

MPS Infotecnics Limited

CIN: L30007DL1989PLC131190



To,

Date: 03.06.2022

The Manager-Listing

National Stock Exchange of India Limited
Exchange Plaza, C-1, Block-G,
Bandra Kurla 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: UDIN No. for Independent Auditor's Report (Standalone and Consolidated)

Dear Sir,

This is with reference to the Audited Financial Results for the Quarter and Year Ended March 31, 2022 submitted on 30th May, 2022.

In this regard we would like to inform you that UDIN NO. for Independent Auditor's Report Standalone as well as Consolidated was generated by the Auditor's, who has reviewed the Audited Financial Results for the Quarter and Year Ended 31/03/2022, but forgot to mention the same in their report.

The UDIN no. for Independent Auditor's Report of Standalone and Consolidated Audited Financial results for the Quarter and Year Ended March 31, 2022 is **22037222AJYVMF3460** and **22037222AJZNTX6563** respectively.

The non-mentioning of UDIN no. by the Auditors was neither intentional nor deliberate. Hence, we request you to kindly condone the same. Further please find enclosed herewith revised Independent Auditor's Report for your records.

We hope you will find the same in order.

Thanking You

Yours faithfully

For MPS Infotecnics Limited


Garima Singh
Company secretary



Nemani Garg Agarwal & Co.

Chartered Accountants

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 31st March 2022 and the year to date results for the period from 1st April 2021 to 31st March 2022, 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 31st March 2022 as well as the year to date results for the period from 1st April 2021 to 31st March 2022.

Basis of Opinion

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.

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. 15.93 crores

1517, Devika Towers, 6, Nehru Place, New Delhi – 110 019
Email: sknemani@sknemani.com; nemani61@gmail.com
Phones: 0120-2770338740; 011-26448033; +91-9811026144



Nemani Garg Agarwal & Co.

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- (c) Opening Stock (Source Codes) - Rs. 62.21 Crores
(d) The Company has not provided 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.

- 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. 222.09 Cr. which is 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 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. 6.84 crores calculated as per the Companies Act, 1956, towards the same stands payable, under the head "Other Current Liabilities" in the IND AS Financial Statements. However the fees calculated as per Companies Act, 2013 amounts to Rs. 11.92 Crores. The company had filed a Writ Petition before the Hon'ble Delhi High Court which has been dismissed and against the order of dismissal of the Writ Petition by the Hon'ble Delhi High Court; the Company had filed an SLP before the Hon'ble Supreme court of India which is pending adjudication. The difference in the fees as per 1956 Act and 2013 Act, aggregating to Rs. 5.08 Cr will have an impact on the company's financial statement. To that extent the losses are under stated.
- 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 not modified in respect of these matters.

- (a) We also draw your attention to Note No. 6 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.

Management's Responsibilities for the Financial Results

The Statement has been prepared on the basis of the audited financial statements. The Board of Directors of the Company are responsible for the preparation and presentation of the Statement that gives a true and fair view of the net loss and other comprehensive income and other financial information in accordance with the recognition and measurement principles laid down under Indian Accounting Standards prescribed under Section 133 of the Act and other accounting principles generally accepted in India and in compliance with Regulation 33 of the Listing Regulations. This responsibility also includes



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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 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 Statement that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the Statement, 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.

Auditors' Responsibilities for the Audit of the Financial Results

Our objectives are to obtain reasonable assurance about whether the Statement 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 the Statement.

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 Statement, 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 through a separate report on the complete set of financial statements on whether the 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 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 Statement 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 Statement, including the disclosures, and whether the Statement represents 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.

Other Matters

Attention is invited to Note No. 5 of the Statement. As stated therein, the Statement includes the results for the quarter ended 31 March 2022 being the balancing figure between the annual 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

UDIN No.: 22037222A3YVMF3460



Place: New Delhi

Date: 30th May, 2022

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 31st March 2022, 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 31st March 2022.

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

1517, Devika Towers, 6, Nehru Place, New Delhi – 110 019
Email: sknemani@sknemani.com; nemani61@gmail.com
Phones: 0120-2770338740; 011-26448033; +91-9811026144



Nemani Garg Agarwal & Co.

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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.

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. 15.93 Cr.; and
 - (c) Stock-in-trade (source codes) Rs. 62.22 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. 16.87 Cr.

Though company has no subsidiaries in India; however, the consolidated statements include 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 2022 include the following, pertaining to the 3 subsidiaries:

- i. Total assets of Rs.16.87 Cr. which are not material to the Group
- ii. Total revenue - Nil.
- iii. 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



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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 (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. 16.59 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.

4. 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 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. Other non-current assets include other loans and advances of Rs. 223.08 Cr. which is 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.

6. 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. 6.84 crores towards the above stands payable, under the head "Other Current Liabilities"

7. 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. 7 to the consolidated 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



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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.

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



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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 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



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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. 16.59 Cr. as at 31st March 2022, 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 31st March 2022 and for the period from 1st April 2021 to 31st March 2022, respectively, as considered in the consolidated Financial Results. These unaudited 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 31st March 2022 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
UDIN No.: 22037222AJZNTX6563
Place: New Delhi
Date: 30th May, 2022

