

# MPS Infotecnics Limited

CIN: L30007DL1989PLC131190  
An ISO 9001 - 2008 Company



To,

Date: 30<sup>th</sup> July, 2020

**The Manager-Listing**

National Stock Exchange of India Limited  
Exchange Plaza, C-1, Block-G,  
BandraKurla Complex (E),  
Mumbai-400051

**The Manager-Listing**

BSE Limited  
FLOOR 25, P J Towers,  
Dalal Street, Mumbai-400001

**NSE Symbol-VISESHINFO**

**Scrip Code-532411**

**Sub: Outcome of the Board Meeting-Audited Financial Results for the Quarter and Year Ended March 31, 2020**

Dear Sir,

This is to inform you that the Board of Directors of the Company in its Meeting held today i.e. 30<sup>th</sup> July, 2020 which commenced at 1:00 P.M. and concluded at 6:00 P.M., inter-alia considered and approved the Audited Financial Results (Standalone & Consolidated) for the Quarter and Year Ended March 31, 2020 along with Auditor's Report submitted by M/S. Nemani Garg Agarwal & Co., Statutory Auditors of the Company and Statement of impact of Audit Qualifications for the Financial Results for the FY 2019-2020.

Copy of the Audited Financial Results along with Audit Report and Statement of impact of Audit qualification is annexed herewith for your reference and records.

Further these Financial Results are also available on the Company's website [www.mpsinfotec.com](http://www.mpsinfotec.com) (Under Investor Zone).

Kindly acknowledge receipt and take the same on your records and oblige.

**Thanking You,**

**Yours Faithfully**

**For MPS Infotecnics Limited**

A handwritten signature in blue ink, appearing to read 'Garima', written over a diagonal line.

**Garima Singh**

**Company Secretary & Compliance Officer**

**Corporate Office :** B-55, Sector - 65, Noida (U.P.)-201301

**Ph:** +91-0120-4713900, **Fax:** +91-0120-4324040

**Regd. Office :** 703, Arunachal Building,  
19, Barakhamba Road, New Delhi-1

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## MPS INFOTECNICS LIMITED

CIN: L30007DL1989PLC131190

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

### Statement of Audited Standalone Financial Results for the Quarter and Year Ended March 31, 2020

(INR In Lacs)

Sr.No	Particulars	Quarter Ended			Financial Year Ended	
		31-Mar-20	31-Dec-19	31-Mar-19	31-Mar-20	31-Mar-19
<b>1</b>	<b>INCOME</b>					
	Revenue from operations	10.23	347.24	11.53	814.19	1,700.39
	Other income	0.03	0.04	11.86	0.29	12.49
	<b>Total Income</b>	<b>10.26</b>	<b>347.28</b>	<b>23.39</b>	<b>814.48</b>	<b>1,712.88</b>
<b>2</b>	<b>EXPENSES</b>					
	Cost of materials consumed	-	-	-	-	-
	Purchases of Stock-in-Trade	10.36	113.08	15.10	835.21	1,667.91
	Changes in inventories of finished goods work-in-progress and Stock-in-Trade	9.64	229.88	-	-	12.01
	Employee benefits expense	7.41	6.28	6.04	26.01	55.64
	Finance costs	15.79	(2.43)	14.75	41.89	59.99
	Depreciation and amortization expense	89.58	89.58	84.62	358.32	352.14
	Other expenses	36.36	24.16	24.61	114.70	99.95
	<b>Total expenses</b>	<b>169.15</b>	<b>460.54</b>	<b>145.12</b>	<b>1,376.14</b>	<b>2,247.65</b>
<b>3</b>	<b>Profit before exceptional and extraordinary items and tax (1-2)</b>	<b>(158.89)</b>	<b>(113.26)</b>	<b>(121.73)</b>	<b>(561.66)</b>	<b>(534.76)</b>
<b>4</b>	<b>Exceptional items</b>					
<b>5</b>	<b>Profit before extraordinary items and tax (3-4)</b>	<b>(158.89)</b>	<b>(113.26)</b>	<b>(121.73)</b>	<b>(561.66)</b>	<b>(534.76)</b>
<b>6</b>	<b>Extraordinary items/Prior Period</b>					
<b>7</b>	<b>Profit before tax (5-6)</b>	<b>(158.89)</b>	<b>(113.26)</b>	<b>(121.73)</b>	<b>(561.66)</b>	<b>(534.76)</b>
<b>8</b>	<b>Tax expense:</b>					
	(1) Current tax	-	-	-	-	-
	(2) Deferred tax	(525.78)	98.35	27.05	(230.73)	348.38
	<b>Total tax Expense</b>	<b>(525.78)</b>	<b>98.35</b>	<b>27.05</b>	<b>(230.73)</b>	<b>348.38</b>
<b>9</b>	<b>Profit (Loss) for the period from continuing operations (7-8)</b>	<b>366.89</b>	<b>(211.61)</b>	<b>(148.78)</b>	<b>(330.93)</b>	<b>(883.14)</b>
<b>10</b>	<b>Profit/(loss) from discontinuing operations</b>					
<b>11</b>	<b>Tax expense of discontinuing operations</b>					
<b>12</b>	<b>Profit/(loss) from Discontinuing operations (after tax) (10-11)</b>					
<b>13</b>	<b>Profit (Loss) for the period (9+12)</b>	<b>366.89</b>	<b>(211.61)</b>	<b>(148.78)</b>	<b>(330.93)</b>	<b>(883.14)</b>
<b>14</b>	<b>Other Comprehensive Income ( Net of Tax)</b>	<b>(1.81)</b>	<b>0.18</b>	<b>8.67</b>	<b>(1.27)</b>	<b>10.91</b>
	<b>Total Comprehensive income for the period (13+14)</b>	<b>365.07</b>	<b>(211.43)</b>	<b>(140.11)</b>	<b>(332.20)</b>	<b>(872.23)</b>
<b>15</b>	<b>Paid up equity shares capital (Face Value of the share Re. 1/- per share)</b>	<b>37,744.37</b>	<b>37,744.37</b>	<b>37,744.37</b>	<b>37,744.37</b>	<b>37,744.37</b>
<b>16</b>	<b>EARNING PER EQUITY SHARE (EPS):</b>					
	(1) Basic	0.010	(0.006)	(0.004)	(0.009)	(0.023)
	(2) Diluted	0.010	(0.006)	(0.004)	(0.009)	(0.023)

#### Un-audited Standalone Segment Information for the Quarter & Nine Months ended December 31, 2019


INR In Lacs

S.No	Particulars	Quarter Ended			Financial year Ended	
		31-Mar-20	31-Dec-19	31-Mar-19	31-Mar-20	31-Mar-19
<b>1</b>	<b>Segment Revenue</b>					
	(Net sale / income from each segment should be disclosed under this head)					
(a)	IT Solutions & Products	-	-	-	-	11.52
(b)	IT enabled Services	9.24	11.72	(5.59)	52.58	50.06
(c)	Telecommunication	0.98	335.53	-	761.61	1,638.82
	<b>Total</b>	<b>10.23</b>	<b>347.24</b>	<b>(5.59)</b>	<b>814.19</b>	<b>1,700.40</b>
<b>2</b>	<b>Segment Results Profit (+) / Loss (-) before tax and interest from each segment</b>					
(a)	IT Solutions & Products	-	-	-	-	(4.36)
(b)	IT enabled Services	(18.62)	3.77	(12.13)	(6.43)	(26.27)
(c)	Telecommunication	(30.34)	(25.95)	(18.32)	(137.99)	(88.72)
	<b>Total</b>	<b>(48.96)</b>	<b>(22.18)</b>	<b>(30.45)</b>	<b>(144.42)</b>	<b>(119.35)</b>
	Less: (i) Interest	15.79	(2.43)	14.75	41.89	59.99
	(ii) Other Un-allocable Expenditure net off	94.18	93.55	88.39	375.64	367.92
	(iii) Un-allocable income	0.03	0.04	11.86	0.29	12.49
	<b>Total Profit before Tax</b>	<b>(158.89)</b>	<b>(113.26)</b>	<b>(121.73)</b>	<b>(561.66)</b>	<b>(534.76)</b>



3	<b>Capital Employed:</b> Since Fixed Assets used in the company's business cannot be specifically identified with any of the reportable segments as these are used interchangeably among segments, hence segment wise disclosure on capital employed has not been furnished.
<b>NOTES:</b>	
(1)	The above results were reviewed by the audit committee and thereafter taken on record by the Board of Directors at its meeting held on July 30, 2020
(2)	Financial results for all the periods have been prepared in accordance with the recognition and measurement principles of IND AS notified under the Companies (Indian Accounting Standards) Rules, 2015 as amended from time to time.
(3)	The figures of the previous periods have been re-cast / re-grouped / re-arranged wherever necessary in conformity with the requirements of the revised Schedule III of the Companies Act, 2013.
(4)	The main business of the Company under Telecommunication segment was Mobile and DTH recharge, however, the company is exploring the possibility of trading in Mobile Phones in the domestic as well as international market. During the period under review, the company had exported Blackberry make mobile phones. Though the Company had suffered operating losses initial trades, and the management had expected to recover the losses and make good profit on continued supplies on account of better purchase prices on quantity buying but the operations of the Company in Telecommunication Segment was severely impacted due to COVID-19 pandemic and lockdown imposed by the Central Government. The orders which were in hand could not be executed hence there had been no revenues generated from this segment during the quarter ended 31/03/2020. The Company is optimistic and hopes to recover soon as and when the lockdown is over.
(5)	Axis Convergence INC and Greenwire Network Limited, wholly owned foreign subsidiaries of the Company were in the business of providing Internet telephony services in the form of VoIP based traffic Exchange and mobile messaging exchange. However, with the development of various mobile application worldwide, like whatsapp, Hike, Google duo, etc., which not only provides messaging services also provides video calling, the business of these subsidiaries have declined and the revenues of the subsidiaries during the quarter is "Nil". Since these subsidiary Companies are no more economically viable, the members, at the Annual General Meeting held on 30th September 2019, had given their consent to sell the investments made by the company in these subsidiaries. The management of the Company is in process of identifying suitable buyer, however at the same time the company is also making efforts to revive the business of these subsidiaries. The revival of these subsidiaries are possible once the company has realised funds from other assets.
(6)	Opentech Thai Network Specialist Company Ltd., subsidiary of the company was in the business of trading in Computer and Computer peripherals. With the business in consumer durable sector including Computer Hardware and peripherals, being conducted Online by giants like Amazon, ebay,flipcart, etc., which are giving lucrative offers to the buyers has resulted in sharp decline in the business of the said subsidiary. The revenues from the said subsidiary during the quarter is "Nil". Since the subsidiary is no more economically viable, the members, at the Annual General Meeting held on 30th September 2019, had given their consent to sell the investments made by the company in the subsidiary. The management of the Company is in process of identifying suitable buyer, however at the same time the company is also making efforts to revive the business of the subsidiary. The revival of the subsidiary company is possible once the company has realised funds from other assets.
(7)	<p>The opinion of the Statutory Auditors on the audited financial statements is qualified on the basis of their observations which are as under:</p> <p>(I) In case of the following items shown as intangible Assets / inventory, no provision for impairment of assets has been made in accordance Ind AS 36-</p> <p>(a) Capital work-in-progress - Rs. 56 Crores (Software development); (b) Software rights - Rs. 23 crores; (C) Opening Stock (Source Codes) - Rs. 62 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;</p> <p>(II) Investment in subsidiaries Rs. 62 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 Ind AS 36;</p> <p>(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;</p> <p>(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 realisability of this asset;</p> <p>(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";</p> <p>(VI) Income Tax for the Assessment year 2013-14 amounting to Rs. 20.80 lacs and interest thereon is still payable.</p> <p><b>Explanation of the Board:</b> (I) 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 confident that these assets will fetch more value than the cost incurred once the business environment stabilises. The management has therefore not considered any provision on account of impairment of intangible assets;</p> <p>(II) The management is making efforts to revive the business of subsidiaries and feels confident that investment made in subsidiaries will be realised. It has therefore not made any provision on account of impairment in value of investment in subsidiaries</p> <p>(III) the company has filed a civil suit bearing No. 2446/12.2TVLSB before the 10th Lower Court of Lisbon, Portugal. The Company has no additional explanation to offer as the matter is sub-judice.</p> <p>(IV) The loans &amp; 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 centre. 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;</p> <p>(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;</p> <p>(VI) provisions has already been made in the Books of accounts for the amount of Income Tax payable for the AY 2013-14. As such this liability has no further impact on the profits / retained earnings of the reported period of the Company</p>
8	The committee constituted by NSE, vide its order dated 17th March 2020 observed that the company is currently operative, carrying on its business operations and there are no material observations regarding misrepresentation of financials / misuse of funds. Also there were no major non-compliance of rules and regulations of LODR observed in the company, The Committee therefore was of considered view that the actions envisaged in SEBI's letter dated August 7, 2017 against the company has been revoked.



9	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 that - (a) Company shall continue to pursue the measures to bring back the outstanding amount of \$ 8.90 million into its bank account in India. It is clarified that Noticee No. 3, Noticee No. 7 and all other present directors of Noticee No. 1 shall ensure the compliance of this direction by Noticee No. 1 and furnish a Certificate from a peer reviewed Chartered Accountant of ICAI along with necessary documentary evidences to SEBI, certifying the compliance of this direction; (b) Company is restrained from accessing the securities market and further prohibited from buying, selling or dealing in securities, directly or indirectly, in any manner whatsoever or being associated with the securities market in any manner, whatsoever, till compliance with directions contained in para 58(a) above and thereafter, for an additional period of two years from the date of bringing back the money. Clifford Capital Partners A.G.S.A, Mr. Peeyush Agrawal, Mr. Sanjiv Bhavnani, Mr. S. N. Sharma, Mr. Adesh Jain, Mr. Karun Jain and Mr. Rajinder Singh are hereby restrained 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. During the period of restraint, the existing holding of securities including units of mutual funds of these Noticees shall also remain frozen. The Company is in the proces of filing an appeal before CAT.
10	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.
11	The Board of Directors of the company in its meeting held on 1st June 2020 had decided to provide consultancy and advisory services in the field of Solar Power, including but not limited to setting up of Solar Power Plant, 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 dealing in electricity,
<div style="display: flex; justify-content: space-between; align-items: flex-end;"> <div data-bbox="161 696 327 748"> <p>Place: New Delhi Date: July 30, 2020</p> </div> <div data-bbox="1002 555 1508 748" style="text-align: right;"> <p>For MPS infotecnics Limited</p>  <p>Peeyush Kumar Aggarwal Chairperson DIN: 00090423</p> </div> </div>	

**MPS INFOTECNICS LIMITED**

CIN: L30007DL1989PLC131190

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

**Statement of Assets & Liabilities for the Quarter and Year Ended March 31, 2020 (Standalone)**

(INR In Lacs)

S.No	Particulars	As at March 31, 2020	As at March 31, 2019
		Audited	Audited
<b>(A)</b>	<b>ASSETS</b>		
	<b>Non Current Assets</b>		
(a)	Property, Plant & Equipment	5.24	6.99
(b)	Capital Work-in-Progress		-
(c)	Other Intangible Assets	2,306.44	2,663.02
(d)	Intangible Assets under development	5,644.40	5,644.40
(e)	Investment in Subsidiary	6,174.85	6,174.85
(f)	Financial Assets		
	(i) Investments	-	-
	(ii) Others	-	-
(g)	Non-current Assets (Net)	-	-
(h)	Other Non-current Assets	22,332.84	22,388.86
	<b>Total Non-Current Assets</b>	<b>36,463.77</b>	<b>36,878.12</b>
	<b>Current Assets</b>		
(a)	Inventories	6,219.72	6,219.71
(b)	Financial Assets		
	(i) Trade Receivables	1,859.41	1,936.42
	(ii) Cash and Cash equivalents	0.06	2.68
	(iii) Bank Balances	3,490.23	3,486.99
	(iv) Loans	-	-
	(v) Others	-	-
(c)	Current Tax (Net)	-	-
(d)	Other Current Assets	104.30	333.91
	<b>Total Current Assets</b>	<b>11,673.72</b>	<b>11,979.71</b>
	<b>Total Assets</b>	<b>48,137.49</b>	<b>48,857.83</b>
<b>(B)</b>	<b>EQUITY AND LIABILITIES</b>		
	<b>Equity</b>		
(a)	Equity share capital	37,744.37	37,744.37
(b)	Other Capital	6,280.69	6,612.89
	<b>Total Equity</b>	<b>44,025.06</b>	<b>44,357.26</b>
	<b>Non-Current Liabilities</b>		
(a)	Financial Liabilities		
	(i) Borrowings	244.66	207.89
	(ii) Other Financial Liabilities		-
(b)	Provisions		
(c)	Deferred tax Liability (Net)	386.35	617.09
	<b>Total Non-Current Liabilities</b>	<b>631.01</b>	<b>824.98</b>
	<b>Current Liabilities</b>		
(a)	Financial Liabilities		
	(i) Borrowings	2,083.66	2,069.81
	(ii) Trade Payables		
	Total outstanding due to micro and small enterprises	-	-
	Total outstanding dues to creditors other than micro and small enterprises	623.69	406.11
	(iii) Other Financial Liabilities		
(b)	Other Current Liabilities	726.16	1,155.99
(c)	Provisions	47.91	43.68
(d)	Current tax Liabilities (Net)	-	-
	<b>Total Current Liabilities</b>	<b>3,481.42</b>	<b>3,675.59</b>
	<b>Total Liabilities</b>	<b>48,137.49</b>	<b>48,857.83</b>



**MPS INFOTECNICS LIMITED**

CIN: L30007DL1989PLC131190

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

**Cash Flow Statement for the Year ended March 31, 2020 (Standalone)**

(INR In Lacs)

S.No	Particulars	As at March 31,	As at March 31,
		2020	2019
		Audited	Audited
<b>A.</b>	<b>CASHFLOW FROM OPERATING ACTIVITIES</b>		
	Net Profit before Tax	(561.66)	(534.77)
	<b>Adjustments for:</b>		
	Depreciation & Amortization	358.32	352.14
	Leave Encashment	1.41	0.81
	Gratuity	2.81	(9.03)
	Comprehensive Income	(1.27)	10.91
	Provision fro Income Tax & Interest on Income Tax A.Y. 2013-14	-	-
	Interest & Other Costs	41.89	59.99
	Interest received	(0.20)	(11.97)
	(Profit) / Loss on sale of fixed assets	-	(0.46)
	Operating Profits before Working Capital Changes	(158.70)	(132.37)
	(Increase) / Decrease in Current Assets	306.62	302.05
	Increase / (Decrease) in Current Liabilities	(198.40)	(134.51)
	<b>Net Cash from Operating Activities (A)</b>	<b>(50.48)</b>	<b>35.16</b>
<b>B.</b>	<b>CASHFLOW FROM INVESTING ACTIVITIES</b>		
	Purchase of Fixed Assets	-	(0.10)
	Sale of Fixed Assets	-	0.46
	Change in Capital WIP	-	-
	Interest Received	0.20	11.97
	Long Term Loans & Advances	56.02	(29.87)
	<b>Net cash Out Flow in Investing Activities (B)</b>	<b>56.22</b>	<b>(17.54)</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	36.77	36.70
	Prior Period Items	-	-
	Interest Paid	(41.89)	(59.99)
	<b>Net Cash inflow from Financing Activities (C)</b>	<b>(5.12)</b>	<b>(23.30)</b>
	Foreign Exchange Translation Reserve	-	-
	<b>Net Increase (Decrease) in Cash &amp; Cash Equivalents (A+B+C)</b>	<b>0.62</b>	<b>(5.67)</b>
	<b>Cash and Cash Equivalent as at 01/04/2019</b>	<b>3,489.67</b>	<b>3,495.33</b>
	<b>Cash and Cash Equivalent as at 31/03/2020</b>	<b>3,490.29</b>	<b>3,489.67</b>

**Notes:**

- Comparative figures have been regrouped wherever necessary
- 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 Standard) Rules, 2006
- These earmarked account balances with Banks can be utilized only for the specific identified purposes.
- Bank Balances as shown in cash and cash equivalents amounting to Rs. 34,78,92,163/- is with Banco Efisa, a Bank in Portugal is not available for use, because the bank has wrongly debited the account by the said amount, the matter is in Portuguese Courts.



# Nemani Garg Agarwal & Co.

*Chartered Accountants*

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**Auditor's Report on Quarterly Financial Results and Year to Date Results of the Company Pursuant to the Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015**

**TO THE BOARD OF DIRECTORS OF**

**MPS Infotecnics Limited**

703, Arunachal Building,

19, Barakhamba Road,

**New Delhi 110001**

## **Opinion**

We have audited the accompanying standalone quarterly financial results of M/s. MPS Infotecnics Limited) for the quarter ended 31<sup>st</sup> March 2020 and the year to date results for the period from 1<sup>st</sup> April 2019 to 31<sup>st</sup> March 2020, attached herewith, being submitted by the company pursuant to the requirement of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended ("Listing Regulations").

in our opinion and to the best of our information and according to the explanations given to us these quarterly financial results as well as the year to date results:

- i. are presented in accordance with the requirements of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 in this regard; and
- ii. give a true and fair view in conformity with the recognition and measurement principles laid down in the applicable accounting standards and other accounting principles generally accepted in India of the net profit/ loss and other comprehensive income and other financial information for the quarter ended 31<sup>st</sup> March 2020 as well as the year to date results for the period from 1<sup>st</sup> April 2019 to 31<sup>st</sup> March 2020.

## **Basis of Opinion**

These quarterly financial results as well as the year to date financial results have been prepared on the basis of the interim financial statements, which are the responsibility of the company's management. Our responsibility is to express an opinion on these financial results based on our audit of such interim financial statements, which have been prepared in accordance with the recognition and measurement principles laid down in Indian Accounting Standard 34 (Ind AS 34) for Interim Financial Reporting, prescribed, under Section 133 of the Companies Act, 2013 read with relevant rules issued thereunder; or by the Institute of Chartered Accountants of India, as applicable, and other accounting principles generally accepted in India.

We conducted our audit in accordance with the Standards of Auditing (SAs) specified under section 143(10) of the Companies Act, 2013 (The Act). Our responsibilities under those standards are further described in the Auditors' Responsibilities for the audit of the Standalone Financial Results section of our report. We are independent of the company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial results under the provisions of Companies Act, 2013 and the Rules made thereunder, and we have fulfilled our ethical responsibilities in accordance with the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

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# Nemani Garg Agarwal & Co.

## Chartered Accountants

### Emphasis of Matter

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. 23.06 crores
  - (c) Opening Stock (Source Codes) - Rs. 62.20 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 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 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. 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 these matters.

- (a) We also draw your attention to Note No. 4 to the standalone financial results 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.

### Responsibilities of Management and those charged with the Governance for the Standalone Financial Statement

These quarterly financial results as well as the year to date standalone financial results have been prepared on the basis of the interim financial statements. The Company's Board of Directors are responsible for the preparation of these financial results that give a true and fair view of the net profit/loss and other comprehensive income and other financial information in accordance with the recognition and





# Nemani Garg Agarwal & Co.

## Chartered Accountants

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measurement principles laid down in Indian Accounting Standard 34, 'Interim Financial Reporting' prescribed under Section 133 of the Act read with relevant rules issued thereunder and other accounting principles generally accepted in India and in compliance with Regulation 33 of the Listing Regulations. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone financial results that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

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

### Auditor's Responsibilities for the Audit of the Standalone Financial Results

Our objectives are to obtain reasonable assurance about whether the standalone financial results 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 results.

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 results, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Board of Directors.
- Conclude on the appropriateness of the Board of Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial results 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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# Nemani Garg Agarwal & Co.

*Chartered Accountants*

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- Evaluate the overall presentation, structure and content of the standalone financial results, including the disclosures, and whether the financial results represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

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



**S.K. Nemani**  
**Partner**  
Membership No. 037222

Place: New Delhi  
Date: 30<sup>th</sup> July 2020

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## ANNEXURE-1

### STATEMENT OF IMPACT OF AUDIT QUALIFICATION (FOR AUDIT REPORT WITH MODIFIED OPINION) SUBMITTED ALOG WITH ANNUAL AUDITED FINANCIAL STATEMENTS - STANDALONE

### STATEMENT OF IMPACT OF AUDIT QUALIFICATION (STANDALONE) FOR THE FINANCIAL YEAR ENDED MARCH 31, 2020

[SEE REGULATION 33 / 52 OF THE SEBI (LODR) REGULATIONS, 2015

S.No.	Particulars	Audited Figures (before adjusting for qualifications)	Adjusted Figures (after adjusting for qualifications)
I	1 Turnover / Total Income	814.19	814.19
	2 Total Expenditure	1,374.64	1,374.64
	3 Net Profit /(loss)	(561.66)	(591.14)
	4 Earning per share	(0.009)	(0.016)
	5 Total Assets	48,137.49	1,579.46
	6 Total Liabilities	4110.93	4541.27
	7 Networth	44026.56	(2,560.95)
	8 Any other financial item(s) felt appropriated by the management		
II	<b>Audit Qualification (each audit qualification separately)</b>		
a	<b>Details of Audit Qualification</b>		
1	In the following items shown as Intangible assets / inventory, no provision for impairment of assets has been made.		
	(a) Intangible Assets under development (Capital work-in-progress) - Rs. 56.44 Crores (Software development)		
	(b) Software rights - Rs. 23.06 Crores		
	(c) Opening Stock (Source Codes) - Rs. 62.20 Crores		
2	Investment in subsidiaries - Rs. 62 Crores - There are no operations in these overseas subsidiaries and no audit has been done and no updated information has been received. No provision has been made for the shortfall in value of the investment.		
3	The Company has shown in the balance sheet, bank balances In Banco Efisa (Lisbon Portugal) amounting to Rs. 347,892,163/- (USD8,883,210.75) which the bank has adjusted and the matter is in the court of law. Consequently the bank balances shown in balance sheet is overstated by Rs. 347,892,163. The above bank balance relates to FY 2008-09 which is treated as 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 has increased its Authorized Capital from Rs. 52.45 Crores to its. 377.50 crores during the period of FY-2010-11 to FY 2012-13, RoC fees of Rs. 5.86 crores towards the same stands payable, under the head "Other Current Liabilities" in the IND AS Financial Statements		
5	Income Tax for the Assessment year 2013-14 amounting to Rs. 20.80 lacs and interest thereon is payable.		
b	Type of Audit Qualification : Qualified / Disclaimer of Opinion / Adverse Opinion:	<b>Qualified</b>	
c	Frequency of Qualification(s) : Whether appeared for first time / repetative / since		
	Audit Qualification at Point No. 1 (a), (b) & (c) - Financial Year 2018-19		
	Audit Qualification at Point No. 2 - Financial year 2013-14		
	Audit Qualification at Point No. 3 - Financial Year 2013-14		
	Audit Qualification at Point NO. 4 - First time - Financial Year 2019-20		
	Audit Qualification at Point No. 5 - Financial Year 2013-14		
	Audit Qualification at Point No. 6 - Financial Year 2014-15		
d	For Audit qualification(s) where the impact is quantified by the Auditor, Management's views:		



1 (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 confident that these assets will fetch more value than the cost incurred once the business environment stabilises. The management has therefore not considered any provision on account of impairment of intangible assets;
2	The management is making efforts to revive the business of subsidiaries and feels confident that investment made in subsidiaries will be realised. It has therefore not made any provision on account of impairment in value of investment in subsidiaries
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.
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 centre. 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
5	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;
6	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>For Audit Qualification(s) where the impact is not quantified by the auditor:</b>
	(i) Management's estimation on the impact of audit qualification: N.A
	(ii) If Management is unable to estimate the impact, reasons for the same: N.A
	(iii) Auditor's comments on (i) or (ii) above: N.A
III	<b>Signatories</b>
	Mr. Peeyush Kumar Aggarwal - Managing Director and Chairperson of the Board meeting
	Mr. Sanjay Sharma - C.F.O.
	Mrs. Madhu Sharma - Audit Committee Chairperson
	Mr. S.K. Nemanl - Partner Nimani Garg Agarwal & Co., Chartered Accountants; Firm Registration No. 010192N; Membership No. 037222
Place:	New Delhi
Date:	30th July 2020



## MPS INFOTECNICS LIMITED

CIN: L30007DL1989PLC131190

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

### Statement of Audited Consolidated Financial Results for the Quarter and Year Ended March 31, 2020

INR in Lacs						
Sr.No	Particulars	Quarter Ended			Financial Year Ended	
		31-Mar-20	31-Dec-19	31-Mar-19	31-Mar-20	31-Mar-19
<b>1</b>	<b>INCOME</b>					
	Revenue from operations	10.23	347.24	11.53	814.19	1,700.39
	Other Income	0.03	0.04	11.86	0.29	12.49
	<b>Total Income</b>	<b>10.26</b>	<b>347.28</b>	<b>23.39</b>	<b>814.48</b>	<b>1,712.88</b>
<b>2</b>	<b>EXPENSES</b>					
	Cost of materials consumed	-	-	-	-	-
	Purchases of Stock-in-Trade	10.36	113.08	15.10	835.21	1,667.91
	Changes in inventories of finished goods work-in-progress and Stock-in-Trade	9.64	229.88	-	-	12.01
	Employee benefits expense	7.41	5.28	6.04	26.01	55.64
	Finance costs	15.79	(2.43)	14.75	41.89	59.99
	Depreciation and amortization expense	89.58	89.58	84.62	358.32	352.14
	Other expenses	36.36	24.16	24.61	114.70	99.95
	<b>Total expenses</b>	<b>169.15</b>	<b>460.54</b>	<b>145.12</b>	<b>1,376.14</b>	<b>2,247.64</b>
	Profit before exceptional and extraordinary items and tax (1-2)	(158.89)	(113.26)	(121.73)	(561.66)	(534.76)
<b>3</b>	<b>Exceptional Items</b>					
	Profit before extraordinary items and tax (3-4)	(158.89)	(113.26)	(121.73)	(561.66)	(534.76)
<b>6</b>	<b>Extraordinary Items/Prior Period</b>					
	Profit before tax (5-6)	(158.89)	(113.26)	(121.73)	(561.66)	(534.76)
<b>8</b>	<b>Tax expense:</b>					
	(1) Current tax	-	-	-	-	-
	(2) Deferred tax	(525.78)	98.35	27.05	(230.73)	348.38
	<b>Total tax Expense</b>	<b>(525.78)</b>	<b>98.35</b>	<b>27.05</b>	<b>(230.73)</b>	<b>348.38</b>
<b>9</b>	<b>Profit (Loss) for the period from continuing operations (7-8)</b>	<b>366.89</b>	<b>(211.61)</b>	<b>(148.78)</b>	<b>(330.93)</b>	<b>(883.14)</b>
<b>10</b>	<b>Profit/(loss) from discontinuing operations</b>					
<b>11</b>	<b>Tax expense of discontinuing operations</b>					
<b>12</b>	<b>Profit/(loss) from Discontinuing operations (after tax) (10-11)</b>					
<b>13</b>	<b>Profit (Loss) for the period (9+12)</b>	<b>366.89</b>	<b>(211.61)</b>	<b>(148.78)</b>	<b>(330.93)</b>	<b>(883.14)</b>
<b>14</b>	<b>Other Comprehensive Income (Net of Tax)</b>	<b>(1.81)</b>	<b>0.18</b>	<b>8.67</b>	<b>(1.27)</b>	<b>10.91</b>
	<b>Total Comprehensive income for the period (13+14)</b>	<b>365.08</b>	<b>(211.43)</b>	<b>(140.11)</b>	<b>(332.20)</b>	<b>(872.23)</b>
<b>15</b>	<b>Paid up equity shares capital (Face Value of the share Re.1/- per share)</b>	<b>37744.37</b>	<b>37,744.37</b>	<b>37,744.37</b>	<b>37,744.37</b>	<b>37,744.37</b>
<b>16</b>	<b>EARNING PER EQUITY SHARE (EPS):</b>					
	(1) Basic	0.010	(0.006)	(0.004)	(0.009)	(0.023)
	(2) Diluted	0.010	(0.006)	(0.004)	(0.009)	(0.023)

### Un-audited Consolidated Segment Information for the Quarter & Year ended March 31, 2020

INR In Lacs						
S.No	Particulars	Quarter Ended			Financial Year Ended	
		31-Mar-20	31-Dec-19	31-Mar-19	31-Mar-20	31-Mar-19
<b>1</b>	<b>Segment Revenue</b>					
	(Net sale / income from each segment should be disclosed under this head)					
(a)	IT Solutions & Products	-	-	-	-	11.52
(b)	IT enabled Services	9.24	11.72	(5.59)	52.58	50.06
(c)	Telecommunication	0.98	335.53	-	761.61	1638.82
	<b>Total</b>	<b>10.23</b>	<b>347.24</b>	<b>(5.59)</b>	<b>814.19</b>	<b>1,700.39</b>
<b>2</b>	<b>Segment Results Profit (+) / Loss (-) before tax and interest from each segment</b>					
(a)	IT Solutions & Products	-	-	-	-	(4.36)
(b)	IT enabled Services	(18.62)	3.77	(12.13)	(6.43)	(26.27)
(c)	Telecommunication	(30.34)	(25.95)	(18.32)	(137.99)	(88.72)
	<b>Total</b>	<b>(48.96)</b>	<b>(22.18)</b>	<b>(30.45)</b>	<b>(144.42)</b>	<b>(119.35)</b>
	Less: (i) Interest	15.79	(2.43)	14.75	41.89	59.99
	(ii) Other Un-allocable Expenditure net off	94.18	93.55	88.39	375.64	367.92
	Add: Un-allocable income	0.03	0.04	11.86	0.29	12.49
	<b>Total Profit before Tax</b>	<b>(158.89)</b>	<b>(113.26)</b>	<b>(121.73)</b>	<b>(561.66)</b>	<b>(534.76)</b>



3	<b>Capital Employed:</b> Since Fixed Assets used in the company's business cannot be specifically identified with any of the reportable segments as these are used interchangeably among segments, hence segment wise disclosure on capital employed has not been furnished.																													
<b>Notes</b>																														
(1)	The above results were reviewed by the audit committee and thereafter taken on record by the Board of Directors at its meeting held on February 12, 2020.																													
(2)	Financial results for all the periods have been prepared in accordance with the recognition and measurement principles of IND AS notified under the Companies (Indian Accounting Standards) Rules, 2015 as amended from time to time.																													
(3)	The figures of the previous periods have been re-cast / re-grouped / re-arranged wherever necessary in conformity with the requirements of the revised Schedule III of the Companies Act, 2013.																													
(4)	Pursuant to the provisions of the Listing Regulations, 2015, the management has decided to publish consolidated Audited financial results for the quarter & Year ended 31st March 2020 in the newspapers, however, the standalone Un-audited financial results will be made available on the Company's website at www.mpsinfotec.com & on the websites of NSE and BSE. Consolidated Financial Results are as under:																													
	<table border="1"> <thead> <tr> <th rowspan="2">Particulars</th> <th colspan="3">Quarter Ended</th> <th colspan="2">Financial Year Ended</th> </tr> <tr> <th>31-Mar-20</th> <th>31-Dec-19</th> <th>31-Mar-19</th> <th>31-Mar-20</th> <th>31-Mar-19</th> </tr> </thead> <tbody> <tr> <td>Total Income*</td> <td>10.23</td> <td>347.28</td> <td>11.53</td> <td>814.19</td> <td>1,700.39</td> </tr> <tr> <td>Profit before Tax</td> <td>(158.89)</td> <td>(113.26)</td> <td>(121.73)</td> <td>(561.66)</td> <td>(534.76)</td> </tr> <tr> <td>Profit after Tax</td> <td>366.89</td> <td>(211.61)</td> <td>(148.78)</td> <td>(330.93)</td> <td>(883.14)</td> </tr> </tbody> </table>	Particulars	Quarter Ended			Financial Year Ended		31-Mar-20	31-Dec-19	31-Mar-19	31-Mar-20	31-Mar-19	Total Income*	10.23	347.28	11.53	814.19	1,700.39	Profit before Tax	(158.89)	(113.26)	(121.73)	(561.66)	(534.76)	Profit after Tax	366.89	(211.61)	(148.78)	(330.93)	(883.14)
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	*Includes Revenue from Operations & Other Income.																													
(5)	The main business of the Company under Telecommunication segment was of Mobile and DTH recharge, however, due to stiff competition from various telcom operators, e-commerce sites, the recharge business is no more economically viable hence the company is exploring the possibility of trading in Mobile Phones in the domestic as well as international market. During the period under review, the company had traded in Balckberry mobile phones in the domestic as well as international market. Though the Company has suffered trading losses, yet the management hope to recover the losses and make good profit on continued supplies on account of better purchase prices on																													
(6)	Axis Convergence INC and Greenwire Network Limited, wholly owned foreign subsidiaries of the Company were in the business of providing internet telephony services in the form of VoIP based traffic Exchange and mobile messaging exchange. However, with the development of various mobile application worldwide, like whatsapp, Hike, Google duo, etc., which not only provides messaging services also provides video calling, the business of these subsidiaries have declined and the revenues of the subsidiaries during the quarter is "Nil". Since these subsidiary Companies are no more economically viable, the members, at the Annual General Meeting held on 30th September 2019, had given their consent to sell the investments made by the company in these subsidiaries. The management of the Company is in process of identifying suitable buyer, however at the same time the company is also making efforts to revive the business of these subsidiaries. The revival of these subsidiaries are possible once the company has realised funds from																													
(7)	Opentech Thai Network Specialist Company Ltd., subsidiary of the company was in the business of trading in Computer and Computer peripherals. With the business in consumer durable sector including Computer Hardware and peripherals, being conducted Online by giants like Amazon, ebay, flipcart, etc., which are giving lucrative offers to the buyers has resulted in sharp decline in the business of the said subsidiary. The revenues from the said subsidiary during the quarter is "Nil". Since the subsidiary is no more economically viable, the members, at the Annual General Meeting held on 30th September 2019, had given their consent to sell the investments made by the company in the subsidiary. The management of the Company is in process of identifying suitable buyer, however at the same time the company is also making efforts to revive the business of the subsidiary. The revival of the subsidiary company is possible once the company has realised funds from other assets.																													
(8)	<p>The opinion of the Statutory Auditors on the Audited Consolidated financial statements is qualified on the basis of their observations, which are as under:</p> <p>Auditors' Qualification: - I. 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. 23.06 Cr.; and (c) Stock-in-trade (source codes) Rs. 62.20 Cr. which are being carried forward in the accounts since the last over 3 years. 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.</p> <p>II. Assets of subsidiaries - Rs. 16.78 Cr.; Total Revenue of Rs. Nil and Net Cash outflows / Inflows of Rs. Nil - 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.</p> <p>III. Goodwill 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, in the absence of balance confirmation, there is also uncertainty in the realization of receivables of these subsidiaries, aggregating to Rs. 16.49 Cr. hence the auditors are unable to comment and ascertain its impact on profit and loss account, reserves and surplus.</p> <p>IV. Disputed bank balance in overseas Bank Rs. 35 Cr - 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.</p> <p>V. Other non-current assets include other loans and advances of Rs. 223.42 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.</p> <p>VI. 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"</p> <p>VII. Income Tax for the Assessment year 2013-14 amounting to Rs. 20.80 lacs and interest thereon is still payable although provided for.</p> <p><b>Explanation of the Board:</b> I. (a), (b) &amp; (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.</p> <p>(II) 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</p> <p>(III) The Company has made investments in these foreign subsidiaries which is 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 realised 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</p> <p>(IV) The company has filed a civil suit bearing No. 2446/12.2TVLSB before the 10th Lower Court of Lisbon, Portugal. The Company has no additional explanation to offer as the matter is sub-judice.</p> <p>(V) The loans &amp; 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 centre. 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;</p> <p>VI. It is submitted that the 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((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.</p>																													



VII. Provisions has already been made in the Books of accounts for the amount of Income Tax payable for the AY 2013-14. As such this liability has no further impact on the profits / retained earnings of the reported period of the Company.

(9) The committee constituted by NSE, for the purpose of review of suspected shell companies and for initiating actions as envisaged under the letter dated August 7, 2017 and for carrying out any other directives of SEBI with respect to the suspected shell Companies. The Committee vide its order dated 17th March 2020 observed that the company is currently operative, carrying on its business operations and there are no material observations regarding misrepresentation of financials / misuse of funds. Also there were no major non-compliance of rules and regulations of LODR observed in the company. The Committee therefore was of considered view that the actions envisaged in SEBI's letter dated August 7, 2017 against the company shall be revoked.

(10) 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 that - (a) Company shall continue to pursue the measures to bring back the outstanding amount of \$ 8.90 million into its bank account in India. It is clarified that Noticee No. 3, Noticee No. 7 and all other present directors of Noticee No. 1 shall ensure the compliance of this direction by Noticee No. 1 and furnish a Certificate from a peer reviewed Chartered Accountant of ICAI along with necessary documentary evidences to SEBI, certifying the compliance of this direction; (b) Company is restrained from accessing the securities market and further prohibited from buying, selling or dealing in securities, directly or indirectly, in any manner whatsoever or being associated with the securities market in any manner, whatsoever, till compliance with directions contained in para 5B(a) above and thereafter, for an additional period of two years from the date of bringing back the money. Clifford Capital Partners A.G.S.A, Mr. Peeyush Agrawal, Mr. Sanjiv Bhavnani, Mr. S. N. Sharma, Mr. Adesh Jain, Mr. Karun Jain and Mr. Rajinder Singh are hereby restrained 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. During the period of restraint, the existing holding of securities including units of mutual funds of these Noticees shall also remain frozen. The Company is in the process of filing an appeal.

11. 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.

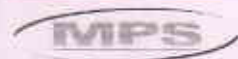
12. The Board of Directors of the company in its meeting held on 1st June 2020 had decided to provide consultancy and advisory services in the field of Solar Power, including but not limited to setting up of Solar Power Plant, its management, supervision, development & trading of software, control the business of transmission of solar power, manufacturing and/or trading in parts of Solar Power Plants, supplying, generation, distribution and dealing in electricity.

Place: New Delhi

Date: July 30, 2020

For MPS Infotecnics Limited  
  
Peeyush Kumar Aggarwal  
Chairperson  
DIN: 00090423



**MPS INFOTECNICS LIMITED**

CIN: L30007DL1989PLC131190

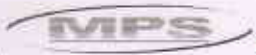
Regd. Office : 703, Arunachal Building, 19, Barakhamba Road, Connaught Place, New Delhi 110 001

**Statement of Assets & Liabilities for the Quarter and Year Ended March 31, 2020 (Consolidated)****(INR In Lacs)**

S.No	Particulars	As at March 31,	As at March 31,
		2020	2019
		Audited	Audited
<b>(A)</b>	<b>ASSETS</b>		
	<b>Non Current Assets</b>		
(a)	Property, Plant & Equipment	5.24	6.99
(b)	Capital Work-in-Progress		
(c)	Goodwill	6,169.11	6,169.11
(d)	Other Intangible Assets	2,306.44	2,663.02
(e)	Intangible Assets under development	5,644.40	5,644.40
(f)	Financial Assets		
(i)	Investments	0.05	0.04
(ii)	Others		
(g)	Non-current Assets (Net)		
(h)	Other Non-current Assets	22,342.28	22,397.80
	<b>Total Non-Current Assets</b>	<b>36,467.52</b>	<b>36,881.36</b>
	<b>Current Assets</b>		
(a)	Inventories	6,219.71	6,219.71
(b)	Financial Assets		
(i)	Trade Receivables	3,508.73	3,449.78
(ii)	Cash and Cash equivalents	3.87	6.17
(iii)	Bank Balances	3,490.36	3,487.11
(iv)	Loans		
(v)	Others		
(c)	Current Tax (Net)		
(d)	Other Current Assets	125.31	353.42
	<b>Total Current Assets</b>	<b>13,347.99</b>	<b>13,516.20</b>
	<b>Total Assets</b>	<b>49,815.51</b>	<b>50,397.56</b>
<b>(B)</b>	<b>EQUITY AND LIABILITIES</b>		
	<b>Equity</b>		
(a)	Equity share capital	37,744.37	37,744.37
(b)	Other Capital	7,041.83	7,311.64
	<b>Total Equity</b>	<b>44,786.20</b>	<b>45,056.01</b>
	<b>Non-Current Liabilities</b>		
(a)	Financial Liabilities		
(i)	Borrowings	244.66	207.89
(ii)	Other Financial Liabilities		
(b)	Provisions		
(c)	Deferred tax Liability (Net)	386.35	617.09
	<b>Total Non-Current Liabilities</b>	<b>631.01</b>	<b>824.98</b>
	<b>Current Liabilities</b>		
(a)	Financial Liabilities		
(i)	Borrowings	2,083.66	2,069.81
(ii)	Trade Payables		
	Total outstanding due to micro and small enterprises		
	Total outstanding dues to creditors other than micro and small enterprises	1,515.92	1,224.79
(iii)	Other Financial Liabilities		
(b)	Other Current Liabilities	745.35	1,173.29
(c)	Provisions	53.37	48.69
(d)	Current tax Liabilities (Net)		
	<b>Total Current Liabilities</b>	<b>4,398.30</b>	<b>4,516.58</b>
	<b>Total Liabilities</b>	<b>49,815.51</b>	<b>50,397.56</b>







# MPS INFOTECNICS LIMITED

CIN: L30007DL1989PLC131190

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

## Cash Flow Statement for the year ended 31st March, 2020 (Consolidated)

(INR In Lacs)

S.No	Particulars	As at March 31,	As at March 31,
		2020	2019
		Audited	Audited
<b>A.</b>	<b>CASHFLOW FROM OPERATING ACTIVITIES</b>		
	Net Profit before Tax	(561.66)	(534.77)
	<b>Adjustments for:</b>		
	Depreciation & Amortization	358.32	352.14
	Leave Encashment	1.41	0.81
	Gratuity	2.81	(9.03)
	Comprehensive Income	(1.27)	10.91
	<b>Provision fro Income Tax &amp; Interest on Income Tax A.Y. 2013-14</b>	-	-
	Interest & Other Costs	41.89	59.99
	Interest received	(0.20)	(11.97)
	(Profit) / Loss on sale of fixed assets	-	(0.46)
	Operating Profits before Working Capital Changes	(158.70)	(132.37)
	(Increase) / Decrease in Current Assets	169.16	210.65
	Increase / (Decrease) in Current Liabilities	(122.96)	(85.29)
	<b>Net Cash from Operating Activities (A)</b>	<b>(112.50)</b>	<b>(7.02)</b>
<b>B.</b>	<b>CASHFLOW FROM INVESTING ACTIVITIES</b>		
	Purchase of Fixed Assets	-	(0.10)
	Sale of Fixed Assets	-	0.46
	Change in Capital WIP	-	-
	(increase) / Decrease in Investments	-	(0.00)
	Interest Received	0.20	11.97
	Long Term Loans & Advances	55.97	(30.33)
	<b>Net cash Out Flow in Investing Activities (B)</b>	<b>56.17</b>	<b>(18.00)</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	36.77	36.70
	Prior Period Items	-	-
	Interest Paid	(41.89)	(59.99)
	<b>Net Cash inflow from Financing Activities (C)</b>	<b>(5.12)</b>	<b>(23.30)</b>
	Foreign Exchange Translation Reserve	62.39	42.85
	<b>Net Increase (Decrease) in Cash &amp; Cash Equivalent (A+B+C)</b>	<b>(61.45)</b>	<b>(5.46)</b>
	<b>Cash and Cash Equivalent as at 01/04/2019</b>	<b>3,493.29</b>	<b>3,498.75</b>
	<b>Cash and Cash Equivalent as at 31/03/2020</b>	<b>3,494.23</b>	<b>3,493.29</b>

### Notes:

- Comparative figures have been regrouped wherever necessary
- 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 Standard) Rules, 2006
- These earmarked account balances with Banks can be utilized only for the specific identified purposes.
- Bank Balances as shown in cash and cash equivalents amounting to Rs. 34,78,92,163/- is with Banco Efisa, a Bank in Portugal is not available for use, because the bank has wrongly debited the account by the said amount, the matter is in Portuguese Courts.



# Nemani Garg Agarwal & Co.

Chartered Accountants

Independent Auditor's Report on the annual consolidated financial results pursuant to the Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015

TO THE BOARD OF DIRECTORS OF  
MPS Infotecnics Limited

703, Arunachal Building,  
19, Barakhamba Road,  
New Delhi 110001

## Report on the Audit of Consolidated Financial Results

### Opinion

We have audited the accompanying consolidated annual financial results of MPS Infotecnics Limited (hereinafter referred to as the 'Holding Company') and its subsidiaries (Holding Company and its subsidiaries together referred to as "the Group"), its associates and jointly controlled entities for the year ended 31<sup>st</sup> March 2020, attached herewith, being submitted by the Holding Company pursuant to the requirement of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended ('Listing Regulations').

In our opinion and to the best of our information and according to the explanations given to us on separate financial statements /financial results/ financial information of the subsidiaries, associates and jointly controlled entities, the aforesaid consolidated financial results:

- (i) include the annual financial results of the following entities:

Sr. No	Name of the entity	Relationship
1	Axis Convergence Inc	Subsidiary
2	Greenwire Network Limited	Subsidiary
3	Opentech Thai Network Specialists Co. Ltd.	Subsidiary

- (ii) are presented in accordance with the requirements of Regulation 33 of the Listing Regulations in this regard; and
- (iii) give a true and fair view in conformity with the applicable accounting standards, and other accounting principles generally accepted in India, of net profit/loss and other comprehensive income and other financial information of the Group for the year ended 31<sup>st</sup> March 2020.

### Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Companies Act, 2013 ("Act"). Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Results section of our report. We are independent of the Group, its associates and jointly controlled entities in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Companies Act, 2013 and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence obtained by us and other auditors in terms of their reports referred to in "Other Matter" paragraph below, is sufficient and appropriate to provide a basis for our opinion.

1517, Devika Towers, 6, Nehru Place, New Delhi – 110 019  
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Phones: 0120-2770338740; 011-26448033; +91-9811026144



# Nemani Garg Agarwal & Co.

## Chartered Accountants

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### Emphasis of Matter

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

1. In case of following items shown as Intangible Assets / Inventories, no provision for impairment of assets has been made in accordance with Accounting policies E & F (Schedule to the accounts) and applying Ind AS 36 –
  - (a) Intangible Assets under development (Capital Work-in-progress) (software development) Rs. 56.44 Cr.,
  - (b) Software rights Rs. 23.06 Cr.; and
  - (c) Stock-in-trade (source codes) Rs. 62.20 Cr. which are being carried forward in the accounts since the last over 3 years.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. 16.78 Cr.

The Holding 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 31 March 2019 include the following, pertaining to the 3 subsidiaries:

1. Total assets of Rs. 16.78 Cr. which are not material to the Group
2. Total revenue - Nil.
3. Net cash outflows Rs. 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.

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. 16.49 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. 35 Cr

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.



# Nemani Garg Agarwal & Co.

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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. 223.42 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. 5.86 crores towards the above stands payable, under the head "Other Current Liabilities"
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. 4 to the standalone financial results 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.

Our opinion is not modified in respect of this matter.

### **Board of Directors' Responsibilities for the Consolidated Financial Results**

These Consolidated financial results have been prepared on the basis of the consolidated annual financial statements. The Holding Company's Board of Directors are responsible for the preparation and presentation of these consolidated financial results that give a true and fair view of the net profit/ loss and other comprehensive income and other financial information of the Group including its associates and jointly controlled entities in accordance with the Indian Accounting Standards prescribed under Section 133 of the Act read with relevant rules issued thereunder and other accounting principles generally accepted in India and in compliance with Regulation 33 of the Listing Regulations. The respective Board of Directors of the companies included in the Group and of its associates and jointly controlled entities are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Group and its associates and jointly controlled entities 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 the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring accuracy and completeness of the accounting records, relevant to the preparation and presentation of the consolidated financial results that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial results by the Directors of the Holding Company, as aforesaid.

In preparing the consolidated financial results, the respective Board of Directors of the companies included in the Group and of its associates and jointly controlled entities are responsible for assessing the ability of the Group and its associates and jointly controlled entities to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the respective Board of Directors either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

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# Nemani Garg Agarwal & Co.

## Chartered Accountants

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The respective Board of Directors of the companies included in the Group and of its associates and jointly controlled entities are responsible for overseeing the financial reporting process of the Group and of its associates and jointly controlled entities.

### Auditor's Responsibilities for the Audit of the Consolidated Financial Results

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

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 results, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3) (i) of the Act, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Board of Directors.
- Conclude on the appropriateness of the Board of Directors use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Group and its associates and jointly controlled entities 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 results or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group and its associates and jointly controlled entities to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial results, including the disclosures, and whether the consolidated financial results represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial results/financial information of the entities within the Group and its associates and jointly controlled entities to express an opinion on the consolidated Financial Results. We are responsible for the direction, supervision and performance of the audit of financial information of such entities included in the consolidated

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# Nemani Garg Agarwal & Co.

## Chartered Accountants

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financial results of which we are the independent auditors. For the other entities included in the consolidated Financial Results, which have been audited by other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion.

We communicate with those charged with governance of the Holding Company and such other entities included in the consolidated financial results of which we are the independent auditors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

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

We also performed procedures in accordance with the circular issued by the SEBI under Regulation 33(8) of the Listing Regulations, as amended, to the extent applicable.

### Other Matters

The consolidated Financial Results include the unaudited Financial Results of 3 subsidiaries, whose Financial Statements/Financial Results/ financial information reflect Group's share of total assets of Rs. 16.78 Cr. as at 31<sup>st</sup> March 2020, Group's share of total revenue of Rs. Nil and Rs. Nil and Group's share of total net profit/(loss) after tax of Rs. Nil and Rs. Nil for the quarter ended 31<sup>st</sup> March 2020 and for the period from 1<sup>st</sup> April 2019 to 31<sup>st</sup> March 2020 respectively, as considered in the consolidated Financial Results. These unaudited interim Financial Statements/Financial Results/ financial information have been furnished to us by the Board of Directors and our opinion on the consolidated Financial Results, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries, is based solely on such unaudited Financial Statements/Financial Results/financial information. In our opinion and according to the information and explanations given to us by the Board of Directors, these Financial Statements/Financial Results / financial information are not material to the Group.

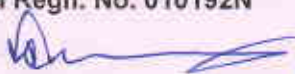
Our opinion on the consolidated Financial Results is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditors and the Financial Results/financial information certified by the Board of Directors.

The Financial Results include the results for the quarter ended 31<sup>st</sup> March 2020 being the balancing figure between the audited figures in respect of the full financial year and the published unaudited year to date figures up to the third quarter of the current financial year which were subject to limited review by us.

**For Nemani Garg Agarwal & Co.**

**Chartered Accountants**

Firm Regn. No. 010192N



**S.K. Nemani**

**Partner**

**Membership No. 037222**

Place: New Delhi

Date: 30<sup>th</sup> July 2020



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## ANNEXURE-1

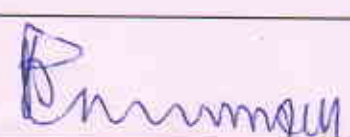

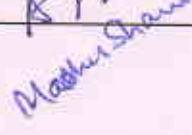

STATEMENT OF IMPACT OF AUDIT QUALIFICATION (FOR AUDIT REPORT WITH MODIFIED OPINION) SUBMITTED ALOG WITH

STATEMENT OF IMPACT OF AUDIT QUALIFICATION (CONSOLIDATED) FOR THE FINANCIAL YEAR ENDED MARCH 31, 2020

[SEE REGULATION 33 / 52 OF THE SEBI (LODR) REGULATIONS, 2015

S.No.	Particulars	Audited Figures (before adjusting for qualifications)	Adjusted Figures (after adjusting for qualifications)
I	1 Turnover / Total Income	814.19	814.19
	2 Total Expenditure	1,376.19	1,376.19
	3 Net Profit /(loss)	(561.66)	(591.14)
	4 Earning per share	(0.009)	(0.16)
	5 Total Assets	49,815.51	3,654.65
	6 Total Liabilities	5,029.31	5,459.64
	7 Networth	44,786.20	(1,805.00)
	8 Any other financial item(s) felt appropriated by the management		
II	<b>Audit Qualification (each audit qualification separately)</b>		
	a	<b>Details of Audit Qualification</b>	
	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. 23.06 Cr.; and	
		(c) Stock-in-trade (source codes) Rs. 62.20 Cr. which are being carried forward in the accounts since the last over 3 years.	
		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. 16.78 Cr.; Total Revenue of Rs. Nil and Net Cash outflows / Inflows of Rs. Nil - 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.	
	3	Goodwill 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; In the absence of balance confirmation, there is also uncertainty in the realization of receivables of these subsidiaries, aggregating to Rs. 16.49 Cr. hence the auditors are unable to comment and ascertain its impact on profit and loss account, reserves and surplus.	
	4	Disputed bank balance in overseas Bank Rs. 35 Cr - 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.	
5	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 centre. The management of the company has initiated settlment 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		
6	The Company has increased its Authorized Capital from Rs. 52.45 Crores to its. 377.50 crores during the period of FY-2010-11 to FY 2012-13, RoC fees of Rs. 4.88 crores towards the same stands payable, under the head "Other Current Liabilities" in the IND AS Financial Statements		
7	income Tax for the Assessment year 2013-14 amounting to Rs. 20.80 lacs and interest thereon is payable.		
b	<b>Type of Audit Qualification : Qualified / Disclaimer of Opinion / Adverse Opinion:</b>		
c	<b>Frequency of Qualification(s) : Whether appeared for first time / repetative / since</b>		
	Audit Qualification at Point No. 1 - Financial Year 2013-14		
	Audit Qualification at Point No. 2 - Financial Year 2013-14		



	Audit Qualification at Point No. 3 - Financial Year 2013-14
	Audit Qualification at Point No. 4 - Financial Year 2013-14
	Audit Qualification at Point No. 5 - Appeared first time - Financial Year 2019-20
	Audit Qualification at Point No. 6 - Financial Year 2013-14
	Audit Qualification at Point No. 7 - Financial Year 2014-15
d	<b>For Audit qualification(s) where the impact is quantified by the Auditor, Management's views:</b>
1	I. (a), (b) & (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.
2	(II) 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
3	(III) The Company has made investments in these foreign subsidiaries which is 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 realised 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
4	(IV) The company has filed a civil suit bearing No. 2446/12.2TVLSB before the 10th Lower Court of Lisbon, Portugal. The Company has no additional explanation to offer as the matter is sub-judice.
5	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 centre. 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;
6	the company has filed a civil suit bearing No. 2446/12.2TVLSB before the 10th Lower Court of Lisbon, Portugal. The Company has no additional explanation to offer as the matter is sub-judice.
7	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>For Audit Qualification(s) where the impact is not quantified by the auditor:</b>
	(i) Management's estimation on the impact of audit qualification: N.A
	(ii) If Management is unable to estimate the impact, reasons for the same: N.A
	(iii) Auditor's comments on (i) or (ii) above: N.A
III	<b>Signatories</b>
	Mr. Peeyush Kumar Aggarwal - Managing Director and Chairperson of the Board meeting 
	Mr. Sanjay Sharma - C.F.O. 
	Mrs. Madhu Sharma - Audit Committee Chairperson 
	Mr. S.K. Nemani - Partner Nemani Garg Agarwal & Co., Chartered Accountants; Firm Registration No. 010192N; Membership No. 037222 
Place:	New Delhi
Date:	30th July 2020

