,073,349
(charged/credited: - to other comprehensive income	-	-	-
<b>As at 31st March 2020</b>	(39,339,958)	704,735	(38,635,222)
(charged/credited: - to profit or loss	1,301,101	33,042	1,334,143
(charged/credited: - to other comprehensive income	-	-	-
<b>As at 31st March 2021</b>	(38,038,857)	737,777	(37,301,079)



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## **Note 28**

During the FY 2019-20, the company had explored the possibility of exporting Blackberry mobilephones and was successful in exporting these mobile phones in the internaionl as well as domestic market. However, operations in trading in Blackberry mobile phones suffered a set back due to COVID-19 Pandemic and subsequent lockdown imposed by the Central Government. The Company is optimistic and hopes to recover as soon as the economic situation normalizes.



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## SIGNIFICANT ACCOUNTING POLICIES ON CONSOLIDATED FINANCIAL STATEMENT

### Statement of Compliance with Ind AS

In accordance with the notification dated 16th February, 2015, issued by the Ministry of Corporate Affairs, the Company has adopted Indian Accounting Standards (referred to as "Ind AS") notified under the Companies (Indian Accounting Standards) Rules, 2015 (as amended) with effect from 1st April, 2016 with restatement of previous year figures presented in this financial statements. Accordingly, the Consolidated Financial Statements have been prepared in accordance with Ind AS prescribed under Section 133 of the Companies Act, 2013 ("Act") read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 and the Companies (Indian Accounting Standards) (Amendment) Rules, 2016.

The Company has adopted all the applicable Ind AS and the adoption was carried out in accordance with Ind AS-101 First time adoption of Indian Accounting Standards.

The transition was carried out from Generally Accepted Accounting Principles in India which comprised of applicable Accounting Standards specified under section 133 of the Companies Act, 2013, read with Rule 7 of the Companies (Accounts) Rules, 2014, other pronouncements of the Institute of Chartered Accountants of India (ICAI), relevant applicable provisions of the Companies Act, 1956, and the Companies Act, 2013 to the extent applicable and the applicable guidelines issued by the Securities and Exchange Board of India (SEBI) ("Previous GAAP).

These Consolidated Financial Statements for the year ended 31st March, 2019 are the second Consolidated Financial Statements of the Company prepared in accordance with Ind AS. The date of transition to Ind AS was 1st April, 2016.

All the Ind AS issued and notified by the Ministry of Corporate Affairs under the Companies (Indian Accounting Standards) Rules, 2015 (as amended) till the Consolidated Financial Statements are approved for issue by the Board of Directors has been considered in preparing these financial statements.

### **A.Basis of Accounting & Preparation of Consolidated Financial Statements**

These Consolidated Financial Statements are prepared on the accrual basis of accounting, under the historical cost convention except for the following:

#### **i) Certain financial assets and financial liabilities measured at fair value;**

There is no change in the system of accounting as being consistently followed from earlier years unless otherwise stated.

All assets and liabilities have been classified as current or non-current as per company's normal operating cycle and other criteria set out in the Schedule III to the Companies Act, 2013. Based on the nature of operations and time between procurement of raw material and realization in cash and cash equivalents, the Company has ascertained its operating cycle as 12 months for the purpose of current and non-current classification of assets and liabilities

### **Principles of Consolidation**

The consolidated financial statements relate to MPS Infotecnics Limited ('the Holding Company') and its subsidiary companies. The consolidated financial statements have been prepared on the following basis:





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- a). The financial statements of the Company and its subsidiary companies are combined on a line-by-line basis by adding together the book values of like items of assets, liabilities, income and expenses, after fully eliminating intra-group balances and intra-group transactions in accordance with Accounting Standard (AS) 21 - "Consolidated Financial Statements".
- b). The difference between the cost of investment in the subsidiaries, over the net assets at the time of acquisition of shares in the subsidiaries is recognised in the financial statements as Goodwill or Capital Reserve, as the case may be.
- c). The difference between the proceeds from disposal of investment in subsidiaries and the carrying amount of its assets less liabilities as of the date of disposal is recognised in the consolidated Profit and Loss Statement being the profit or loss on disposal of investment in subsidiary.
- d). Minority Interest's share of net profit of consolidated subsidiaries for the year is identified and adjusted against the income of the group in order to arrive at the net income attributable to shareholders of the Company.
- e). Minority Interest's share of net assets of consolidated subsidiaries is identified and presented in the consolidated balance sheet separate from liabilities and the equity of the Company's shareholders.

## **B. Use of Estimates**

The preparation of Consolidated Financial Statements requires estimates and assumptions to be made that affect the reported amount of assets and liabilities on the date of the Consolidated Financial Statements and the reported amount of revenues and expenses during the reporting period. Difference between the actual results and estimates are recognised in the period in which the results are known/ materialised.

## **C. Property, plant and equipment (PPE) and Capital work-in-progress (CWIP)**

### **Transition to Ind AS**

The Company had elected to continue with carrying value of all Property, plant and equipment and Capital work-in-progress (CWIP) under the previous GAAP as deemed cost as at the transition date i.e. 1st April, 2016.

Under the previous GAAP, Property, plant and equipment were stated at their original cost (net of accumulated depreciation and impairment) adjusted by revaluation of certain assets.

The Property, plant and equipment (PPE) and Capital work-in-progress (CWIP) are stated at cost net of cenvat credit and/or at revalued price less accumulated depreciation and Accumulated Impairment.

Useful life of assets are considered on the basis of schedule-II of Companies Act 2013.

Subsequent costs are included in the asset's carrying amount only when it is probable that future economic benefits associated with the item will flow to the entity and the cost of the item can be measured reliably.

## **D. Leased Assets**

Leases are recognised as right-of-use assets and a corresponding liability at the date at which the leased asset is available for use by the Company.

Assets and liabilities arising from a lease are initially measured on present value basis. Lease liabilities include the net present value of the following lease payments:



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- Lease payments less any lease incentives receivable
- Amounts expected to be payable by the Company under residual value guarantees, if any

The lease payments are discounted using Company's incremental borrowing rate (since the interest rate implicit in the lease cannot be readily determined). Incremental borrowing rate is the rate of interest that the Company would have to pay to borrow over a similar term, and a similar security, the funds necessary to obtain an asset of a similar value to the right-of-use asset in a similar economic environment.

Lease payments are allocated between principal and finance cost. The finance cost is charged to profit or loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period.

Variable lease payments that depend on any key variable / condition, are recognised in profit or loss in the period in which the condition that triggers those payments occurs.

Right-of-use assets are measured at cost comprising the following:

- The amount of the initial measurement of lease liability
  - Any lease payments made at or before the commencement date less any lease incentives received
- Right-of-use assets are generally depreciated over the shorter of the asset's useful life and the lease term on a straight-line basis.

Payments associated with short-term leases and leases of low-value assets are recognised on a straight-line basis as an expense in profit or loss. Short-term leases are leases with a lease term of 12 months or less.

Operating Leases: Rentals are expensed with reference to lease terms and other considerations.

## E. Intangible Assets

### Transition to Ind AS:

The Company has elected to continue with carrying value of computer software under the previous GAAP, as deemed cost as at the transition date i.e. 1st April, 2016. Under the previous GAAP, computer software was stated at their original cost (net of accumulated amortization and accumulated impairment, if any).

Intangible assets expected to provide future enduring economic benefits are recorded at the consideration paid for acquisition of such assets and are carried at cost of acquisition less accumulated amortization and impairment, if any.

## F. Depreciation and Amortisation

Depreciation on fixed assets is provided to the extent of depreciable amount on straight line method (SLM) at the rates and in the manner prescribed in Schedule XIV to the Companies Act, 1956 over their useful life. Intangible Assets are amortised over a period of 10 years considering the useful life of the underlying assets on Straight Line Basis.

## J. Impairment of Assets

An asset is treated as impaired when the carrying cost of asset exceeds its recoverable value. An impairment loss is charged to the Profit and Loss Account in the year in which an asset is identified as impaired. The impairment loss recognised in prior accounting period is reversed if there has been a change in the estimate of recoverable amount.



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## K. Foreign Currency Transactions

- (a) Transactions denominated in foreign currencies are recorded at the exchange rate prevailing on the date of the transaction or that approximates the actual rate at the date of the transaction.
- (b) Monetary items denominated in foreign currencies at the yearend are restated at year end rates. In case of items which are covered by forward exchange contracts, the difference between the yearend rate and rate on the date of the contract is recognised as exchange difference
- (c) Non monetary foreign currency items are carried at cost.
- (d) Any income or expense on account of exchange difference either on settlement or on translation is recognised in the Profit and Loss account except in case of long term liabilities, where they relate to acquisition of fixed assets, in which case they are adjusted to the carrying cost of such assets.

## L. Fair value measurement

The Company measures financial instruments at fair value at each balance sheet date.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability; or
- In the absence of a principal market, in the most advantageous market for the asset or liability.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the Consolidated Financial Statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1 — Quoted (unadjusted) market prices in active markets for identical assets or liabilities.
- Level 2 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable.
- Level 3 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

For assets and liabilities that are recognised in the Consolidated Financial Statements on a recurring basis, the Company determines whether transfers have occurred between levels in the hierarchy by re-assessing



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categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

The management determines the policies and procedures for both recurring fair value measurement, such as derivative instruments and unquoted financial assets measured at fair value, and for non-recurring measurement, such as assets held for distribution in discontinued operations.

External valuers are involved for valuation of significant assets, such as properties. Involvement of external valuers is decided by the management after discussion with and approval by the Company's management. Selection criteria include market knowledge, reputation, independence and whether professional standards are maintained. The management decides, after discussions with the Company's external valuers, which valuation techniques and inputs to use for each case.

At each reporting date, the management analyses the movements in the values of assets and liabilities which are required to be re-measured or re-assessed as per the Company's accounting policies. For this analysis, the management verifies the major inputs applied in the latest valuation by agreeing the information in the valuation computation to contracts and other relevant documents.

The management, in conjunction with the Company's external valuers, also compares the change in the fair value of each asset and liability with relevant external sources to determine whether the change is reasonable.

For the purpose of fair value disclosures, the Company has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above.

## **Financial instruments**

Financial assets and financial liabilities are recognised in the Balance sheet when the Company becomes a party to the contractual provisions of the instrument. Financial assets and financial liabilities are initially measured at fair value.

### **Financial assets**

#### **Initial recognition and measurement**

All 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 attributable to the acquisition of the financial asset. The financial assets include equity and debt securities, trade and other receivables, loans and advances, cash and bank balances and derivative financial instruments.

#### **Subsequent measurement**

For the purpose of subsequent measurement, financial assets are classified in the following categories:

- 1) At amortised cost,
- 2) At fair value through other comprehensive income (FVTOCI), and
- 3) At fair value through profit or loss (FVTPL).

Debt instruments at amortised cost

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



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- 1) The asset is held within a business model whose objective is to hold the asset for collecting contractual cash flows, and
- 2) Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest 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.

## **Equity investments**

All equity investments in the scope of Ind AS 109 are measured at fair value except in case of investment in subsidiary carried at deemed cost and associate carried at cost.

Deemed cost is the carrying amount under the previous GAAP as at the transition date i.e. 1st April, 2016. Equity instruments included within the FVTPL category, if any, are measured at fair value with all changes recognized in profit or loss. The Company may make an irrevocable election to present in OCI 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. When the fair value has been determined based on level 3 inputs, the difference between the fair value at initial recognition and the transaction price is deferred and after initial recognition deferred difference is recognised as gain or loss to the extent it arises from change in input to valuation technique. If the Company decides to classify an equity instrument at FVTOCI, then all fair value changes on the instrument, excluding dividends, are recognized in OCI.

There is no recycling of the amounts from OCI to profit or loss, even on sale of investment. However, the Company may transfer the cumulative gain or loss within equity.

## **De-recognition**

The Company derecognizes a financial asset only when the contractual rights to the cash flows from the asset expires or it transfers the financial asset and substantially all the risks and rewards of ownership of the asset.

## **M. Inventories**

Items of inventories are measured at lower of cost and net realisable value after providing for obsolescence, if any. Cost of inventories comprises of cost of purchase, charges in bringing them to their respective present location and condition.

## **N. Revenue Recognition**

Revenue from Fixed Price Software Contracts is recognised principally on the basis of completed Milestones as specified in the contracts.

Software Development and Services are recognised on time basis as per terms of specified contracts

Sale of Software / Hardware products is recognised on the dispatch of goods from company's premises. No provision has been made for possible returns or expenses during the warranty period.



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Income from Annual Maintenance Contracts, Web Hosting and Domain Registration are accounted for in the ratio of period expired to the total period of the contract and the amount received from the customers towards the un-expired portion of such contract is treated as advance received.

Interest Income is recognized on time proportion basis.

## **O. Employee Benefits**

(a) Short-term employee benefits are recognised as an expense at the undiscounted amount in the Profit and Loss account of the year in which the related service is rendered.

(b) Post employment benefits:

### ***Defined contribution plans:***

A defined contribution plan is a post-employment benefit plan under which an entity pays specified contributions to a separate entity and has no obligation to pay any further amounts. The company makes specified monthly contributions towards provident fund. The Company's contribution is recognized as an expense in the statement of profit and loss during the period in which employee renders the related service.

### ***Defined benefit plan:***

The Company's gratuity benefit scheme is a defined benefit plan. The Company's net obligation in respect of a defined benefit plan is calculated by estimating the amount of future benefit that employees have earned in return for their service in the current and prior periods; that benefit is discounted to determine its present value, and the fair value of any plan assets is deducted.

The present value of the obligation under such defined benefit plan is determined based on actuarial valuation using the Projected Unit Credit Method, which recognizes each period of service as giving rise to additional unit of employee benefit entitlement and measures each unit separately to build up the final obligation.

The obligation is measured at the present value of the estimated future cash flows. The discount rates used for determining the present value of the obligation under defined benefit plan, are based on the market yields on Government securities as at the balance sheet date.

When the calculation results in a benefit to the Company, the recognized asset is limited to the net total of any unrecognized actuarial losses and past service costs and the present value of any future refunds from the plan or reductions in future contributions to the plan.

Actuarial gains and losses are recognized in the other comprehensive income

## **Long term employment benefits**

The Company's net obligation in respect of long-term employment benefits is the amount of future benefit that employees have earned in return for their service in the current and prior periods. The obligation is calculated using the projected unit credit method and is discounted to its present value and the fair value of any related assets is deducted. The discount rates used for determining the present value of the obligation under defined benefit plan, are based on the market yields on Government securities as at the balance sheet date.

## **Q. Borrowing Costs**



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Borrowing costs that are attributable to the acquisition or construction of qualifying assets are capitalised as part of the cost of such assets. A qualifying asset is one that necessarily takes substantial period of time to get ready for its intended use. All other borrowing costs are charged to Profit and Loss account.

## **R. Provision for Current and Deferred Tax**

Provision for current tax is made after taking into consideration benefits admissible under the provisions of the Income-tax Act, 1961.

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the financial statement and the corresponding tax bases used in the computation of taxable profit.

Deferred tax assets are recognised for all deductible temporary differences to the extent that it is probable that taxable profit will be available against which the deductible temporary difference can be utilised. Such deferred tax assets and liabilities are not recognised if the temporary difference arises from the initial recognition of an asset or liability in a transaction (other than a business combination) affects neither accounting profit nor taxable profit (tax loss).

Deferred tax assets are recognised for the carry forward of unused tax losses and unused tax credit to the extent that it is probable that future taxable profit will be available against which the unused tax losses and unused tax credits can be utilised. Deferred tax liabilities and assets are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realised, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period. The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Company expects, at the end of reporting period, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax liabilities are generally recognised on all taxable temporary differences.

## **S. Provisions, Contingent Liabilities and Contingent Assets**

Provisions involving substantial degree of estimation in measurement are recognized when there is a present obligation as a result of past events and it is probable that there will be an outflow of resources. Contingent Liabilities are not recognised but are disclosed in the notes. Contingent assets are neither recognized nor disclosed in the financial statements.

## **T. Estimated fair value of unlisted securities**

The fair values of financial instruments that are not traded in an active market and cannot be measured based on quoted prices in active markets is determined using valuation techniques including the net assets value (NAV) model. The Group uses its judgment to select a variety of method / methods and make assumptions that are mainly based on market conditions existing at the end of each financial year. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgment is required in establishing fair values. Judgments include considerations of inputs such as liquidity risk, credit risk and volatility. Changes in assumptions about these factors could affect the reported fair value of financial instruments.

**U. The previous year figures have been regrouped / reclassified, wherever necessary to confirm to the current year presentation.**



# MPS INFOTECNICS LIMITED

CIN: L30007DL1989PLC131190

Regd. Office : 703, Arunachal Building, 19, Barakhamba Road,  
Connaught Place, New Delhi 110 001

## Form No. MGT-11 Proxy form

[Pursuant to Section 105(6) of the Companies Act, 2013 and Rule 19(3) of the Companies (Management and Administration) Rules, 2014]

Name of the member:

Registered Address:

Registered E-Mail Address:

Folio No. /Client ID:

DP ID:

I / We, being the member(s) of ..... shares of the above named company, hereby appoint:

1. Name: \_\_\_\_\_  
Address: \_\_\_\_\_  
E-mail Id: \_\_\_\_\_  
Signature: \_\_\_\_\_,  
or failing him/her

2. Name: \_\_\_\_\_  
Address: \_\_\_\_\_  
E-mail Id: \_\_\_\_\_  
Signature: \_\_\_\_\_

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at 31st Annual General Meeting of members of the Company, to be held on Thursday, September, 30<sup>th</sup>, 2021 at 11.00 a.m. at the 703, Arunachal Building, 19, Barakhamba Road, Connaught Place, New Delhi-110001 and at any adjournment thereof in respect of such resolutions as are indicated below:

S. No.	RESOLUTIONS	Vote (Optional, see Note 2) (Please mention no. of shares)	
		For	Against
<b>A.</b>	<b>ORDINARY BUSINESS</b>		
1.	Approval of Financial Statements		
2.	Re-appointment of Mr. Rachit Garg, who is liable to retire by rotation		
<b>B.</b>	<b>SPECIAL BUSINESS</b>		
3.	Approval of Related Party Transactions		
4.	To consider and approve disinvestment in subsidiaries of the company		
5.	Increase Borrowing Power of the Company		
6.	Consent of Members for increase in the limits applicable for making investments / extending loans and giving guarantees or providing securities in connection with loans to Persons / Bodies Corporate		

Signed this ..... day of..... 2021  
Signature of Shareholder  
Signature of Proxy holder(s)

Affix  
Revenue  
Stamp

### Note:

1. This form of proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company not less than 48 hours before the commencement of the Meeting (on or before 11:00 a.m. on September 28, 2021).
2. It is optional to indicate your preference. If you leave the 'for' or 'against' column blank against any or all of the resolutions, your proxy will be entitled to vote in the manner as he / she may deem appropriate.





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Registered Office: 703, Arunachal Building, 19, Barakhamba Road, New Delhi-110001

## ATTENDANCE SLIP: 32nd ANNUAL GENERAL MEETING

Registered Folio no. / DP ID no. / Client ID no. :

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Number of shares held:

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I certify that I am a member / proxy / authorized representative for the member of the Company.

I hereby record my presence at the 32nd Annual General Meeting of the Company at the 703, Arunachal Building, 19 Barakhamba Road  
Connaught Place New Delhi-110001 on Thursday, September 30<sup>th</sup>, 2021, at 11:00 a.m. ....  
.....

\_\_\_\_\_  
Name of the member / proxy  
(in BLOCK letters)

\_\_\_\_\_  
Signature of the member / proxy

Note: Please fill up this attendance slip and hand it over at the entrance of the meeting hall at the registration desk. Members are requested to bring their copies of the Annual Report to the AGM.



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## ROUTE MAP TO THE VENUE OF THE 32nd ANNUAL GENERAL MEETING

Route map of the venue of 32nd Annual General Meeting of MPS Infotecnics Limited to be held on Thursday, September 30, 2021 at 10.00 a.m. at the 703, Arunachal Building, 19, Barakhamba Road, Connaught Place, New Delhi-10001

