

MPS Infotecnics Limited

CIN: L30007DL1989PLC131190



Date: September 07, 2022

To,
BSE Limited,
25th, Floor, P.J. Towers, Dalal Street
Fort, Mumbai-401 001
Security Code: 532411

To,
National Stock Exchange of India Limited,
Exchange Plaza, C-1, Block G, Bandra Kurla
Complex, Bandra (E), Mumbai- 400 051
NSE Symbol: VISESHINFO

Sub: Submission of Annual Report for the FY 2021-22 along with Notice of 33rd AGM of the Company


Dear Sir,

Pursuant to the Regulation 34 of the SEBI (LODR) Regulations, 2015, please find enclosed herewith the Annual Report of the Company for the FY 2021-22 along with Notice convening 33rd Annual General Meeting ("AGM") of the Company on Friday, September 30, 2022 at 10:00 a.m. at the registered office of the Company at 703, Arunachal Building, 19 Barakhamba Road, New Delhi-110001.

The said Annual Report and Notice of AGM are being dispatched electronically to those Members whose email IDs are registered with the Company/MAS Services Limited ("MAS"), Registrar and Share Transfer Agent of the Company/the Depositories, and also being uploaded on the Company's website under heading "Annual Report" and can be accessed at www.mpsinfotec.com.

This is for your information and records.

Yours faithfully,
For MPS Infotecnics Limited


Garima Singh
Company Secretary



Encl: As mentioned above



MPS INFOTECNICS LIMITED

CIN: L30007DL1989PLC131190

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



MPS INFOTECNICS LIMITED
SOLUTIONS UNLIMITED



MPS INFOTECNICS LIMITED

CIN: L30007DL1989PLC131190

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

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

Mr. Peeyush Kumar Aggarwal



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CORPORATE INFORMATION

BOARD OF DIRECTORS

Mr. Peeyush Kumar Aggarwal
Mr. Manoj Kumar Jain
Mrs. Madhu Sharma
Mr. Rachit Garg
Mr. Ram Niwas Sharma
Mr. Santosh Pradhan
Mr. Sanjay Sharma
Mr. Vishal Anand
Mrs. Garima Singh

Managing Director
Independent Director
Independent Director
Non-Executive Director
Non-Executive Director
Independent Director
Chief Financial Officer
Chief Finance Officer
Company Secretary & Compliance Officer

STATUTORY AUDITORS

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

BANKERS

Indian Bank
ICICI Bank
HDFC Bank

REGISTERED OFFICE

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

SUBSIDIARIES

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

COMMITTEES OF THE BOARD

AUDIT COMMITTEE

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

NOMINATION & REMUNERATION COMMITTEE

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

CORPORATE SOCIAL RESPONSIBILITY

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

STAKEHOLDERS RELATIONSHIP COMMITTEE

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

RISK MANAGEMENT COMMITTEE

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



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NOTICE

Notice is hereby given that the Thirty Third Annual General Meeting of MPS Infotecnics Limited shall be held on Friday the 30th day of September, 2022, at 10:00 AM at the Registered Office of the Company situated at 703, Arunachal Building, 19 Barakhamba Road, New Delhi-110001 to transact the following business:

ORDINARY BUSINESS

Item No. 1: To receive, consider and adopt:

- a) the Audited Standalone Financial Statements of the Company for the Financial Year Ended March 31, 2022, together with the Reports of the Board of Directors and Auditors thereon; and
- b) the Audited Consolidated Financial Statements of the Company for the Financial Year Ended March 31, 2022, together with the Reports of the Board of Directors and Auditors thereon;

Item No. 2: To consider and appoint a Director in place of Mr. Ram Niwas Sharma (DIN: 08427985), who retires by rotation and being eligible, offers himself for re-appointment:

“RESOLVED THAT pursuant to the provisions of sub-section(6) of the Section 152 and other applicable provisions, of the Companies Act, 2013, Mr. Ram Niwas Sharma (DIN:08427985), the retiring Director be and is hereby re-appointed.”

SPECIAL BUSINESS

Item No. 3: To approve Related Party Transactions

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

“RESOLVED THAT pursuant to the provisions of Section 188 and all other applicable provisions, if any, of the Companies Act, 2013 (the Act) read with Rule 15 of the Companies (Meetings of Board and its Powers) Rules, 2014 & Regulation 23(4) of SEBI (Listing Obligations & Disclosure Requirements) Regulation, 2015, as amended from time to time (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force), the Company's Policy on Related Party Transactions and subject to such approvals, consents, sanctions and permissions as may be necessary from time to time and basis of the approval and recommendation of the Audit Committee and the Board of Directors of the Company, the approval of the Members of the Company be and is hereby accorded to the Company to enter/continue to enter into Material Related Party Transaction(s)/Contract(s)/Arrangement(s)/Agreements(s) and subsequent Material modifications (whether by way of an individual transaction or transactions taken together or series of transactions or otherwise) with entities falling within definition of 'Related Party' under Section 2(76) of the Act and Regulation 2(1)(zb) of the SEBI Listing Regulations, on such material terms and conditions as detailed in the explanatory statement to this resolution and as may be mutually agreed between related parties and the Company with effect from the conclusion of this Annual General Meeting till the conclusion of the Annual General meeting to be held in the calendar year 2023, such that the maximum value of the Related Party Transactions with such parties, in aggregate, does not exceed value up to the maximum 150 crores, provided that the said contract(s)/arrangement(s)/ transaction(s) shall be carried out in the ordinary course of business of the Company and in respect of transactions with related parties under Section 2(76) of the Act, are at arm's length basis.”

“FURTHER RESOLVED THAT the Board of Directors of the company (hereinafter referred to as 'Board' which term shall be deemed to include the Audit Committee of the Company) be and is hereby authorized



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to determine the actual sums to be involved in the proposed transactions and the terms & conditions related thereto and all other matters arising out of or incidental to the proposed transactions and generally to do all acts, deeds and things that may be necessary proper, desirable or expedient and to execute all documents, agreements and writings as may be necessary, proper, desirable or expedient to give effect to this resolution.”

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

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

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

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

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



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

**By the Order of the Board of Directors
For MPS Infotecnics Limited**

SD/-

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

Date: 13.08.2022

Place: New Delhi

NOTES:

1. The Explanatory Statement pursuant to Section 102 of the Companies Act, 2013, setting out the material facts concerning the business under Item Nos. 3 to 6 of the Notice, is annexed hereto. Further, the relevant details with respect to Item No. 2 pursuant to Regulation 36(3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“SEBI Listing Regulations”) and Secretarial Standard on General Meetings issued by the Institute of Company Secretaries of India, in respect of Director seeking re-appointment at this AGM are also annexed.

2. **A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT PROXY/PROXIES TO ATTEND AND VOTE ON A POLL ON HIS/HER BEHALF. A PROXY NEED NOT BE A MEMBER OF THE COMPANY.** Pursuant to Section 105 of the Companies Act, 2013 read with the Companies (Management and Administration) Rules, 2014 a person shall not act as proxy for more than fifty (50) members and hold in aggregate not more than 10% of the total share capital of the Company carrying voting rights. A member holding more than 10% of the total share capital of Company carrying voting rights may appoint a single person as proxy and such person shall not act as proxy for any other person or shareholder.

3. A blank proxy form is being sent herewith. The instrument appointing proxy, duly stamped completed and signed should be deposited at the Registered Office of the Company not less than forty eight (48) hours before the commencement of the meeting. Proxies submitted on behalf of companies must be supported by appropriate resolution issued on behalf of the nominating companies. All alterations made in the Form of Proxy should be initialed.

4. In compliance with the aforesaid MCA Circulars and SEBI Circular dated May 13, 2022, January 15, 2021 read with May 12, 2020, Notice of the AGM along with the Annual Report 2021-22 is being sent only through electronic mode to those Members whose email addresses are registered with the Company/Depositories. Members may note that the Notice and Annual Report 2021-22 will also be available on the Company’s website at www.mpsinfotec.com , websites of the Stock Exchanges i.e. BSE Limited and National Stock Exchange of India Limited at www.bseindia.com and www.nseindia.com respectively and on the website of CDSL <https://www.evotingindia.com> . The Company has also published an advertisement in newspaper containing the details about the AGM i.e., the conduct of the AGM, date and time of the AGM, availability of the notice of AGM at the Company’s website, manner of registering the email ID’s of those shareholders who have not registered their email addresses with the Company / RTA and other matters as may be required.

5. Corporate Members intending to send their authorized representative to attend the meeting are requested to send (in advance) at the Registered Office of the Company, a duly certified copy of the relevant Board Resolution / Letter of Authority / Power of Attorney, together with the respective specimen



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signatures of those representative(s), pursuant to Section 113 of the Companies Act, 2013, authorizing their representative(s) to attend and vote on their behalf at the Annual General Meeting.

6. Members are requested to intimate changes, if any, pertaining to their name, postal address, e-mail address, telephone/mobile numbers, Permanent Account Number (PAN), mandates, nominations, power of attorney, bank details such as, name of the bank and branch details, bank account number, MICR code, IFSC code, etc.,:

a. For shares held in electronic form: to their Depository Participants (DPs)

b. For shares held in physical form: to the Company/Registrar and Transfer Agent in prescribed Form ISR-1 and other forms pursuant to SEBI Circular No. SEBI/HO/ MIRSD/MIRSD_RTAMB/P/CIR/2021/655 dated November 3, 2021. The Forms are available on Company's website at https://www.mpsinfotec.com/investors_zone.html under heading Code of Conduct.

7. As per the provisions of Section 72 of the Act and SEBI Circular, the facility for making nomination is available for the Members in respect of the shares held by them. Members who have not yet registered their nomination are requested to register the same by submitting Form No. SH-13. If a Member desires to opt out or cancel the earlier nomination and record a fresh nomination, he/ she may submit the same in Form ISR-3 or SH-14 as the case may be. The said forms can be downloaded from the Company's website at https://www.mpsinfotec.com/investors_zone.html under heading Code of Conduct. Members are requested to submit the said details to their DP in case the shares are held by them in dematerialized form and to MAS Services Limited in case the shares are held in physical form.

8. Members may please note that SEBI vide its Circular No. SEBI/HO/MIRSD/MIRSD_RTAMB/P/CIR/2022/8 dated January 25, 2022 has mandated the listed companies to issue securities in dematerialized form only while processing service requests viz. Issue of duplicate securities certificate; claim from unclaimed suspense account; renewal/ exchange of securities certificate; endorsement; sub-division/splitting of securities certificate; consolidation of securities certificates/folios; transmission and transposition. Accordingly, Members are requested to make service requests by submitting a duly filled and signed Form ISR - 4, the format of which is available on the Company's website at https://www.mpsinfotec.com/investors_zone.html under heading Code of Conduct and on the website of the Company's Registrar and Transfer Agents, MAS Services Limited at <https://www.masserv.com/downloads.asp>. It may be noted that any service request can be processed only after the folio is KYC Compliant.

9. The Attendance Slip and a Proxy Form with clear instructions for filing, stamping, signing and/or depositing the Proxy Form are enclosed. Members /Proxy holder must bring the attendance slip (attached herewith) duly signed in accordance with their specimen signature(s) registered with the Company / Depository, to the meeting and handover it at the entrance of the meeting hall. The Members are informed that in case of joint holders attending the Meeting, only such joint holder who is higher in the order of names will be entitled to vote.

10. Route map and details of prominent land mark of the venue of the meeting is provided on the Attendance slip and forms part of the Notice calling the Annual General Meeting.

11. Pursuant to Section 91 of the Companies Act, 2013 and Regulation 42 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Register of Members and the Share Transfer books of the Company will remain closed from Saturday, September 24, 2022 to Friday, September 30, 2022 (both days inclusive).



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12. Inspection:

(a) All the documents referred to in the Notice and Annual Report are available for inspection by the Members at the Company's Registered Office on all working days (except Saturdays, Sundays and Public Holidays) from 1 P.M. to 4 P.M. up to the date of the Annual General Meeting.

(b) The Register of Directors' and Key Managerial Personnel and their shareholding, maintained under Section 170 of the Companies Act, 2013, the Register of Contracts or Arrangements in which Directors are interested, maintained under Section 189 of the Companies Act, 2013 will be available for inspection at the Annual General Meeting.

(c) A member can inspect the proxies lodged at any time during the business hours of the Company from the period beginning 24 hours before the time fixed for the commencement of the Annual General Meeting and ending with the conclusion of the said meeting, provided he / she has given to the Company a notice, in writing, of his intention to inspect not less than three days before the commencement of the said meeting.

13. Members seeking any information with regard to the accounts or any matter to be placed at the AGM, are requested to write to the Company mentioning their name, demat account number/folio number, email id, mobile number at info@mpsinfotec.com on or before Thursday, September 23, 2022. The same will be replied by the Company suitably.

14. The Board of Directors has appointed Mr. Kundan Agrawal (FCS No. 7631, CP No. 8325), Company Secretary in Practice as the Scrutinizer to scrutinize the remote e-voting process and voting during the AGM, in a fair and transparent manner.

15. The Scrutinizer shall immediately, after the conclusion of e-voting at the AGM, first count the votes cast during the AGM, thereafter, unblock the votes cast through remote e-voting and make, not later than 48 hours of conclusion of the AGM, a consolidated Scrutinizer's Report of the total votes cast in favor or against, if any, to the Chairman or a person authorized by him in writing, who shall countersign the same.

16. The results declared along with the Scrutinizer's Report shall be placed on the website of the Company www.mpsinfotec.com and on the website of CDSL www.evotingindia.com immediately. The results will also be communicated to National Stock Exchange of India Limited and BSE Limited, where the shares of the Company are listed.

17. Members are requested to notify immediately about any change in their postal address/ E-Mail address /bank details to their Depository Participant (DP) in respect of their shareholding in Demat mode and in respect of their physical shareholding to the Company's Registrar and Share Transfer Agent, viz. M/s MAS Services Limited having its office at T-34, IIInd Floor Okhla Industrial Area Phase-II New Delhi-110020.

18. The Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant in securities market. Members holding shares in electronic form are, therefore, requested to submit their PAN to their Depository Participants with whom they are maintaining their Demat accounts. Members holding shares in physical form can submit their PAN to the RTA.

19. Members are requested to intimate changes, if any, pertaining to their name, postal address, e-mail address, telephone/mobile numbers, Permanent Account Number, mandates, nominations, power of attorney, bank details viz., name of the bank, branch details, bank account number, MICR Code, IFSC Code etc., to their Depository Participants ("DPs") in case the shares are held in electronic form and MAS Services Limited in case the shares are held in physical form.

20. Members who are holding Company's shares in dematerialized form are required to bring details of their Depository Account Number for identification.



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21. SEBI vide its notification dated January 24, 2022 has mandated that all requests for transfer of securities including transmission and transposition requests shall be processed only in dematerialized form. In view of the same and to eliminate all risks associated with physical shares and avail various benefits of dematerialisation. Members are advised to dematerialize the shares held by them in physical form. Members can contact the Company or RTA, for assistance in this regard.
22. Members holding shares in physical form, in identical order of names, in more than one folio are requested to send to the Company or RTA, the details of such folios together with the share certificates along with the requisite KYC Documents for consolidating their holdings in one folio. Requests for consolidation of share certificates shall be processed in dematerialized form.
23. In all correspondences with the Company, members are requested to quote their account/folio numbers and in case their shares are held in the dematerialized form, they must quote their DP ID and Client ID No.
24. In compliance with the provisions of Section 108 of the Act read with Rule 20 of the Companies (Management and Administration) Rules, 2014 and Regulation 44 of the SEBI Listing Regulations, the Company has provided a facility to its members to cast their vote electronically, through the e-voting services provided by Central Depository Services (India) Limited ("CDSL") on all the resolutions set forth in this Notice. The manner and process of e-voting remotely by members is provided in the instructions for e-voting which forms part of this Notice.
25. The remote e-voting period will commence on Tuesday, September 27, 2022 (IST 09:00 a.m.) and will end on Thursday, September 29, 2022 (IST 05:00 p.m.). During this period, members of the Company, holding shares either in physical form or in dematerialized form, as on the cutoff date i.e., Friday, September 23, 2022, may cast their vote by remote e-voting. The remote e-voting module shall be disabled by CDSL for voting thereafter. Once the vote on a resolution is cast by the member, the member shall not be allowed to change it subsequently. The voting rights of members shall be in proportion to their shares in the paid-up equity share capital of the Company as on the cut-off date i.e., September 23, 2022.
26. Any person who becomes a member of the Company after sending the Notice and holding shares as on the cut-off date may obtain the login ID and password by sending a request at helpdesk.evoting@cdslindia.com . However, if a member is already registered with CDSL for remote e-voting then he/she can use his/her existing User ID and password for casting the vote.
27. Pursuant to SEBI Circular No. **SEBI/HO/CFD/CMD/CIR/P/2020/242 dated 09.12.2020**, under Regulation 44 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, the demat account holders, can vote by way of a single login credential, through their demat accounts/ websites of Depositories/ Depository Participants. Demat account holders would be able to cast their vote without having to register again with the ESPs.



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"ANNEXURE TO THE NOTICE"

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

Item No. 2

Pursuant to the provisions of Section 152 and applicable provisions of the Companies Act, 2013 and the Company's Articles of Association, not less than two-thirds of total number of Directors of the Company shall be liable to retire by rotation. Mr. Ram Niwas Sharma is a Non- Executive Director of the Company. At the 31st Annual General Meeting of the Company held on December 30, 2020, Members of the Company had approved re-appointment of Mr. Ram Niwas Sharma (DIN - 08427985) as a Non-Executive Director of the Company, liable to retire by rotation.

Pursuant to the provisions of Section 160 of the Companies Act, 2013 as amended, the Nomination and Remuneration Committee, in its meeting held on 13th August, 2022 has recommended the candidature of Mr. Ram Niwas Sharma for the office of Director, to be re-appointed as such under the provisions of Section 149, 152 (6) of the Companies Act, 2013.

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

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

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

Brief Profile of Mr. Ram Niwas Sharma: - Mr. Ram Niwas Sharma has extensive experience of more than 24 years in Stock Market and Broking in India & has a proven track record in business administration.

Mr. Ram Niwas Sharma is not holding chairpersonship and/or membership in any of the committees of any other Listed Entities.

Mr. Ram Niwas Sharma has given his consent to act as Director pursuant to Rule 8 of the Companies (Appointment and Qualification of Directors) Rules, 2014 and DIR -3KYC pursuant to Rule 12A of the Companies (Appointment and Qualification of Directors) Rules, 2014.

Mr. Ram Niwas Sharma is not disqualified to be appointed as Director pursuant to Section 164 of the Companies Act, 2013 read with Rule 14 of the Companies (Appointment and Qualification of Directors) Rules, 2014.

Mr. Ram Niwas Sharma (having DIN:08427985) does not have any relationship with any if the existing Directors and Key Managerial Personnel of the Company & does not hold any share in the MPS Infotecnics Limited.

Mr. Ram Niwas Sharma holds directorship in following Companies:

- Advik Laboratories Limited



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- Neelabh Spinning Mills Private Limited
- Omkam Pharmaceuticals Private Limited
- Omkam Retreat Private Limited
- Omkam Inns Private Limited
- Omkam Resorts Private Limited
- Onshore Shipping Limited
- Esoppers India Limited
- Pioneer Offshore Private Limited
- Heritage Corporate Services Limited
- Square Yards Estates Private Limited
- Radsun Technologies Limited
- Magnum Plasticizer and Allied Products Private Limited
- Omkam Securities Private Limited
- Estoxx Financial Services Private Limited

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

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

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

Item No. 3

The Securities and Exchange Board of India ("SEBI"), vide its notification dated November 9, 2021, has notified SEBI (Listing Obligations and Disclosure Requirements) (Sixth Amendment) Regulations, 2021 ("Amendments") introducing amendments to the provisions pertaining to the Related Party Transactions under the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations"). The aforesaid amendments inter-alia included replacing of current threshold i.e. 10% (ten percent) of the listed entity's consolidated turnover, for determination of material Related Party Transactions requiring prior Shareholders' approval with the threshold of lower of ₹1,000 crore (Rupees One thousand crore) or 10% (ten percent) of the annual consolidated turnover of the listed entity as per the last audited financial statements of the listed entity, whichever is lower. Accordingly, the threshold for determination of material Related Party Transactions under Regulation 23(1) of the SEBI Listing Regulations has been reduced with effect from April 1, 2022.

In view of the changes in the threshold limits for determining the related party transactions, require prior shareholder approval. The Company therefore seeks the approval of the shareholders to approve entering into contracts/arrangements exceeding the threshold limits and conditions mentioned in the resolution. All the contracts/arrangements and the transactions with "related parties" are reviewed and approved by the Audit Committee.

In light of provisions of Section 188 (1) of the Companies Act, 2013 and rules made there under, the Audit committee and Board of Directors of the Company have approved the transactions along with the annual limits that your company may enter with its related parties for the financial year 2022-2023.

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



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(a)

| Name of the Related Party | Nature of relationship | Nature of the transaction | Maximum Expected Value of the transactions per annum (Rs.) | Nature, duration of the contract and particulars of the contract or arrangement | Amount of Transactions already entered with related Parties till 31.03.2022 |
|---|---|------------------------------|---|--|---|
| Mr. Peeyush Kumar Aggarwal | Key Managerial Personnel | Unsecured Loans Received | 50.00 Crores | Unsecured Loans Received From The Director And Payable On Demand By MPS Infotecnics Limited. | 19.26 Crores |
| Mr. Peeyush Kumar Aggarwal | Managing Director | Remuneration | Subject to maximum of limit provided u/s. 197 of the Companies Act, 2013 read with Rule 4 and Schedule V of the Companies Act, 2013 | Services | 0.00 |
| M/s. Omkam Global Capital Private Limited | Entities in which KMP- Mr. Peeyush kumar Aggarwal can exercise significant influence. | Other Payables - Unsecured | 50.00 Crores | Current Liabilities- Other Payables Duration- Payable on demand | 7.43 Crores |
| M/s. E-visesh.com Limited | Entities in which KMP- Mr. Peeyush Kumar Aggarwal is the Managing Director of the Company and holds majority of Shares of E-visesh.com Limited. | Other Receivables -Unsecured | 50.00 Crores | Current Assets-Other Receivables Duration- Being set off against payment made on behalf of MPS. | 6.73 Crores |
| M/s. MPS | Mr. | Other | 50.00 Crores | Current | 12.37 |



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| Informatics Private Limited | Peeyush Kumar Aggarwal is a Common Director | Payables-Unsecured | | Liabilities-Other Payables-Duration-Payable on Demand | Crores |
|-----------------------------|---|--------------------|--|---|-----------|
| Mr. Vishal Anand | Chief Executive Officer | Remuneration | Presently being paid Rs. 1 lacs p.m., which may be increased on account of promotion/increment to be decided by the management. | Nature: Services Duration: NA, subject to resignation/termination of services Particulars: As per the appointment letter | 1.71 lacs |
| Mr. Sanjay Sharma | Chief Finance Officer | Remuneration | Presently being paid Rs. 7.82 lacs p.a., which may be increased on account of promotion/increment to be decided by the management. | Nature: Services Duration: NA, subject to resignation/termination of services Particulars: As per the appointment letter | 7.82 lacs |
| Mrs. Garima Singh | Company Secretary | Remuneration | Presently being paid Rs. 3.00 Lacs p.a., which may be increased on account of promotion/increment to be decided by the management. | Nature: Services Duration: NA, subject to resignation/termination of services Particulars: As per the appointment letter | 3.00 lacs |

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

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



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Your Directors recommend the resolution for your approval.

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

Item No. 4.

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

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

Axis Convergence Inc. and Greenwire Network Ltd. are in the business of providing International Long Distance telephony. Axis Convergence Inc. was at one point in time one of the top 5 customers for Bharti Airtel and biggest player in the retail market for international voice cards. However, due to advent of free internet telephony products in the mobile phone like skype, whatsapp, etc., the overall market size gradually went low. This has led to intense competition in the market to grab as much share as possible between players and Axis Convergence Inc. and Greenwire Network Ltd. were outplayed by the market forces. Mobile messaging business went down gradually due to advent of mobile messaging platforms like whatsapp and many others. As the business of these two subsidiaries have come down considerably and to revival of the business of these companies would need a sizable amount of investment which in the present scenario is not feasible.

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

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

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



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

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

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

**By the Order of the Board of Directors
For MPS Infotecnics Limited**

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

**Date: 13.08.2022
Place: New Delhi**



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VOTING THROUGH ELECTRIC MEANS

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

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

Step 1: Access to CDSL e-Voting system

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

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

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

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



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| | |
|--|---|
| | <p>authenticate the user by sending OTP on registered Mobile & Email as recorded in the Demat Account. After successful authentication, user will be able to see the e-Voting option where the e-voting is in progress and also able to directly access the system of all e-Voting Service Providers.</p> |
| <p>Individual Shareholders holding securities in demat mode with NSDL</p> | <ol style="list-style-type: none"> 1. If you are already registered for NSDL IDeAS facility, please visit the e-Services website of NSDL. Open web browser by typing the following URL: https://eservices.nsdl.com either on a Personal Computer or on a mobile. Once the home page of e-Services is launched, click on the “Beneficial Owner” icon under “Login” which is available under ‘IDeAS’ section. A new screen will open. You will have to enter your User ID and Password. After successful authentication, you will be able to see e-Voting services. Click on “Access to e-Voting” under e-Voting services and you will be able to see e-Voting page. Click on company name or e-Voting service provider name and you will be re-directed to e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting. 2. If the user is not registered for IDeAS e-Services, option to register is available at https://eservices.nsdl.com. Select “Register Online for IDeAS “Portal or click at https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp. 3. Visit the e-Voting website of NSDL. Open web browser by typing the following URL: https://www.evoting.nsdl.com/ either on a Personal Computer or on a mobile. Once the home page of e-Voting system is launched, click on the icon “Login” which is available under ‘Shareholder/Member’ section. A new screen will open. You will have to enter your User ID (i.e. your sixteen digit demat account number hold with NSDL), Password/OTP and a Verification Code as shown on the screen. After successful authentication, you will be redirected to NSDL Depository site wherein you can see e-Voting page. Click on company name or e-Voting service provider name and you will be redirected to e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting. |
| <p>Individual Shareholders (holding securities in demat mode) login through their Depository Participants</p> | <p>You can also login using the login credentials of your demat account through your Depository Participant registered with NSDL/CDSL for e-Voting facility. After Successful login, you will be able to see e-Voting option. Once you click on e-Voting option, you will be redirected to NSDL/CDSL Depository site after successful authentication, wherein you can see e-Voting feature. Click on company name or e-Voting service provider name and you will be redirected to e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting.</p> |

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

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

| Login type | Helpdesk details |
|--|--|
| Individual Shareholders holding securities in Demat mode with CDSL | Members facing any technical issue in login can contact CDSL helpdesk by sending a request at helpdesk.evoting@cdslindia.com or contact at |



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| | |
|--|--|
| | 022- 23058738 and 22-23058542-43. |
| Individual Shareholders holding securities in Demat mode with NSDL | Members facing any technical issue in login can contact NSDL helpdesk by sending a request at evoting@nsdl.co.in or call at toll free no.: 1800 1020 990 and 1800 22 44 30 |

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

1. Voting, either through electronic voting system or ballot paper shall also be made available at the meeting and members attending the meeting who have not already cast their vote by remote e-voting shall be able to exercise their right at the meeting;
2. The members who have cast their vote by remote-voting prior to the meeting may also attend the meeting but shall not be entitled to cast their vote again;
3. The e-voting will commence at 9.00 a.m. on September 27, 2022 and will end at 5.00 p.m. on September 29, 2022.
4. The shareholders should log on to the e-voting website www.evotingindia.com.
5. Click on Shareholders.
6. Now Enter your User ID
 - a. For CDSL: 16 digits beneficiary ID,
 - b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
 - c. Members holding shares in Physical Form should enter Folio Number registered with the Company.
7. Next enter the Image Verification as displayed and Click on Login.
8. If you are holding shares in demat form and had logged on to www.evotingindia.com and voted on an earlier voting of any company, then your existing password is to be used.
9. If you are a first time user follow the steps given below:

| For Members holding shares in Demat Form and Physical Form | |
|---|---|
| PAN | Enter your 10 digit alpha-numeric PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders) <ul style="list-style-type: none"> • Members who have not updated their PAN with the Company/Depository Participant are requested to use the first two letters of their name and the 8 digits of the sequence number in the PAN field. • In case the sequence number is less than 8 digits enter the applicable number of 0's before the number after the first two characters of the name in CAPITAL letters |
| Dividend Bank Details OR Date of Birth (DOB) | Enter the Dividend Bank Details or Date of Birth (in dd/mm/yyyy format) as recorded in your d-emat account or in the company records in order to Login. <ul style="list-style-type: none"> • If both the details are not recorded with the depository or company please enter the member id / folio number in the Dividend Bank details field as mentioned in instruction (v). |

10. After entering these details appropriately, click on "SUBMIT" tab.



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11. Members holding shares in physical form will then directly reach the Company selection screen. However, members holding shares in de-mat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the de-mat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
12. For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
13. Click on the **EVSN: 220824034**
14. On the voting page, you will see "**RESOLUTION DESCRIPTION**" and against the same the option "**YES/NO**" for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
15. Click on the "**RESOLUTIONS FILE LINK**" if you wish to view the entire Resolution details.
16. After selecting the resolution you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote.
17. Once you "**CONFIRM**" your vote on the resolution, you will not be allowed to modify your vote.
18. You can also take a print of the votes cast by clicking on "Click here to print" option on the Voting page.
19. If a de-mat account holder has forgotten the login password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
20. **Note for Non -Individual Shareholders and Custodians**
 - Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodian are required to log on to www.evotingindia.com and register themselves as Corporates.
 - A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to helpdesk.evoting@cdslindia.com.
 - After receiving the login details a Compliance User should be created using the admin login and password. The Compliance User would be able to link the account(s) for which they wish to vote on.
 - The list of accounts linked in the login should be mailed to helpdesk.evoting@cdslindia.com and on approval of the accounts they would be able to cast their vote.
 - A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favor of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same
21. In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions ("FAQs") and e-voting manual available at www.evotingindia.com , under help section or write an email to helpdesk.evoting@cdslindia.com .

General guidelines for shareholders

- i) Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) are required to send a scanned copy (PDF/ JPG Format) of the relevant Board Resolution / Authority letter etc. with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer by e-mail to cskundanagrawal@gmail.com with a copy marked to www.evotingindia.com.
- ii) It is strongly recommended that you do not to share your password with any other person and take utmost care to keep your password confidential. Log in to the e-voting website will be disabled upon five unsuccessful attempts to key in the correct password. In such an event, you will need to go through the 'Forgot User Details / Password?' or the 'Physical User Reset Password?' option available on www.evoting.nsdl.com, to reset the password.
- iii) The e-voting period commences on 27th September, 2022 (9:00 a.m. IST) and ends 29th September, 2022 (5:00 p.m. IST). During this period, members of the Company holding shares either in physical or dematerialized form, as on the relevant date i.e. 23rd September, 2022, may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter. A member will not be allowed to vote again on any resolution on which a vote has already been cast. Any person, who acquires shares of the



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Company and becomes a member of the Company after dispatch of the Notice convening the AGM and up to the cut-off date i.e. 23rd September, 2022, may obtain his login ID and password by sending a request at www.evotingindia.com.

iv) The voting rights of members shall be proportionate to their share of the paid-up equity share capital of the Company as on the relevant date i.e. 23rd September, 2022.



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BOARD'S REPORT

Dear Members,

The Board of Directors hereby submits the report of the business and operations of your Company ("the Company"), along with the Audited Financial Statements, for the Financial Year Ended March 31, 2022.

1. FINANCIAL RESULTS

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

| PARTICULARS (RS.) | (Rs. In Lacs) | | | |
|--|---------------|----------|--------------|----------|
| | STANDALONE | | CONSOLIDATED | |
| | 2021-22 | 2020-21 | 2021-22 | 2020-21 |
| Income from Operation | 48.97 | 41.48 | 48.47 | 41.48 |
| Other Income | 84.99 | 8.54 | 84.99 | 8.54 |
| Total Income | 133.96 | 50.02 | 133.96 | 50.02 |
| Total Expenditure | 205.41 | 185.53 | 205.41 | 185.54 |
| PBID & Tax | (71.45) | (135.52) | (71.45) | (135.51) |
| Interest | 26.77 | 63.47 | 26.77 | 63.47 |
| Depreciation | 356.76 | 356.88 | 356.76 | 356.88 |
| Profit before Tax | (454.98) | (555.87) | (454.98) | (555.86) |
| Provision for Tax | - | - | - | - |
| Earlier Year Tax | - | - | - | - |
| Deferred Tax | (42.84) | (13.34) | (42.84) | (13.34) |
| Profit after Tax (PAT) | (412.14) | (542.52) | (412.14) | (542.52) |
| Other Comprehensive Income | 7.47 | 1.73 | 30.95 | 1.73 |
| Total Comprehensive Income of the Year | (404.67) | (540.79) | (381.18) | (540.79) |
| Profit/(Loss) b/f from previous Yr. | | | | |
| Paid-up Equity Share Capital | 37744.37 | 37744.37 | 37744.37 | 37744.37 |
| Other Equity | 5335.23 | 5739.90 | 6100.68 | 6481.85 |

2. DIVIDEND

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

3. CAPITAL STRUCTURE

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

4. GLOBAL HEALTH PANDEMIC FROM COVID-19

The COVID-19 pandemic, continued to be a global challenge, creating disruption across the world. At MPS, as we continue in our endeavor to fight waves of the COVID-19 pandemic, our priority remains the safety and well-being of our employees, and business continuity for our clients. Further, based on client



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requirements and the COVID situation, WFH continued as required in fiscal 2022. Our teams reacted with speed and efficiency, and quickly leveraged technology to shift the work force to WFH. The work force was enabled in a rapid manner to work remotely and securely, thus ensuring that client commitments were not materially compromised. Later the Company has implemented a safe return-to-work plan for employees.

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

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

6. CONSOLIDATION OF FINANCIALS

In compliance with provisions of Section 129 (3) of the Act read with Companies (Accounts) Rules, 2014, your Company has prepared Consolidated Financial Statements as per the Indian Accounting Standards on Consolidated Financial Statements issued by the Institute of Chartered Accountants of India. The Audited Consolidated Financial Statements along with the Auditors' Report thereon forms part of this Annual Report.

7. RESERVE

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

8. CHANGE IN THE NATURE OF BUSINESS, IF ANY

There is no material change in the nature of business of your company during the year under review. Your Company is presently engaged into following segments:

- 1) IT Solutions & Products which *inter alia* includes System Integration and Networking Solutions (including trading in Hardware)
- 2) IT Enabled Services which *inter alia* includes Enterprise Software; Domain Registration & Web hosting services; VAS; etc.
- 3) Telecommunication - VAS & Bill Payments, Trading in Air time and other mobile application

Though the company is engaged in the above mentioned segments, however, revenues are being generated from IT Enabled Services segment only. Your Company is aggressively working on the other segments and is optimistic and expects to generate revenues in the near future.

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

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

- (A) (i) The funds raised by the Company from GDR issue during F.Y. 2007-08 were kept in fixed deposit account with Banco Effisa, Lisbon, Portugal, as the said amount was to be deployed in terms of INFORMATION MEMORANDUM of the GDR issue. During the F.Y. 2008-09, Banco Effisa, the Bank in Portugal, wrongly debited an amount of USD 8,883,210.75 out of the balance lying in the Company's



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Account with the Bank. The Company has denied and disputed this debit and had initiated legal action under Portuguese Law in Lisbon at Portugal.

(ii) SEBI had investigated the GDR issue of the Company and vide its order dated 6th March, 2020 inter-alia, had directed that the Company shall continue to pursue the measures to bring back the outstanding amount of \$8.90, million into its bank account in India and 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 the said orders, for an additional period of two years from the date of bringing back the money.

(iii) Further SEBI vide its order dated 27.11.2020 had imposed a penalty of Rs. 10,00,00,000/- on the Company. Your Company is also in receipt of recovery Certificate from SEBI and consequent thereon the SEBI has frozen the bank accounts of the Company from April, 2021. Your Company has filed an appeal before the Hon'ble Securities Appellate Tribunal, against the orders dated 06/03/2020 and 27/11/2020 and the same is pending adjudication.

(B) Your Company had increased its Authorised Share Capital during the Financial Year 2010-11 to 2012-13 however, due to losses suffered by the company and also because of change in the global circumstances and financial constraints suffered by the Petitioner in business, the requisite e-form 5 (Form SH-7) in respect of increase in Authorised Capital could not be filed and paid. Meanwhile the schedule of fees was increased as per the Companies Act, 2013. However, the Authorised Share Capital was increased prior to the applicability of Companies Act, 2013. The company has filed a Writ Petition bearing No. WP(C) 5199 of 2015 before the Hon'ble High Court of Delhi challenging the applicability of provisions prescribed under Para 3 of Table B under Companies (Registration Offices and Fees) Rules 2014, which has been decided against the Company.

Against the orders of the Hon'ble Delhi High Court your Company has filed an SLP before the Hon'ble Supreme Court which is registered as SLP(c) 019596/2019. As informed by Company's 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. The matter SLP is pending adjudication and is hopeful in getting a favourable order from the Hon'ble Apex Court.

9. BUSINESS PERFORMANCE /FINANCIAL OVERVIEW

Your company is presently engaged on the following areas:

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

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

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

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



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• **IT Enabled Services comprising of:**

Domain Registration & Web Hosting Services
VAS & IT enabled Services
Software Development

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

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

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

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

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

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

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

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

During the year under review, the company had generated revenue of Rs. 48.97 lacs, the breakup of which is as under:

| | |
|---------------------------|----------------|
| Web-Hosting | Rs. 4.98 Lacs |
| Domain Registration | Rs. 42.70 Lacs |
| Commission on Promo Sales | Rs. 1.29 Lacs |
| Software Development | Nil |
| Telecom | Nil |

• **Telecommunication**



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

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

There was no revenue generated during the year under review from Telecommunication segment due to impact of pandemic COVID-19. Since December, 2019, COVID 19 when for the first time was detected in China and after that in 2021 second wave of COVID 19 hit again due to which your Company were not able to think about start exporting of Blackberry mobile phones. However, the management of your Company is hopeful of regaining the lost ground once the pandemic is over and normal economic activities resume.

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

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

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

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

SEGMENT WISE PERFORMANCE

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

| Segment | Amount (Rs. in Lacs) | | | |
|--|----------------------|--------------|--------------|--------------|
| | Standalone | | Consolidated | |
| | 2021-22 | 2020-21 | 2021-22 | 2020-21 |
| IT Solutions & Products | - | - | - | - |
| IT Enabled Services | 48.97 | 41.48 | 48.97 | 41.48 |
| Telecommunication | - | - | - | - |
| Total | 48.97 | 41.48 | 48.97 | 41.48 |
| Segment results - Profit / (loss) (before Interest & Tax) | | | | |
| IT Solutions & Products | - | - | - | - |
| IT Enabled Services | (141.43) | (127.86) | (141.43) | (127.86) |
| Telecommunication | - | - | - | - |



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| | | | | |
|--|-----------------|-----------------|-----------------|-----------------|
| Total | (141.43) | (127.86) | (141.43) | (127.86) |
| Less: Interest | 26.77 | 63.47 | 26.77 | 63.47 |
| Less: Other un-allocable Expenditure net off. | 372.07 | 373.07 | 372.07 | 373.07 |
| Add: Un-allocable Income | 84.99 | 8.54 | 84.99 | 8.54 |
| Profit before Tax | (454.98) | (555.87) | (454.98) | (555.87) |

The decline in the business of the Company is continuing, which is mainly due to stiff competition both from the organized sector as well as unorganized sector, low margins, long credit periods, purchase of stock in cash and sale on credit; number of mobile applications for making long distance calls including video calls, various e-commerce sites which are providing similar / same services with lucrative schemes; etc. Though all the segments in which your company is operating are under performing, however, the company is exploring to venture into newer areas within the above segments to increase its revenues and consequently increase in the stakeholders value. Your company is optimistic that the steps that it is taking will eventually yield better results in the times to come. Your company has already ventured into exporting mobile phones and had generated revenues, however due to COVID-19 pandemic since December 2019, and consequent lock down worldwide, the operations had to be stopped.

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

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

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

10. DETAILS OF SUBSIDIARY/ JOINT VENTURE/ASSOCIATE COMPANIES

Presently your company has three (3) wholly owned foreign subsidiaries namely, M/s. Axis Convergence Inc, incorporated in Mauritius; Greenwire Network Limited, a company incorporated under the laws of Hong Kong; and Opentech Thai Network Specialists Co. Ltd., incorporated under the laws of Thailand. In the AGM held on 30th September, 2021, the members, on the recommendation of the Board of Directors, had approved dis-investment in these wholly owned subsidiaries as it wanted to concentrate itself in its existing business. Your Company had deferred its decision to sell its stake as the market conditions were not conducive for such sale.

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

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

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



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

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

11. HUMAN RESOURCES

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

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

Your Company is committed to providing a comprehensive employment experience to Associates with the flexibility to balance both professional and personal commitments. During their tenure at the Company, employees are motivated through various skill development programs. We create effective dialogue through our communication channels to ensure that feedback reach the relevant team, including leadership. Your Company invests substantially in employee engagement to motivate employees and encourage social communication and collaboration. Your Company continuously invests in attraction, retention and development of talent on an ongoing basis. Your

12. BOARD OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

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

As per the provisions of the Companies Act, 2013, Mr. Ram Niwas Sharma (DIN:08427985) the non-executive and non-independent director, whose office is liable to retire at the ensuing AGM, being eligible, seeks reappointment. Based on performance evaluation and the recommendation of the nomination and remuneration committee, the Board recommends his reappointment. The notice convening the 33rd AGM, to be held on September, 2022, sets out the details.

During the year under Review, Mr. Vishal Anand was appointed as Chief Executive Officer (CEO) of the Company w.e.f 9th February, 2022. Mr. Vishal Anand was the Chief Executive Officer (CEO) of the Company for the period of two years i.e., 12th February, 2015 to 13th February, 2017. Mr. Vishal Anand is a graduate from Birla Institute of Technology and Science and holding Post Graduate Diploma in Treasury & Forex management from ICFAI He informed the Board that he has a rich experience of 21 years in E-business consulting; Online Experience, Internet Marketing and Analytics, Usability and User Research, User Engineering Process, Information Architecture, Visual Design and Branding. His Specialties are Strategic



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planning & execution, Online business management, Product research & development, Operations, Process re- engineering, Online Marketing, Affiliate creation, Business alliances & amp; delivery. Website traffic growth, Product Enhancement & Planning of product delivery.

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

Pursuant to the provisions of Section 203 of the Act, the Key Managerial Personnel of the Company as on March 31, 2022 are: Mr. Peeyush Kumar Aggarwal- Managing Director, Mr. Sanjay Sharma - Chief Financial Officer, Mr. Vishal Anand- Chief Executive Officer (CEO) and Mrs. Garima Singh - Company Secretary.

The Policy on Director's appointment and remuneration including criteria for determining qualifications, positive attributes, independence of Director and also remuneration for key managerial personnel and other employees will be available on the Company's Website i.e., https://www.mpsinfotec.com/investors_zone.html. During the year, Performance Evaluation of Independent Directors and other Board Members as well as committees of the Board was done in terms of the Act and Regulations.

13. DIRECTORS LIABLE TO RETIRE BY ROTATION

In accordance with the provisions of the Act, not less than 2/3rd (Two-third) of the total number of Directors (other than Independent Directors) shall be liable to retire by rotation. Accordingly, pursuant to the Act read with Articles of Association of your Company, Mr. Ram Niwas Sharma (DIN: 08427985) is liable to retire by rotation and, being eligible, offers himself for re-appointment.

14. COMMITTEES OF THE BOARD

As on March 31, 2022, the Board had five committees namely: The Audit Committee, The Nomination & Remuneration Committee, The Stakeholders' Relationship Committee, The Corporate Social Responsibility and The Risk Management Committee. A majority of the committees consists entirely of independent directors.

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

15. DECLARATION OF INDEPENDENT DIRECTORS OF THE COMPANY

As on date of this report, the Board comprises of 6 (seven) Directors. The composition includes 3 (three) Independent Directors. All the Independent Directors are appointed on the Board of your Company in compliance with the applicable provisions of the Act and SEBI Listing Regulations.

Your Company has received declarations from all the Independent Directors confirming that they meet/continue to meet, as the case may be, the criteria of Independence under sub-section (6) of section 149 of the Act and Regulation 16(1) (b) of the SEBI Listing Regulations.

Also, the Independent Directors have complied with the Code for Independent Directors prescribed in Schedule IV of the Act and have confirmed that they are in compliance with the Code of Conduct for Directors and Senior Management personnel formulated by the Company.



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16. BOARD EVALUATION

Pursuant to the provisions of the Act and the SEBI Listing Regulations, Annual evaluation of the Board, its Committees and individual directors has been carried out on the basis of Guidance Note on Board Evaluation issued by Securities and Exchange Board of India ("SEBI").

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

The performance of the committees was evaluated by the Board of Directors based on inputs received from all the committee members after considering criteria such as composition and structure of committees, effectiveness of committee meetings, etc.

Pursuant to the Listing Regulations, performance evaluation of independent directors was done by the entire board, excluding the independent director being evaluated.

The NRC has also reviewed the performance of the individual Directors based on their knowledge, level of preparation and effective participation in meetings, understanding of their roles as directors, etc.

Pursuant to Schedule IV to the Act and SEBI Listing Regulations one meeting of Independent Directors was held during the year i.e. on 12th June, 2021 without the attendance of non-independent Directors and members of Management.

17. REPORTING OF FRAUDS BY AUDITORS

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

18. MANAGERIAL REMUNERATION

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

19. BOARD DIVERSITY

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



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20. POLICY ON DIRECTORS APPOINTMENT AND REMUNERATION

Your Company's policy on directors' appointment and remuneration, including criteria for determining qualifications, positive attributes, independence of a director and other matters provided under sub section (3) of Section 178 of the Act, as is adopted by the Board. The current policy is to have an appropriate mix of executive, non-executive and independent directors to maintain the independence of the Board, and separate its functions of governance and management.

Your Company has adopted a comprehensive policy on nomination and remuneration of Directors and Key Managerial Personnel on the Board. As per such policy, candidates proposed to be appointed as Directors and Key Managerial Personnel on the Board shall be first reviewed by the Nomination and Remuneration Committee in its duly convened Meeting. The policy can be accessed at http://www.mpsinfotec.com/investors_zone.

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

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

19. ANNUAL RETURN

In accordance with the Companies Act, 2013, as amended, the Annual Return in the prescribed format is available at http://www.mpsinfotec.com/investors_zone.

21. BOARD & COMMITTEE MEETING

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

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

22. MEETING OF INDEPENDENT DIRECTORS

Independent Directors of the Company met on June 12, 2022 and evaluated and reviewed the performance of non-independent directors, the Board as a whole and the Chairman of the Company, taking into account the views of Executive Directors and Non-Executive Directors. The same was discussed in the board meeting that followed the meeting of the Independent Directors, at which the performance of the Board, its committees and individual directors was also discussed. The Independent Directors in their separate meeting also assessed the quality, quantity and timeliness of flow of information between the Company management and the Board that is necessary for the Board to effectively and reasonably perform their duties.

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



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

There are no material changes affecting the Financial Position of the Company which have occurred between the end of the Financial Year of the Company to which the Financial Statement relate and the date of the Report same & except as mentioned at point no. 9 above titled “**details of significant and material order passed by the regulator or courts or tribunals impacting the going concern status and the company’s operations in future.**”

24. DETAILS IN RESPECT OF ADEQUACY OF INTERNAL FINANCIAL CONTROLS WITH REFERENCE TO THE FINANCIAL STATEMENTS

Your Company has an adequate and effective system of internal controls commensurate with the nature of its business and the size and complexity of its operations. These controls have been designed to provide a reasonable assurance over effectiveness and efficiency of operations, prevention and detection of frauds and errors, safeguarding assets from unauthorized use or losses, compliance with applicable laws and regulations, accuracy and completeness of the accounting records, timely preparation of reliable financial information. The same is subject to review periodically by the internal audit cell for its effectiveness. During the financial year, such controls were tested and no reportable material weaknesses in the design or operations were observed. In order to supplement the Internal Control process, your Company has engaged the services of M/s Sanghi & CO., to function as Internal Auditors.

The Internal Auditors of your Company have direct access to the Audit Committee of the Board. Furthermore, the Internal Auditors are also responsible for following up the corrective actions to ensure that satisfactory controls are maintained. The Statutory Auditors of the Company also test the effectiveness of Internal Financial Controls in accordance with the requisite standards prescribed by ICAI. Their expressed opinion forms part of the Independent Auditor’s report.

25. AUDITORS

A. Statutory Auditor

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

AUDITOR’S REPORT

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

I. In case of the following items shown as intangible Assets / inventory, no provision for impairment of assets has been made in accordance with accounting policies E and F (Schedule to the accounts) and applying Ind AS 36 -

- (a) **Intangible Assets under development** (Capital work-in-progress) - Rs. 56.44 Crores (Software development)
- (b) **Software rights** - Rs. 15.93 crores
- (c) **Opening Stock (Source Codes)** - Rs. 62.22 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.



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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 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 are considered to be good for recovery. However as the terms and conditions regarding these loans have not been provided to us we are unable to ascertain and comment on the extent of realisability of this asset

V. **The Company had increased its Authorized Capital from Rs. 52.45 Crores to Rs. 377.50 crores** during the period from FY-2010-11 to FY 2012-13, ROC fees of Rs. 6.83 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 not modified in respect of these matters.

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

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

1. The following items shown as Intangible Assets / Inventories, no provision for impairment of assets has been made in accordance with Ind AS 36 -

(a) **Intangible Assets under development** (Capital Work-in-progress) (software development) Rs. 56.44 Cr.;

(b) **Software rights** Rs. 15.93 Cr.; and

(c) **Opening Stock (Source Codes)**-Rs.62.22 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.

2. **Assets of subsidiaries** - Rs. 16.93 cr;

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

The **consolidated financial statements** as of 31st March 2022 include the following, pertaining to the 3 subsidiaries:

(a) Total assets of -Rs.16.93 Cr. which are not material to the Group

(b) Total revenue of -Nil .

(c) Net cash inflows of - NIL for the year ended on that date.

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



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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 (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. 222.09 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.

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 although provided for.

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 these matters.

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

Audit Qualification I (a) to (c) - In the opinion of the management matter regarding valuation of intangible assets, inventory including capital in work in progress, software rights as also any possible impairment needs to be seen in the context of the peculiar nature of the software industry and the prevailing circumstances. The management is confident that these assets will fetch more value than the cost incurred once the business environment stabilizes. The management has therefore not considered any provision on account of impairment of intangible assets;



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

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

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

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

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

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

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

Audit Qualification 2 - 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.

Audit Qualification 3-The Company has made investments in these foreign subsidiaries which are being reflected in the consolidated financial statement as Goodwill and have been shown at cost of acquisition. The company expects to take business benefits once adequate funds are realized from other assets of these subsidiaries. The Company is also making efforts to revive the business of these subsidiaries however, due to COVID-19 pandemic, the efforts of reviving these subsidiaries have suffered a setback but the company hopes to revive the business whenever this pandemic is over. The management has therefore not considered any provision on account of impairment of intangible assets.

Audit Qualification 4 - SEBI had investigated the GDR issue of the Company and vide SEBI (WTM's) order dated 6th March, 2020 inter-alia, had directed that the Company shall continue to pursue the measures to bring back the outstanding amount of \$6.90, million into its bank account in India and 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,



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whatsoever, till compliance with directions contained in the said orders, for an additional period of two years from the date of bringing back the money.

Further SEBI vide its order dated 27.11.2020 had imposed a penalty of Rs. 10,00,00,000/- on the Company. The Company is also in receipt of recovery Certificate from SEBI and consequent thereon the SEBI has frozen the bank accounts of the Company from April, 2021. The Company has filed an appeal before the Hon'ble Securities Appellate Tribunal, against the orders dated 06/03/2020 and 27/11/2020. The appeal were heard on 20/04/2022 and the Hon'ble SAT while condoning the delay in filing the appeal has directed SEBI to file reply within a period of 6 weeks. The appeals are now listed for hearing on 30/06/2022.

Audit Qualification 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 center. The management of the company has initiated settlement with the builder and expects to recover the amount. Further these loans and advances are made in the normal course of business and is considered to be good for recovery.

Audit Qualification 6-Your 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 105/01/2019. 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 Company's 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. The matter SLP is pending adjudication and is hopeful in getting a favourable order from the Hon'ble Apex Court.

Audit Qualification 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. Secretarial Auditor

As required under Section 204 of the Companies Act, 2013 and Rules there under, the Board has appointed M/s. Kundan Agrawal & Associates, Practicing Company Secretaries, as Secretarial Auditor of the Company for the FY 2021-22.

Secretarial Audit Report

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

In compliance with the said circular, M/s. Kundan Agarwal & Associates, Company Secretaries, the secretarial auditors of the Company to examine the compliance of all applicable SEBI Regulations and circulars / guidelines and provide their report. The Secretarial Auditors vide their report dated 23rd August, 2022, have reported that your company has maintained proper records under the provisions of SEBI Regulations and Circulars / Guidelines issued there under.

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

(a) Penalty of Rs.10,00,00,000/- (Rupees Ten Crore Only) is imposed on the Company through an order dated 27.11.2020 in the matter of GDR issue of the Company under the provisions of Section 15 HA of the SEBI Act, 1992 and Section 23E of SCRA, 1956 for violation of Section 12A(a), (b) and (c) of SEBI Act, 1992



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read with Regulations 3(a), (b), (c) & (d),4(1),4(2) (f), (k) and (r) of SEBI (prohibition of Fraudulent and Unfair Trade Practices Relating to FUTP) Regulations, 2003, Section 21 of SCRA, 1956 read with clause 32, 36(7) and 50 of the listing agreement. The Management of the Company has informed that against the orders passed by SEBI, an appeal before Hon'ble Securities Appellate Tribunal has been filed by the Company and the same is pending adjudication.

(b) The Company has increased its Authorized Capital from Rs. 52.45 Crores to Rs. 377.50 crores during the period of FY-2010-11 to FY 2012-13, respectively against which ROC fees of Rs. 6.84 crores (fees calculated as per Companies Act, 1956) stands payable, under the head "Other Current Liabilities" in the financial statements of the period under review.

(c) Non-deposit of Income Tax for the Assessment Year 2013-14 amounting to Rs.20,80,000/-. In this regard, Mr. Sanjay Sharma, chief Financial Officer of the Company informed the Board that non-deposit of Income Tax has been made in the Books of Accounts and there is no further impact on the profits or retained earnings of the Company.

(d) The Company has three foreign subsidiaries; however, the company is not regular in complying with RBI Directives issued in this regard as well as FEMA.

COMPLIANCE WITH SECRETARIAL STANDARDS

The Company has complied with the applicable mandatory Secretarial Standards.

C. Internal Auditor

Pursuant to the provision of the Companies Act, 2013, and Rules framed thereunder, the Board of Directors on the recommendation of the Audit Committee has appointed M/s. Sanghi & Co., Chartered Accountants as the Internal Auditor of the company for the FY 2021-22.

26. PARTICULARS OF EMPLOYEES

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

The ratio of the remuneration of whole-time director and key managerial personnel (KMP) to the median of employees remuneration as per section 197(12) of the Companies Act, 2013, read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 forms part of the Board's Report. However, as per the provisions of Section 136 of the Companies Act, 2013, the reports and accounts are being sent to all the members of the Company and others entitled thereto, excluding the aforesaid information. Any member interested in obtaining such particulars may write to the Company Secretary at the Registered Office of the Company. The said information shall also be made available for inspection at the registered office of the Company during working hours.

27. CONTRACTS OR ARRANGEMENTS WITH RELATED PARTIES

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



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All related party transactions are placed before the Audit Committee and also the Board for approval, as per applicable provisions of law. Prior omnibus approval of the Audit Committee is obtained as per SEBI Listing Regulations for the transactions which are foreseen and are repetitive in nature.

Further, during the year, your Company has entered into contract or arrangement or transaction with the Related Parties which could be considered material in accordance with the Policy of the Company on materiality of Related Party Transactions and as per the SEBI Listing Regulations. These transactions are in the ordinary course of business and are on arm's length basis.

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

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

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

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

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

29. CORPORATE GOVERNANCE

Your Company believes that executing strategy effectively and generating shareholder value over the long term requires high standards of corporate governance.

To ensure good corporate governance, your Company ensures that its governance framework incorporates the amendments introduced in the SEBI Listing Regulations from time to time and the same are complied with on or before the effective date.

At MPS, the Board exercises its fiduciary responsibilities in the widest sense of the term. We also endeavor to enhance long term shareholder value and respect minority rights in all our business decisions. Our **Corporate governance report** together with a Certificate from the Statutory Auditors of the Company regarding Compliance of conditions of Corporate Governance as stipulated under Listing Regulations for fiscal 2022 forms part of this Annual Report.

In terms of SEBI Listing Regulations, a separate section on "Corporate Governance" with a compliance report on corporate governance and a certificate from M/s. Nemani Garg Agarwal & Co., Chartered Accountants, Statutory Auditors of the Company regarding compliance of the conditions of Corporate Governance, has been provided in this Annual Report. A Certificate of the CEO and CFO of the Company in terms of SEBI Listing Regulations, inter-alia, confirming the correctness of the financial statements and cash flow statements, adequacy of the internal control measures and reporting of matters to the Audit Committee, is also annexed.



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30. MANAGEMENT DISCUSSION AND ANALYSIS REPORT

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

31. COST RECORDS

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

32. RISK MANAGEMENT POLICY

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

33. VIGIL MECHANISM

Your Company has established a vigil mechanism through which directors, employees and business associates may report unethical behaviour, malpractices, wrongful conduct, fraud, violation of Company's code of conduct, leak or suspected leak of unpublished price sensitive information without fear of reprisal. The Company has laid down Whistle Blower Policy covering Vigil Mechanism with protective Clauses for the Whistle Blowers. The Whistle Blower Policy is made available on the website of the Company.

34. PARTICULARS OF LOANS, GUARANTEES AND INVESTMENTS UNDER SECTION 186 OF THE COMPANIES ACT, 2013

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

35. CORPORATE SOCIAL RESPONSIBILITY

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

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

The CSR Policy may be accessed on the Company's website at the link: https://www.mpsinfotec.com/investors_zone.

The company's CSR Policy intends to:

- Strive for economic development that positively impacts the society at large with minimal resource footprint.



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- Embrace responsibility for the Company's actions and encourage a positive impact through its activities on hunger, poverty, malnutrition, environment, communities, stakeholders and the society.

The Composition of the CSR Committee during the Financial Year 2021-22 is:

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

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

Details of CSR spent during the financial year:

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

(b) Amount unspent, if any: Nil

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

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

36. DISCLOSURE REQUIREMENT

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

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



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

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

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

37. DEPOSITS

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

| S. No | Particulars | Amount *Rs. / Remarks |
|-------|--|---|
| (a) | Accepted during the year | Nil |
| (b) | Remained unpaid or unclaimed as at the end of the year | Nil |
| 1 | Whether there has been any default in repayment of deposits or payment of interest thereon during the year and if so, number of such cases and the total amount involved | N.A since the company has not accepted any deposits |
| | (iii) at the beginning of the year | Nil |
| | (ii) maximum during the year | Nil |
| | (iii) at the end of the year | Nil |

38. CONSERVATION OF ENERGY AND TECHNOLOGY ABSORPTION

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

39. RESEARCH & DEVELOPMENT

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



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perspective. In order to excel at new operations and activities MPS stress is on continuous innovation and research, based on market requirements and customer expectations.

40. EXTRACT OF ANNUAL RETURN

Pursuant to the provisions of Section 134(3)(a) and Section 92 of the Companies Act, 2013 read with Rule 12 of the Companies (Management and Administration) Rules, 2014 Annual Return of the Company as at 31st March, 2022 shall be placed on the website of the Company at <https://www.mpsinfotec.com/annually.html>.

41. FOREIGN EXCHANGE EARNINGS AND OUTGO

Particulars of foreign exchange earnings and outgo are as follows:

| Particulars | Year ended 31.03.2022 | Year ended 31.03.2021 |
|---------------------------|--------------------------|-----------------------|
| Foreign exchange earnings | NIL | Rs.0.39 Lacs |
| Foreign exchange Outgo | Rs. 7.92 Lacs | Rs. 21.37 Lacs |

42. DIRECTOR'S RESPONSIBILITY STATEMENT

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

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

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

Based on the framework of internal financial controls and compliance systems established and maintained by the company, work performed by the Internal, statutory and secretarial auditors and the reviews performed by management and the relevant board committees, including the audit committee, the board is of the opinion that the Company's internal financial controls were adequate and effective during the financial year 2021-22.



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43. ACKNOWLEDGEMENTS

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

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

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

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

**SD/-
Peeyush Kumar Aggarwal
Managing Director
DIN: 00090423**

**SD/-
Rachit Garg
Director
DIN: 07574194**

**Place: New Delhi
Date: 30/05/2022**



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MANAGEMENT DISCUSSION & ANALYSIS REPORT

Industry Overview

The Indian economy is estimated to have recorded a growth of 8.9% in FY 2021-22 as per the second advance estimates of the National Statistical Office (NSO). India has been one of the few economies in the world to witness growth across five consecutive quarters starting from Q3 of FY 2020-21 post the pandemic-induced contraction. India's broad range of fiscal, monetary and health responses to the crisis and economic reforms have helped mitigate a protracted adverse impact and supported its recovery.

The global economy recovered strongly in CY 2021 even as new variants of the COVID-19 virus fueled additional waves of the pandemic. Robust policy support in advanced economies, availability of vaccines and relaxation of pandemic restrictions helped economies bounce back, collectively expanding world output by an estimated 6.1% yoy. But an intense second wave of COVID-19 pandemic, which resulted in localized lockdowns, derailed this growth and dampened consumer sentiment. The successful rollout of the world's largest vaccination drive, pick-up in government expenditure and better preparedness compared with the first wave limited the negative economic impact.

The 21st century is earmarked as Information Technology driven and India is at the Centre of global attraction and considered as a knowledge powerhouse. The IT industry covers IT services, IT-enabled services (ITES), e-commerce (online business), Software and Hardware products. IT based services are indispensable for any organization to increase productivity, ease of doing business, and grow efficiently and economically in this competitive world. Information Technology not only contributed to the economic growth of the country but it has also made governance more competent and approachable. It has made access to government services and information easier and inexpensive. The IT industry is the backbone for our economy to prosper exponentially and to generate millions of jobs.

In the present time, when the COVID-19 pandemic has grappled the whole world and economies have been hard hit. The Indian IT industry is still showing positive signs and has the ability to overcome this exceptional catastrophe. It has arisen as a global economic force and a major contributor to the Indian economy in particular and the world in general.

India is expected to have a digital economy of \$1 Trillion by 2025

One of the largest electronics markets in the world is anticipated to reach \$400 billion by 2025.

Indian Electronics Manufacturing Service (EMS) Industry is expected to grow 6.5x from \$23.5 billion to reach \$152 billion by 2025

100% FDI is allowed under the automatic route in the IT Sector.

India is regarded as the back office of the world owing mainly to its IT and ITES industry. Information Technology in India is a vast industry which comprises information technology services, consulting, and outsourcing. FY2022 is expected to be a breakthrough year for India's technology industry - total industry revenue is set to reach \$227 billion in FY2022 (15.5% y-o-y growth). FY2023 growth estimates for the industry reflect the optimism of FY2022 with 70% technology CEOs indicating FY2023 tech spend to be in line with FY2022. R&D investments are expected to grow between 10% and 20% over last year for over one-third of the technology firms as they explore opportunities for innovation & build new products and services.

Software and computing technology are transforming businesses in every industry around the world in a profound and fundamental way. Companies are rapidly adopting digital technologies to reimagine their cost structures, increase business resilience and agility, personalize experiences for their customers and



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employees, and launch new and disruptive products and services. While these trends have been unfolding for a few years now, they have been accelerated because of the COVID-19 pandemic and resulting shifts.

Technology has rapidly evolved for the past decade and so is the demand for Information Technology services and products leading to the industrial revolution in the Indian market. IT helped represent India as a big player in the global market is one of the finest growing economies in the world providing the high-end business solution and opening new export verticals. Indian IT's core competencies and strengths have attracted significant investment from major countries.

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

Company Overview

MPS is focused on providing our customers with Solutions that actually solve their business issue & assist their growth through innovative application of technology & information management in an easy to use manner. MPS is presently engaged in IT Solutions & products, IT Enabled Services and Telecommunication Sector.

Presently the Company's revenue is generated only form one sector i.e., IT Enabled Services. The reasons for under performance in IT Solutions & Products sector low credit periods, purchase of products in case and sale on credit, Low Margins, tough competition from the organized and unorganized sector. Further as Telecommunication sector had considerably declined, the Company's management started exploring new areas/avenues to generate revenues for long terms. With this intent in mind, the Company has ventured in the field of Mobile Phones in the domestic as well as in the International market.

The main reason for no operations in other sectors is non-availability of credit/financial assistance from Banks and Financial Institutions as Company's Accounts being frozen on account of Statutory Authorities. MPS Accounts being declared NPA, though the promoters of the Company had settled dues of the Banks. Despite the fact that the Company is facing stiff competition and non-availability of Funds, yet the Company is exploring new avenues to increase its market share in the area in which it operates and also trying to explore the possibility of providing consultancy in Solar Energy.

Company Profile

THE COMPANY IS PRESENTLY ENGAGED IN THE FOLLOWING AREAS:

➤ IT Solutions & Products, which comprise of:

- Computer Hardware and peripherals
- System Integration and Networking Solutions (Including Hardware)
- Enterprise Software

The entire business has three modes of execution of business i.e. Trading of Hardware and Peripherals; Establishing IT Infrastructure and Customization and up-gradation. The Company procures material from leading Dealers and Distributors of leading brands of IT and IT Infrastructure product manufacturers like HP, Samsung, LG, Lenovo, Dell, Acer, etc. Based on the orders, the company procures the goods from leading manufacturers and thereafter the same are supplied. Your Company do not store inventory. The goods are



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purchased when your Company has orders to execute. However, during the year under review, there are no operation, which is mainly due to the Company's Accounts being frozen on account of Statutory Authorities, non-availability of credit/financial assistance from Banks and Financial Institutions. The Company's Accounts being declared NPA, though the Promoters of the Company had settled dues of the Banks.

During the year under review your company did not generate any revenue in this segment.

The reasons for under performance in this sector as the same was considered unviable due to low credit periods, purchase of products in case and sale on credit, Low Margins, tough competition from the organized and unorganized sector.

➤ **IT Enabled Services comprising of:**

- Domain registration
- Web hosting
- Value Added Services
- Site Builder Tool
- Site Design
- Consulting Services
- Infrastructure Services
- Domain Registration & Web Hosting Services
- VAS & IT Enabled Services

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

The Company has tied up with various top level TLDs and offer these TLDs to our clients through its network of over 400 Re-sellers as well as directly by the Company. Sign domains have several corporates, large portals, resellers and end-users as its clientele. MPS offers web-hosting solutions on MPS dedicated servers located at server farms and data centers located in US.

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

During the year under review, the revenue generated from the segment was Rs. 48.97 lacs the breakup of which is as under:

| | |
|---------------------------|----------------|
| Web-Hosting | Rs. 4.98 Lacs |
| Domain Registration | Rs. 42.70 Lacs |
| Commission on Promo Sales | Rs. 1.29 Lacs |

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

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



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number of mobile application available, which again provides their goods and services with lucrative discounts and schemes.

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

With the above background the company has on a trial basis started exporting mobile phones since June 2019 to Taiwan and Hong Kong as well as sold mobile handsets in the Domestic Market Your Company could not export mobile phones since December 2019 due to outbreak of COVID-19 pandemic. However, the Company is hopeful of regaining the lost ground once the pandemic is over and normal economic activities resume. Your Company is optimistic and expects to generate revenues in the times to come.

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

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

➤ **Telecommunication**

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

Smartphones have been taking the world by storm. Earlier mobile phone advertisements talked only about the product however, these days they paint a picture of society. People can find directions on Google Maps instead of asking people. The mobile phone market in India has grown exponentially in the past decade, and with the emergence of smartphones, the growth has increased substantially. The Indian economy is also affected by smartphone sales, with the smartphone market accounting for a significant portion of the GDP.

India is the second-largest country in terms of internet subscribers. India is one of the biggest consumers of data worldwide. Gross revenue of the telecom sector stood at Rs. 64,801 crore (US\$ 8.74 billion) in the first quarter of FY22. Strong policy support from the Government has been crucial to the sector's development. Foreign Direct Investment (FDI) cap in the telecom sector has been increased to 100% from 74%. By 2025, India will have 700 million internet users, with the telecom market touching Rs. 10 trillion. The India government has been playing a vital role in making the country tech-savvy. As 5G Network is entering the market, there networks offer the potential to transform industrial sectors and deliver significant social and economic benefits in India. Over the period 2023-2040, we (According to GSMA) forecast that 5G technologies will make an overall contribution of approximately \$450 billion to the Indian economy (0.6% of GDP by 2040). The manufacturing sector is set to benefit the most from 5G applications (accounting for 20% of the total benefit), followed by retail (12%) and ICT (11%).

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

The company has now diversified into export of telecommunication equipment's and as well as sale of Mobile Handsets in the domestic market and exported Blackberry mobile to Hong kong and Taiwan. Though there was no revenue generated during the year under review from Telecommunication segment



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due to impact of pandemic COVID-19. Since December, 2019, COVID 19 when for the first time was detected in China and after that COVID-19 First wave spreads all over the world due to which your Company were not able to export Blackberry Mobile Phones. However, the management of your Company is hopeful of regaining the lost ground once the pandemic is over and normal economic activities resume.

Opportunities and Challenges:

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

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

We are currently engaged in IT Solutions & Product, which comprise of System Integration and Networking Solutions (including Hardware), Enterprise Software, IT Enabled Services which comprising of Domain Registration & Web Hosting Services, VAS & IT Enabled Services, Software Development and Telecommunication which includes telecom services to customers ranging from prepaid mobile top-up, post-paid mobile bill payment, bulk sms, mobile application and software application. There was no revenue generated due to stiff competition both from the organized sector as well as unorganized sector, low margins, long credit periods, purchase of stock in cash and sale on credit and various other factors in IT Solutions & Product and Telecommunication segment. The management is of the view that with better utilization of resources, operations of the Company will improve. The Company is also exploring other avenues of increasing its market share consequently increasing the stakeholder's value.

Whereas IT Enabled & Services segment has been underperforming, which is again mainly due to tough competition an low margins yet our Company is taking stern steps to increase its market share in IT Enabled Services and is optimistic of a steady growth in this sector in the coming years.

Health and safety

MPS is a people-centric organization and considers its employees a key asset for sustained business growth and development. The Company's primary focus is on its human capital, thus it considers the health and safety of its employees and stakeholders to be of utmost importance and their wellbeing is critical to the Company's efficiency and productivity. The Company also assesses its safety procedures through internal and external audits and works towards continuous improvement.

Human Resources

The Human Resource management went through a paradigm shift owing to the pandemic. Changing work conditions required flexible and innovative processes ensuring productivity while maintaining high morale of employees. As the pandemic started waning, new opportunities and challenges in HR functions became clearly evident in terms of restructuring and strategizing required to implement "back to office" working while ensuring strict conformance and compliance to Covid protocols. The HR function has been the epicenter of numerous changes implemented to ensure work alignment with the dynamic environment with equal focus on being agile, culture driven and responding to the needs of employees with empathy.

Risk Management



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MPS Infotecnics Limited is a company operating in an increasingly volatile and challenging business environment. The Company's ability to create and sustain value for its stakeholders is dependent on identifying, monitoring, and effectively addressing key risks within the environment that it operates.

The Company has a Risk Management policy which has been approved by the Board. The policy lists out objectives and principles of risk management along with an overview of the risk management process, procedures and related roles and responsibilities of individuals forming part of the committee.

Internal control systems and their adequacy

The Company has implemented necessary internal control systems in line with the business requirements, scale of operations and applicable statutes.

This Internal Controls Framework has been designed to meet the Company's objectives of efficiency and effectiveness of operations, reliability of financial controls, accuracy and timely reporting and compliance of regulatory requirements, statutes, policies and SOPs.

The Company's control environment demonstrates a commitment to integrity and ethical values. The Board of Directors and the Audit Committee demonstrate independence from the Management and exercise oversight on the Company's internal controls' adequacy and effectiveness. The Company and its management have established a well-defined organization structure, delegation of authority (DOA) and reporting lines with appropriate authorities, responsibilities, and accountabilities in the pursuit of objectives.

The Company specifies objectives with sufficient clarity to enable identification and assessment of risks relating to the objectives.

The Company has put in place control mechanisms that contribute to the mitigation of identified risks. Such controls are deployed through policies, SOPs and Internal Financial Control (IFC) risk and control matrices that cover all business processes across locations and functions.

The Company's comprehensive Fraud Risk Framework helps detect and prevent fraudulent activities, ensuring effective business-driven fraud risk management. The Company seeks to build strong processes and controls, integrating prevention, detection and response. To add to this, the Company's Whistle Blower policy provides a platform for various stakeholders to report and help the organization in averting and preventing any suspicious activity or behaviour. The whistle-blower mechanism then investigates allegations of violations in a comprehensive manner. Appropriate recommendations are followed for rigorous implementation. The whistle-blower is provided complete confidentiality and protection against any attempted harassment.

SEGMENT WISE PERFORMANCE

The company is mainly operating in three segments:

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

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

| Amount (Rs. in Lacs) | | |
|----------------------|------------|--------------|
| Segment | Standalone | Consolidated |



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| | 2021-22 | 2020-21 | 2021-22 | 2020-21 |
|--|-----------------|-----------------|-----------------|-----------------|
| IT Solutions & Products | 0 | 0 | 0 | 0 |
| IT Enabled Services | 48.97 | 41.48 | 48.97 | 41.48 |
| Telecommunication | - | - | - | - |
| Total | 48.97 | 41.48 | 48.97 | 41.48 |
| Segment results - Profit / (loss) (before Interest & Tax) | | | | |
| IT Solutions & Products | 0 | 0 | 0 | 0 |
| IT Enabled Services | (141.43) | (127.86) | (141.43) | (127.86) |
| Telecommunication | - | - | - | - |
| Total | (141.43) | (127.86) | (141.43) | (127.86) |
| Less: Interest | 26.77 | 63.47 | 26.77 | 63.47 |
| Less: Other un-allocable Expenditure net off. | 372.07 | 373.07 | 372.07 | 373.07 |
| Add: Un-allocable Income | 84.99 | 8.54 | 84.99 | 8.54 |
| Profit before Tax | (454.98) | (555.87) | (454.98) | (555.87) |

Exciting Future

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

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

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

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



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MPS catering to a client base of over 6500 clients, through its on-line presence and secure payment gateway. Sign domains have several corporates, large portals, resellers and end-users as its clientele. The Company hopes to increase their client base and make good profits by providing domain facilities to their clients.

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

Despite the fact that the company is facing stiff competition, yet, the Company is exploring new avenues to increase its market share in the areas in which it operates and also trying to explore the possibility of providing consultancy in Solar Energy. The company expects to gain substantial amount of the market share in the times to come.

INTERNAL CONTROL SYSTEM & THEIR ADEQUACY

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

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

HUMAN RESOURCE AND DEVELOPMENT

The human resources strategy enabled the Company to attract, integrate, develop and retain the best talent required for driving business growth.

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

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

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

CAUTIONARY STATEMENT

Statements in the Management Discussion and Analysis describing company objectives, projections, estimates may be 'forward looking statements' within the meaning of the applicable security laws and regulations. Actual results could differ materially from those expressed or implied, depending upon economic conditions, changes in Government regulations and policies, demand, supply and price conditions, political and economic developments within and outside the country and various incidental factors.



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

For and on behalf of the Board

SD/-

Peeyush Aggarwal

Chairman & Managing Director

DIN: 00090423

Place: New Delhi

Date: 30th May, 2022



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REPORT ON CORPORATE GOVERNANCE

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

OUR CORPORATE GOVERNANCE PHILOSOPHY

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

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

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

The Company has adopted a Code of Conduct for its employees including the Managing Director and the Executive Directors. In addition, the Company has adopted a Code of Conduct for its non-executive directors which includes Code of Conduct for Independent Directors that suitably incorporates the duties of independent directors as laid down in the Companies Act, 2013 ("the Act").

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

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

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

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

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



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

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

The Company is in compliance with the requirements stipulated under Regulation 17 to 27 read with Schedule V and clauses (b) to (i) and (t) of sub-regulation (2) of Regulation 46 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations"), as applicable, with regard to corporate governance.

BOARD OF DIRECTORS ("BOARD")

a) Role of Board of Directors

The primary role of the Board is that of trusteeship – to protect and enhance shareholder value. As trustees, the Board has a fiduciary responsibility to ensure that the Company has clear goals aligned to shareholder value and its growth. Further, the Board is also responsible for:

- Exercising appropriate control to ensure that the Company is managed efficiently to fulfill stakeholders' aspirations and societal expectations
- Monitoring the effectiveness of the Company's governance practices and making changes as needed.
- Providing strategic guidance to the Company and ensuring effective monitoring of the Management.
- Exercising independent judgment on corporate affairs.
- Assigning sufficient non-executive members of the Board to tasks where there is a potential for conflict of interest, to be able to exercise independent judgment.
- Reviewing and guiding corporate strategy, major plans of action, risk policy, annual budgets and business plans, setting performance objectives, monitoring implementation and corporate performance, and overseeing major capital expenditures, acquisitions and divestments.

b) Independent Directors

The Companies Act, 2013 and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("the Listing Regulations") define an 'independent director' as a person who, including his / her relatives, is or was not a promoter or employee or key managerial personnel of the company or its subsidiaries. Further, the person and his / her relatives should not have a material pecuniary relationship or transactions with the company or its subsidiaries, during the three immediate preceding financial years or during the current financial year, apart from receiving remuneration as an independent director.

Based on the disclosures received from all independent directors and in the opinion of the Board, the independent directors fulfill the conditions specified in the Companies Act, 2013, the Listing Regulations, and are independent of the Management

c) Composition And Category Of Directors

We believe that our Board needs to have an appropriate mix of executive, non-executive and independent directors to maintain its independence, and separate its functions of governance and management. As on March 31, 2022, Our Board Comprise of six members, out of which three are Independent Directors, which includes a woman director. The composition of the Board comprise of a Managing Director, who is



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promoter of the company also; two Non-independent non-executive director; and three Independent Directors.

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

The names, designation, categories of the Directors and their shareholdings in the Company as on 31st March, 2022, are as exhibited below:

| Name of the Director | Category | Shareholding in the Company |
|--|------------------------------------|------------------------------------|
| Mr. Peeyush Kumar Aggarwal (DIN-00090423) | Managing Director & Promoter | 73,647,300 Equity Shares |
| Mr. Manoj Kumar Jain (DIN-018847852) | Non-Executive Independent Director | Nil |
| Mrs. Madhu Sharma (DIN-06947852) | Non-Executive Independent Director | Nil |
| Mr. Rachit Garg (DIN-07574194) | Non-Executive Director | Nil |
| Mr. Santosh Pradha (DIN - 00354664) | Non-Executive Independent Director | 63,011 |
| Mr. Ram Niwas Sharma (DIN - 08427985) | Non-Executive Director | Nil |

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

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

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

Details of Directors' attendance at the meeting of the board of directors during the Financial Year 2021-22 and at the last Annual General Meeting, number of Directorships in other Indian companies and Committee memberships/Chairmanship held by them in Indian public companies as on 31st March, 2022 are furnished below:

| Name of the Director | No. of Board Meetings held during the tenure | No. of meetings attended | Attendance at the last AGM held on 30th September 2021 | No. of Directorship held in listed companies including this company | No. of Independent Directorship in Listed Entities including this Listed Entity | No. of committee Memberships / Chairmanships held in Public companies including this company* | |
|-----------------------------|---|---------------------------------|--|--|--|--|----|
| | | | | | | As | As |



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| | | | | | | Memb er | Chairma n |
|----------------------------|---|---|-----------------|---|---|------------|--------------|
| Mr. Peeyush Kumar Aggarwal | 8 | 8 | Proxy appointed | 3 | 0 | 6 | 0 |
| Mr. Manoj Kumar Jain | 8 | 8 | Yes | 3 | 3 | 4 | 2 |
| Mrs. Madhu Sharma | 8 | 8 | Yes | 6 | 6 | 5 | 3 |
| Mr. Rachit Garg | 8 | 8 | Yes | 1 | 0 | 0 | 1 |
| Mr. Ram Niwas Sharma | 8 | 8 | Yes | 2 | 0 | 0 | 0 |
| Mr. Santosh Pradhan | 8 | 8 | Yes | 2 | 2 | 2 | 0 |

The necessary quorum was present at all the meetings.

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

The names & categories of the Directors as on 31st March, 2022 are as exhibited below:

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



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| | | |
|----------------------|---|--|
| Mr. Rachit Garg | MPS Infotecnics Limited | Non-Executive Director |
| Mr. Ram Niwas Sharma | MPS Infotecnics Limited Advik Laboratories Limited | Non-Executive Director Non-Executive Director |
| Mr. Santosh Pradhan | MPS Infotecnics Limited RCC Cements Limited | Non-Executive Independent Director Non-Executive Independent Director |

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

During the Financial Year 2021-22, eight meetings of the Board were held with a time gap of not more than one hundred and twenty days between any two consecutive meetings. These meetings were held on June 14, 2021, June 30, 2021, August 13, 2021, August 30, 2021, November 13, 2021, December 06, 2021, January 24, 2022 and February 09, 2022.

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

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

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

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

f) Independent Directors Databank Registration

Pursuant to a notification dated 22nd October, 2019 issued by the Ministry of Corporate Affairs, all Independent directors of the Company have completed the registration with the Independent Directors Databank. Requisite confirmations have been received from the Independent Directors in this regard.

g) Matrix setting out the skills/expertise/competence of the Board

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



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

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

Independent Directors' Meeting

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

In accordance with section 149(8) read with Schedule IV of the Companies Act, 2013 and Regulation 25(3) and 25(4) of the Listing Regulations, 2015 a meeting of the Independent Directors was held on 12th June, 2021, without the attendance of the Non-Independent Directors and members of the management to review the performance of the Non-Independent, Non-Executive Directors including the Chairman of the Board and performance of the Board as a whole for the FY 2021-22 and to Assess the quality, quantity and timelines of flow of information between the Management and the Board that is necessary for the Board to effectively and reasonably perform its duties.

COMMITTEES OF BOARD OF DIRECTORS

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

The Board as on March 31, 2022, had five committees: Audit Committee, Nomination & Remuneration Committee, Stakeholders Relationship Committee, Risk Management Committee and Corporate Social Responsibility.

(1) AUDIT COMMITTEE

a) Composition of Audit Committee

Our Audit Committee comprised of three members as on 31st March, 2022:

| S.No. | Name of the Director | Category |
|-------|----------------------------|----------|
| 1 | Mrs. Madhu Sharma | Chairman |
| 2 | Mr. Peeyush Kumar Aggarwal | Member |
| 3 | Mr. Manoj Kumar Jain | Member |



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

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

b) Brief description of terms of reference

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

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



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

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

The Committee granted omnibus approval for the related party transactions proposed to be entered into by the Company at the beginning of the fiscal 2021. On a periodical basis, the committee reviewed and approved related party transactions.

c) Meeting of Audit Committee and attendance of members during the year

The Committee meets at least once a quarter. As on March 31, 2022, Audit Committee of the Company comprises of the following:

| S.No | Name of Member | Category | Number of meetings during the Financial Year 2021-22 | |
|------|----------------------|----------|--|----------|
| | | | Held | Attended |
| 1 | Mrs. Madhu Sharma | Chairman | 4 | 4 |
| 2 | Mr. Peeyush Aggarwal | Member | 4 | 4 |
| 3 | Mr. Manoj Kumar Jain | Member | 4 | 4 |

During the Financial Year 2021-22, four meetings were held on 30/06/2021 ,13/08/2021, 13/11/2021 and 24/01/2022. The time gap between two meetings did not exceed 120 days. The quorum was present for all the above five meetings.

The Company Secretary acts as the Secretary of the Committee.

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

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



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(2) NOMINATION AND REMUNERATION COMMITTEE

a) Composition of Nomination and Remuneration Committee

Our Nomination and Remuneration Committee comprised of three members as on 31st March, 2022:

| S.No. | Name of the Director | Category |
|-------|----------------------|----------|
| 1 | Mrs. Madhu Sharma | Chairman |
| 2 | Mr. Rachit Garg | Member |
| 3 | Mr. Manoj Kumar Jain | Member |

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

b) Brief description of terms of reference

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

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

c) Meeting of Nomination and Remuneration Committee and attendance of members during the year

The Nomination & Remuneration Committee met on 30/08/2021 and 09/02/2022.

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

| Name of the Member | Category | No. of meetings held during the Financial Year 2021-22 | No. of meetings attended during the Financial Year 2021-22 |
|----------------------|----------|--|--|
| Mrs. Madhu Sharma | Chairman | 2 | 2 |
| Mr. Manoj Kumar Jain | Member | 2 | 2 |
| Mr. Rachit Garg | Member | 2 | 2 |



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The Company Secretary acts as the Secretary of the Committee.

d) Performance Evaluation Criteria for Independent Directors

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

e) REMUNERATION TO DIRECTORS

• Remuneration policy:

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

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

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

f) Criteria for Making Payment to the Non-Executive Directors

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

g) Performance Evaluation Criteria for Independent Directors

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

h) Remuneration of Key Managerial Personnel and Directors

Details of remuneration of the Key Managerial Personnel for the year ended March 31st, 2022 has been provided in Annual Return i.e., which will be available at Company's Website http://www.mpsinfotec.com/investors_zone.

(3) STAKEHOLDER' RELATIONSHIP COMMITTEE:

a) Composition of Stakeholder's Relationship Committee

Our Stakeholder's Relationship Committee comprised of three members as on 31st March, 2022:

| S.No. | Name of the Director | Category |
|-------|----------------------|----------|
|-------|----------------------|----------|



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| | | |
|---|----------------------------|----------|
| 1 | Mr. Rachit Garg | Chairman |
| 2 | Mr. Peeyush Kumar Aggarwal | Member |
| 3 | Mr. Manoj Kumar Jain | Member |

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

b) Brief description of role of Stakeholder's Relationship Committee

The Stakeholder's Relationship Committee of the Company is constituted in line with the provisions of Regulation 20 of the Listing Regulations read with Section 178 of the Act. The role of the SRC is as per the guidelines set out in part D (A) of Schedule II of the Listing Regulations which are as follows:

- transfer/transmission of shares and such other securities as may be issued by the Company from time to time.
- issue of duplicate share certificates for shares/debentures and other securities reported lost, defaced or destroyed, as per the laid down procedure;
- issue new certificates against subdivision of shares, renewal, split or consolidation of share certificates / certificates relating to other securities;
- issue and allot right shares / bonus shares pursuant to a Rights Issue / Bonus Issue made by the Company, subject to such approvals as may be required;
- to approve and monitor dematerialization of shares / debentures / other securities and all matters incidental or related thereto;
- to authorize the Company Secretary and Compliance Officer and/or other Officers of the Secretarial Share Department to attend to matters relating to non-receipt of annual reports, notices, non-receipt of declared dividend / interest, change of address for correspondence etc. and to monitor action taken;
- To look into the redressal of shareholders complaints and enquiries and monitoring expeditious redressal of investors / stakeholders grievances;
- all other matters incidental or related to shares, debenture

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

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

c) Meeting of Stakeholder's Relationship Committee and attendance of members during the year

The Stakeholder's Relationship Committee met on 13/08/2021, 27/08/2021, 17/09/2021, 24/09/2021 and 08/03/2021.

During the F.Y ending March 31, 2022, Stakeholder' Relationship Committee comprises of following members:

| S. No. | Name of Member | Category | No. of meetings held during the Financial Year 2021-22 | No. of meetings attended during the Financial Year 2021-22 |
|--------|----------------------|----------|--|--|
| 1 | Mr. Rachit Garg | Chairman | 5 | 5 |
| 1 | Mr. Peeyush Aggarwal | Member | 5 | 5 |
| 2 | Mr. Manoj Kumar Jain | Member | 5 | 5 |



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The Company Secretary acts as Secretary to the Committee.

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

No meetings were held during the financial year 2021-22 under review.

Details of Shareholders' complaints

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

(4) CORPORATE SOCIAL RESPONSIBILITY (CSR) COMMITTEE

a) Composition of Corporate Social Responsibility Committee

The Corporate Social Responsibility Committee comprised of three members as on 31st March, 2022:

| S.No. | Name of the Director | Category |
|--------------|-----------------------------|-----------------|
| 1 | Mrs. Madhu Sharma | Chairman |
| 2 | Mr. Peeyush Kumar Aggarwal | Member |
| 3 | Mr. Manoj Kumar Jain | Member |

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

b) Brief description of role of Corporate Social Responsibility Committee

The Corporate Social responsibility Committee of the Company is constituted in line with the provisions of Section 135 of the Companies Act, 2013. The role of the CSR Committee are as follows:

- Formulating and recommending to the Board the CSR Policy which shall indicate the activities to be undertaken by the Company;
- Recommend the amount of expenditure to be incurred on the activities referred to in clause (a);
- Monitoring CSR Policy of the Company from time to time;

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

c) Meeting of CSR Committee and attendance of members during the year

No meeting was held during the Year under review.

The company Secretary acts as the Secretary to the Committee.

The CSR report, as required under the Companies Act, 2013 for the year ended March 31, 2022 forms part of the Boards Report.

(5) RISK MANAGEMENT COMMITTEE

Composition of Risk Management Committee



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Our Risk Management Committee comprised of three members as on 31st March, 2022:

| S.No. | Name of the Director | Category |
|-------|----------------------------|----------|
| 1 | Mr. Manoj Kumar Jain | Chairman |
| 2 | Mr. Peeyush Kumar Aggarwal | Member |
| 3 | Mrs. Madhu SHarma | Member |

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

d) Brief description of role of Risk Management Committee

The Risk Management Committee of the Company is constituted in line with the provisions of Regulation 21 of the Listing Regulations, 2015. The role of the Risk management Committee is as per the guidelines set out in part D of Schedule II of the Listing Regulations which are as follows:

The role of Risk Management Committee is to:

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

GENERAL BODY MEETING

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

| Date | Location | Time | No. of Special Resolution passed |
|------------|---|-------|----------------------------------|
| 30.12.2021 | 703, Arunachal Building, 19 Barakhamba Road, New Delhi-110001 | 11:00 | 3 |
| 30.12.2020 | 703, Arunachal Building, 19 Barakhamba Road, New Delhi-110001 | 10:00 | 5 |
| 30.09.2019 | 703, Arunachal Building, 19 Barakhamba Road, New Delhi-110001 | 10:00 | 2 |

Whether any Special Resolution passed last year through postal ballot:

No special resolution was passed through postal ballot last year.

AFFIRMATION AND DISCLOSURE

All the members of the Board have affirmed their compliance with the Code of Conduct as on 31st March, 2022 and a declaration to that effect, signed by the Chairman and Chief Financial Officer (CEO), is attached and forms part of the Board Report.

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



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Auditors Certificate on Corporate Governance

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

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

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

Disclosure on Website under Reg. 46(2) of the SEBI (Listing Obligation and Disclosure Requirement) Regulations, 2015

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

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

MEANS OF COMMUNICATION

All important information relating to the Company, its financial performance, shareholding pattern, quarterly results, other information as per the Listing Regulations are regularly posted on Company's website i.e. www.mpsinfotec.com. The quarterly, half-yearly and annual financial results of the Company are published in one prominent widely circulated English newspaper and one in daily Hindi Newspaper viz. The Business Standard (English) & (Hindi). These results are also made available on the websites of the Company, BSE Limited and National Stock Exchange of India Limited. The Annual Report, Quarterly Results, Shareholding Pattern, Intimation of Board Meetings and other relevant information of the Company are posted through BSE Listing Centre and NSE Electronic Application Processing System (NEAPS) portals for investor information.

As per Regulation 47 (1) (b) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, an extract of the detailed format of Quarterly/Annual Financial Results filed with the Stock



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Exchanges under Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 are published in the newspapers. The full format of the Quarterly/Annual Financial Results is also available on the Company's website and Stock Exchange websites www.nseindia.com and www.bseindia.com.

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

GENERAL SHAREHOLDER'S INFORMATION

| | | | |
|----|--|---|--|
| a) | Registered Office | : | 703, Arunachal Building, 19, Barakhamba Road, New Delhi 110001 |
| b) | Annual General Meeting | : | 30 th September, 2022 |
| | • Date | | Friday |
| | • Day | | 10:00 A.M. |
| | • Time | | 703, Arunachal Building, 19, Barakhamba Road, New Delhi 110001 |
| | • Venue | | On or before 4 th September, 2022 |
| | • Posting of Annual Report | | 48 hours before the Meeting i.e. 28 th September, 2022 by 10:00 A.M. |
| | • Last date of receipt of Proxy Form | | |
| c) | Financial year for the period under review | : | 1 st April 2021 to 31 st March 2022 |
| | First Quarter | | 1 st April 2021 to 30 th June 2021 |
| | Second Quarter | | 1 st July 2021 to 30 th September 2021 |
| | Third Quarter | | 1 st October 2021 to 31 st December 2021 |
| | Fourth Quarter | | 1 st January 2022 to 31 st March 2022 |
| d) | Dividend Payment Date | : | For the year ended March 31, 2022, the Directors have not recommended dividend. |
| e) | Date of Book Closure | : | The Register of members and share transfer Books of the Company shall remain closed from 24 th September, 2022 to 30 th September, 2022 (both days inclusive) |
| f) | Registrar & Share Transfer Agents (RTA) | : | Address & Contact Details T-34, 2 nd Floor, Okhla Industrial Area, Phase-II, New Delhi-110020 Tel no. : 011-26387281-83 Fax : 011- 26387384 e-Mail : info@massserv.com |
| g) | Listing of Shares | : | Shares are listed on following Stock Exchanges: 1) Name: National Stock Exchange of India Ltd. Address: Exchange Plaza, Bandra, Kurla Complex, Bandra(E) Mumbai-400051 Stock Code: VISESHINFO 2) Name: BSE Limited Address: Phiroze Jeejeebhoy Tower, Dalal Street, Mumbai-400001 Stock Code: 532411 |

WITH EFFECT FROM 28TH AUGUST, 2000 THE SHARES OF MPS INFOTECNICS LIMITED ARE TRADED IN DE-MAT FORM ONLY:



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| | | | |
|----|---|---|--|
| h) | ISIN Code | : | INE861A01058 |
| i) | Investor service cell & address for correspondence Address Telephone No Fax E-mail | : | 703, Arunachal Building, 19, Barakhamba Road, New Delhi 110001 +91 11 43571044 +91 11 43571047 info@mpsinfotec.com |
| j) | Compliance Officer | : | Mrs. Garima Singh, Company Secretary & Compliance Officer |

STOCK MARKET DATA

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

| Financial Year April 2021 to March 2022 | National Stock Exchange | | | Bombay Stock Exchange | | |
|---|-------------------------|------|----------------------|-----------------------|------|----------------------|
| | High | Low | No. of shares traded | High | Low | No. of shares traded |
| April, 2021 | 0.10 | 0.05 | 42,056,000 | 0.19 | 0.19 | 53,37,020 |
| May, 2021 | 0.15 | 0.05 | 132,946,000 | 0.19 | 0.19 | 62,62,560 |
| June, 2021 | 0.25 | 0.15 | 227,480,000 | 0.23 | 0.19 | 6,44,21,880 |
| July, 2021 | 0.25 | 0.15 | 338,170,000 | 0.22 | 0.19 | 13,60,28,174 |
| August, 2021 | 0.30 | 0.25 | 480,784,000 | 0.24 | 0.21 | 17,90,69,936 |
| September, 2021 | 0.25 | 0.15 | 110,483,000 | 0.22 | 0.19 | 4,39,32,793 |
| October, 2021 | 0.25 | 0.15 | 143,182,000 | 0.22 | 0.19 | 4,62,97,463 |
| November, 2021 | 0.20 | 0.15 | 88,393,000 | 0.20 | 0.19 | 2,48,10,953 |
| December, 2021 | 0.70 | 0.15 | 731,942,000 | 0.29 | 0.19 | 2,48,03,945 |
| January, 2022 | 1.70 | 0.70 | 2,006,594,000 | 0.58 | 0.30 | 40,48,516 |
| February, 2022 | 1.75 | 1.20 | 1,052,399,000 | 1.21 | 0.60 | 27,17,43,241 |
| March, 2022 | 1.35 | 1.00 | 868,786,000 | 1.37 | 0.96 | 49,22,85,346 |

The trading in the shares of the Company was suspended till being traded once a week i.e., on Monday of the week due to delay in payment of Listing Fees to the Stock Exchanges. The Promoter of the Company had paid the outstanding dues in December 2021 and since 22/12/2021 the shares of your Company is being traded daily.

Share Transfer System

Share transfers, where transfer documents are found in order, are registered and returned in the normal course within a period of 15 days from the date of receipt of the documents. Any requests for Dematerialization / re-materialization of shares are processed and confirmation is given to depositories i.e.



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National Securities Depositories Limited (NSDL) or Central Depositories Services (India) Limited (CDSL), as the case may be, within 30 days from the date of receipt.

Dematerialization of Shares

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

Status of issued capital as on 31st March, 2022-Table I

| Total Issued Capital | No. of Shareholders | No. of Shares | % to total shareholding |
|----------------------|---------------------|-------------------|-------------------------|
| NSDL (Demat Form) | 64526 | 1328243521 | 35.19 |
| CDSL (Demat Form) | 404032 | 2437346148 | 64.58 |
| Physical Form | 1987 | 8846986 | 0.23 |
| TOTAL | 470545 | 3774436655 | 100.00 |

DISTRIBUTION OF SHAREHOLDING AS ON 31ST MARCH 2022-Table II

| Shareholding of Nominal Value of (₹) | No. of shareholders | % to total no. of shareholders | Amount in (₹) | % to total shareholding |
|--------------------------------------|---------------------|--------------------------------|-------------------|-------------------------|
| 1 - 5000 | 362225 | 78.887 | 338029590 | 8.955 |
| 5,001-10,000 | 51488 | 11.213 | 369584366 | 9.791 |
| 10,001-20,000 | 20103 | 4.378 | 300549575 | 7.962 |
| 20,001-30,000 | 7987 | 1.739 | 201898086 | 5.349 |
| 30,001-40,000 | 3521 | 0.766 | 126334850 | 3.347 |
| 40,001-50,000 | 3796 | 0.826 | 181512063 | 4.808 |
| 50,001-1,00,000 | 5739 | 1.249 | 449002954 | 11.895 |
| 1,00,001 and above | 4307 | 0.938 | 1807525171 | 47.888 |
| TOTAL | 459166 | 100 | 3774436655 | 100.000 |

*The difference in no. of shareholders as per status of Issued Capital is 470545 and Distribution of Shareholders is 459166. In the distribution of shareholding, the duplicate PAN nos. have been clubbed.

SHAREHOLDING PATTERN AS ON 31ST MARCH, 2022

| Category | No. of Shares | % of Total |
|---------------------------------|---------------|------------|
| A. Promoters | 73694990 | 1.95% |
| B. Non-Promoter Holding | | |
| 1. Financial Institutions/Banks | 46750 | 0.00% |
| 2. Individual | 3535797500 | 93.69% |
| 3. NBFC's Registered | 8103857 | 0.21% |
| 4. Bodies Corporate | 74479158 | 1.97% |
| 5. NRI's/OCB's | 56288507 | 1.49% |



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| | | |
|---------------------------------------|-------------------|----------------|
| 6. Trusts | 3550 | 0.00% |
| 7. Director's or Director's Relatives | 230543 | 0.01% |
| 8. Employees | 1165 | 0.00% |
| 9. Clearing Member | 25790635 | 0.68% |
| TOTAL | 3774436655 | 100.00% |

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

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

Commodity price risk or foreign exchange risk and hedging activities

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

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

ADDITIONAL INFORMATION

Investor Relations Section

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

| | | |
|-----------------------|---|---|
| Contact Person | : | Mrs. Garima Singh Compliance Officer |
| Time | : | 10:00 AM to 6:00 PM On all working days of the Company (except Sundays) |
| Telephone | : | 011-43571043-44 |
| Fax | : | 011-43571047 |
| Email | : | gsingh@mpsinfotec.com |

OTHER DICLOSURES

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

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

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

The Board of Directors of the Company, on the recommendation of the Audit Committee, amended a policy on Related Party Transactions pursuant to SEBI Circular SEBI/HO/CFD/CMD1/CIR/P/2021/662 dated



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November 22, 2021 to regulate the transactions between the Company and its Related Parties, in compliance with the applicable provisions of the Companies Act, 2013 and SEBI (LODR) Regulations, 2015.

The Policy as amended by the Board is uploaded on the Company's website at www.mpsinfotec.com. The details of the Related Party Transactions in Form AOC-2 are annexed to the Directors' Report.

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

1) The Scrip of the Company was suspended by the Stock Exchanges due to Non-Payment of Listing Fees pursuant of SEBI/Stock Exchange Circular bearing No. LIST/COMP/OPS/16/2019-2020 dated June 11, 2019. In terms of the said circular the depositories on the instructions of the stock exchanges where the shares of the company are listed has frozen the demat account of the Directors and Promoters of the Company. The Company had cleared all the outstanding Annual Listing Fees along with Interest to the Stock Exchanges (NSE and BSE). The trading of the scrip of the Company has resumed from 22nd December, 2021.

2) Securities and Exchange Board of India (SEBI) imposed a Penalty of Rs. 10,00,00,000/- (Rupees Ten Crore Only) on the company. under the provisions of Section 15 HA of the SEBI Act, 1992 and Section 23E of SCRA, 1956 for violation of Section 12A(a), (b) and (c) of SEBI Act, 1992 read with Regulations 3(a), (b), (c) & (d), 4(1), 4(2) (f), (k) and (r) of SEBI (Prohibition of Fraudulent and Unfair Trade Practices Relating to FUTP) Regulations, 2003, Section 21 of SCRA, 1956 read with Clause 32, 36(7) and 50 of the listing agreement in the matter of Global Depository Receipts (GDR).

3) Securities and Exchange Board of India (SEBI) vide order no. WTM/AB/IVD/ID-4/7171/2019-20 dated 6th March, 2021, directed the Company to pursue the measures to bring back the outstanding amount of \$ 8.90 million into its bank account in India and 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 and thereafter, for an additional period of two years from the date of bringing back the money.

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

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

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

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

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

The Company has no material subsidiary as defined under the SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015, as amended or under the Companies Act, 2013, as amended, for the year ending March 31st, 2022.



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f) Disclosure of commodity price risks and commodity hedging activities

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

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

The Certificate dated 30th may, 2022 received from M/s. Kundan Agrawal & Associates Practicing Company Secretary confirming that none of the Directors on the Board of the Company have been debarred or disqualified from being appointed or continuing as Directors of the Company by the Board/Ministry of Corporate Affairs or any such Statutory Authority **"Annexure-D."**

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

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

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

The Company has zero tolerance for sexual harassment at workplace and has adopted a Policy on prevention, prohibition and redressal of sexual harassment at workplace in line with the provisions of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 and the Rules thereunder and same is posted on the website of the Company and can be accessed at http://www.mpsinfotec.com/investors_zone.html . No complaint has been received during the financial year 2021-22.

DISCRETIONARY REQUIREMENTS

Furnishing of half yearly results:

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

Reporting of Internal Auditor:

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

COMPLIANCE WITH MANDATORY REQUIREMENTS

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

"Go Green" Initiative



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

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

CEO and CFO Certification

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

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

SD/-

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

**Place: New Delhi
Date: 30th May, 2022**

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

I declare that all Board Members and Senior Management have individually affirmed compliance with the code of business conduct and ethics adopted by the company during the year 2021-22. The Code of conduct is available on the Company’s website i.e. www.mpsinfotec.com.

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

SD/-

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

**Place: New Delhi
Date: 30th May. 2022**



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AUDITORS' CERTIFICATE ON CORPORATE GOVERNANCE

To,

The Members of MPS Infotecnics Ltd.

We have examined the compliance of conditions of Corporate Governance by MPS Infotecnics Ltd. for the financial year ended 31st March, 2022, as stipulated under Regulation 17 to 27 of the SEBI (Listing Obligation and Disclosure Requirements) Regulation 2015 of the said Company with the Stock Exchanges.

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

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

We state that as per the report given by the Registrar and Transfer Agent of the Company to the Stakeholder' Relationship Committee, as on March 31, 2022, there were no investor grievance matters against the Company remaining unattended / pending for more than 15 days.

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

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

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

**Place: New Delhi
Date: 30th May, 2022**



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CEO & CFO Certification

To
The Board of Directors
MPS Infotecnics Limited
New Delhi

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

- (a) We have reviewed Financial Statements and the Cash Flow Statement for the year ended 31st March, 2022 and:
- (i) These Financial Statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
- (ii) These Financial Statements together present a true and fair view of the Company's affairs and are in compliance with existing Accounting Standards, applicable laws and regulations;
- (b) There is, to the best of our knowledge and belief, no transaction entered into by the Company during the year ended 31st March, 2022, which is fraudulent, illegal or violative of the Company's code of conduct.
- (c) We accept responsibility for establishing and maintaining Internal Controls for financial reporting and that we have evaluated the effectiveness of Internal Control Systems of the Company pertaining to financial reporting and we have disclosed to the Auditors and the Audit Committee, deficiencies in the design or operation of such Internal Controls, if any, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies.
- (d) We have indicated to the Auditors and Audit Committee that for the year ended 31st March, 2022, there were:
- (i) Significant changes, if any, in internal control over financial reporting during the year;
- (ii) Significant changes, if any, in accounting policies during the year and that the same have been disclosed in the notes to the financial statements; and
- (iii) No instances of significant fraud of which we have become aware and there has been no involvement therein of the management or an employee having a significant role in the Company's Internal Control System over financial reporting.

SD/-
Peeyush Kumar Aggarwal
Chairman & Managing Director

SD/-
Sanjay Sharma
Chief Financial Officer

Place: Delhi
Date: 30th May, 2022



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FORM AOC-1

[Pursuant to first proviso to sub-section (3) of Section 129 read with rule 5 of the Companies (Accounts) Rules, 2014]

Statement containing salient features of the financial statement of subsidiaries / associate companies / joint ventures

Part "A": Subsidiaries

(Information in respect of each subsidiary to be presented with amounts in Rupees.)

| Sl. No. | Particulars | Details | | | Amount in Rs. |
|---------|---|-----------------------------------|-----------------------------------|---|---------------|
| 1 | Name of subsidiary | Axis Convergence INC | Greenwire Network Limited | Opentech Thai Network Specialists Limited | |
| 2 | Reporting period for the subsidiary concerned, if different from the holding company's reporting period | 1st April 2021 to 31st March 2022 | 1st April 2021 to 31st March 2022 | 1st January 2021 - 31st December 2022 | |
| 3 | Reporting currency and Exchange rate as on the last date of the relevant Financial year in the case of foreign subsidiaries | US Dollar | US Dollar | Thai Bhat | |
| 4 | Share Capital | 807,160 | 559,360 | 12,020,053 | |
| 5 | Reserves & Surplus | 65,789,908 | 10,081,683 | -12,138,903 | |
| 6 | Total Assets | 106086503 | 61,466,974 | 1,731,915 | |
| 7 | Total Liabilities | 106086503 | 61,466,974 | 1,731,915 | |
| 8 | Investments | 0 | 0 | 4,611 | |
| 9 | Turnover | 0 | 0 | 0 | |
| 10 | Profit before taxation | 0 | 0 | 0 | |
| 11 | Provision for taxation | 0 | 0 | 0 | |
| 12 | Profit after taxation | 0 | 0 | 0 | |
| 13 | Proposed Dividend | 0 | 0 | 0 | |
| 14 | % of Shareholding | 100% | 100% | 99.996% | |

1.Name of Subsidiaries which are yet to commence operations-Not Applicable

2.Name of Subsidiaries which have been liquidated or sold during the year-Not Applicable

Part "B": Associate and Joint Ventures

Statement Pursuant to Sec.129(3) of the Companies Act, 2013 related to Associate Companies and Joint Ventures

| | Name of Associates or Joint Ventures | Not Applicable | Not Applicable | Not Applicable |
|---|---|----------------|----------------|----------------|
| 1 | Latest Audited Balance Sheet Date | - | - | - |
| 2 | Date on which the Associate or Joint Venture was associated or acquired | - | - | - |
| 3 | Shares of Associate or Joint Ventures held by the Company on the Year End | - | - | - |
| | No. | - | - | - |
| | Amount of Investment in Associates or Joint Ventures | - | - | - |



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| | | | | |
|--|---|---|---|---|
| | Extent of Holding (in percentage) | - | - | - |
| 4 | Description of how there is significant influence | - | - | - |
| 5 | Reason why the Associate/Joint Venture is not Consolidated | - | - | - |
| 6 | Networth attributable to Shareholding as per latest Audited Balance Sheet | - | - | - |
| 7 | Profit or Loss of the Year | - | - | - |
| (i) | Considered in Consolidation | - | - | - |
| (ii) | Not Considered in Consolidation | - | - | - |
| 1.Name of Associates or Joint Ventures which are yet to commence operations-Not Applicable | | | | |
| 2.Name of Associates or Joint ventures which have been liquidated or sold during the year-Not Applicable | | | | |

**For & on behalf of the Board of Directors
MPS Infotecnics Limited**

**SD/-
Peeyush Kumar Aggarwal
Chairman & Managing Director**

**Place: New Delhi
Date: May 30, 2022**



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FORM NO. AOC.2

Form for disclosure of particulars of contracts/arrangements entered into by the company with related parties referred to in sub-section (1) of section 188 of the Companies Act, 2013 including certain arm's length transactions under third proviso thereto

(Pursuant to clause (h) of sub-section (3) of section 134 of the Act and Rule 8(2) of the Companies (Accounts) Rules, 2014)

1. Details of contracts or arrangements or transactions not at arm's length basis - NOT APPLICABLE

| | | | | |
|---|---|--|--|--|
| a | Name(s) of the related party and nature of relationship | | | |
| b | Nature of contracts/arrangements/transaction | | | |
| c | Duration of the contracts/arrangements/transaction | | | |
| d | Salient terms of the contracts or arrangements or transactions including the value, if any | | | |
| e | Justification for entering into such contracts or arrangements or transactions | | | |
| f | date(s) of approval by the Board | | | |
| g | Amount paid as advances, if any: | | | |
| h | Date on which the special resolution was passed in general meeting as required under first proviso to section 188 | | | |



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| A | b | c | D | e | f | g |
|--|---|---|---|---|--|--|
| <i>Name(s) of the related party and nature of relationship</i> | <i>Nature of contracts/arrangements/transaction</i> | <i>Duration of the contracts/arrangements/transaction</i> | <i>Salient terms of the contracts or arrangements or transactions including the value, if any</i> | <i>Date(s) of approval by the Board</i> | <i>Amount paid as advance, if any:</i> | <i>Date on which the special resolution was passed in general meeting as required under first proviso to section 188</i> |
| Mr. Peeyush Kumar Aggarwal - Promoter | Unsecured Loans Received From The Director And Payable On Demand By Mps Infotecnics Limited | Payable on Demand | The promoter director had been infusing funds from time to time for the smooth functioning of the Company and to meet short term fund requirements. During the year under review, Mr. Peeyush Aggarwal had infused Rs. 67.52 lacs . In aggregate, the company over the years, has received a sum of Rs. 1962.25 lacs . The funds received by the promoter are repayable on demand and/or as and when the company has surplus funds and interest free. | 30-May-22 | N.A | 30.09.2021 |
| Mr. Peeyush Kumar Aggarwal - Managing Director | Services | 3 years w.e.f. 03/01/2021. | As per the resolution passed in the Annual general meeting held on 30th December 2020 | 11-Nov-20 | N.A | 30-Dec-20 |



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| | | | | | | |
|---|-------------------------------------|---|---|------------------|------------|------------|
| Omkam Global Capital Pvt. Ltd. - Mr. Peeyush Aggarwal is also a Director in OGCL | Current Liabilities- Other Payables | Payable on Demand | Mr. Peeyush Aggarwal, Promoter Director of the Company is also a promoter director of Omkam Global capital Pvt. Ltd. (OGCL). The company had receiving funds from OGCL as advance, however at the advice of the statutory Auditors, the same is now being shown under the heading Other Liabilities. The funds received by the company are repayable on demand and/or as and when the company has surplus funds. During the year under review a sum of Rs. 194.96 lacs was received by the Company. As on 31.03.2022 the total amount payable by the company to OGCL is Rs. 743.34 lacs. The funds made available by OGCL is interest free and repayable on demand and/or as and when the company has surplus funds. | 30-May-22 | N.A | 30.09.2021 |
| E-visesh.com Limited, Mr. Peeyush Kumar Aggarwal is the Managing Director of MPS and holds majority of Shares in E-visesh.com Limited. | Current Receivables- Other Assets | Being set off against payment made on behalf of MPS | M/s. E-visesh.com Limited- Mr. Peeyush Kumar Aggarwal is the Managing Director of MPS and holds majority of Shares in E-visesh.com Limited. During the year under review, the Company had advanced a sum of Rs. 6.48 lacs and as on 31.03.2022 the total amount recoverable is Rs.6.73 lacs. | 30-May-22 | N.A | 30.09.2021 |



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| | | | | | | |
|---|-------------------------------------|---|---|------------------|------------|---|
| MPS Informatics Private Limited-Mr. Peeyush Kumar Aggarwal is a common director. | Current Liabilities- Other Payables | Payable on Demand | M/s. MPS Informatics Private Limited-Mr. Peeyush Kumar Aggarwal is a common director. The Company had receiving funds from MPS Informatics Private Limited as advance, however at the advice of Statutory Auditors, the same is being shown under the heading Other Liabilities. The Funds received by the Company are repayable on demand and/or as and when the Company has surplus funds. During the year under review a sum of Rs. 4.96 lacs was received by the Company. As on 31.03.2022 the total amount payable by the Company to MPS Informatics is Rs.12.37 lacs. The funds made available by MPS Informatics is interest free and repayable on demand and/or as and when the company has surplus funds. | 24-Jan-22 | N.A | Omnibus Approval by Audit Committee on 24.01.2022 |
| Mr. Vishal Anand | Services | NA, subject to resignation/termination of service | As per the Appointment Letter | 30-May-22 | N.A | N.A |
| Mr. Sanjay Sharma | Services | NA, subject to resignation/termination of service | As per the Appointment Letter | 30-May-22 | N.A | N.A |



MPS INFOTECNICS LIMITED

CIN: L30007DL1989PLC131190

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

| | | | | | | |
|----------------------------------|----------|---|-------------------------------|------------------|------------|-----|
| | | | | | | |
| Mrs. Garima Singh | Services | NA, subject to resignation/termination of service | As per the Appointment Letter | 30-May-22 | N.A | N.A |

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

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

**Place: New Delhi
Date: 30th May, 2022**



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Kundan Agrawal & Associates

Company Secretaries

Phone: 91-11-43093900

Mobile: 09212467033, 09999415059

E-mail: agrawal.kundan@gmail.com

Form No. MR-3

SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED 31st MARCH, 2022

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

To
The Members

M/s MPS INFOTECNICS LIMITED

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

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

We report that:

- a) Maintenance of secretarial record is the responsibility of the management of the Company. Our responsibility is to express an opinion on these secretarial records based on our audit.
- b) We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices, we followed provide a reasonable basis for our opinion. We have not verified the correctness and appropriateness of the financial records and Books of the Company.
- c) Where ever required, we have obtained the Management representation about the compliances of laws, rules and regulations and happening of events etc. The compliance of the provisions of the Corporate and other applicable laws, rules, regulations, standards is the responsibility of management.

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion, the company has, during the audit period covering the financial year ended on 31st March, 2022 ('Audit Period') complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter.

We have examined the books, papers, minute books, forms and returns filed and other records maintained



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by the Company for the financial year ended on 31st March, 2022 according to the provisions of:

(Secretarial Audit Report for F.Y 2021-2022 for M/s MPS Infotecnics Limited)

- (i) The Companies Act, 2013 (the Act) and the rules made thereunder;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'): —
 - (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
 - (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992;
 - (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;
 - (d) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 and The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 notified on 28 October 2014;
 - (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;
 - (f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
 - (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009;and
 - (h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998.
- (vi) Indian Stamp Act, 1899;
- (vii) Indian Contract Act, 1872;
- (viii) Income Tax Act, 1961 and indirect tax laws;
- (ix) Applicable Labour Laws; and
- (x) Other applicable Laws;

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

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

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

During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc.



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(Secretarial Audit Report for F.Y 2021-2022 for M/s MPS Infotecnics Limited)

We further report that

- The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.
- All decisions at Board Meetings and Committee Meetings are carried out by majority as recorded in the minutes of the meetings of the Board of Directors or Committee of the Board, as the case may be.
- Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were generally sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting. Company management has taken steps for maintaining more proper compliance system. Minutes of the meetings are more or less in compliance with the Secretarial standards laid down by ICSI.
- Penalty of Rs. 10,00,00,000/- (Rupees Ten Crore Only) is imposed on the company. under the provisions of Section 15 HA of the SEBI Act, 1992 and Section 23E of SCRA, 1956 for violation of Section 12A(a), (b) and (c) of SEBI Act, 1992 read with Regulations 3(a), (b), (c) & (d), 4(1), 4(2) (f), (k) and (r) of SEBI (Prohibition of Fraudulent and Unfair Trade Practices Relating to FUTP) Regulations, 2003, Section 21 of SCRA, 1956 read with Clause 32, 36(7) and 50 of the listing agreement. The management of the Company has informed that against the orders passed by SEBI, an appeal before Hon'ble Securities Appellate Tribunal has been filed by the Company and the same is pending adjudication.
- The company has increased its authorized capital from 52.45 crores to 377.50 crores in 2010-2011 and 2012-2013 respectively against which ROC fees of Rs. 6.84 crores (Fees calculated as per Companies Act, 1956) stands payable under the head current liabilities in the financial statements of the period under review.
- Mr. Vishal Anand has been appointed as the CEO of the company w.e.f. 09/02/2022.
- Non-deposit of Income Tax for the Assessment Year 2013-14 amounting to Rs. 20,80,000/-. In this regard, Mr. Sanjay Sharma, Chief Financial Officer of the Company, informed the Board that non-deposit of income tax has been made in the Books of Accounts and there is no further impact on the profits or retained earnings of the Company.
- There are three foreign subsidiaries of the company. However the company is not regular in complying with the RBI directives issued in this regard as well as FEMA compliances.

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

Disclaimer:-

- The secretarial audit Report is neither an assurance as to the future viability of the company nor of the efficacy or effectiveness with which the management has conducted the affairs of the company.



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

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

**Place: Delhi
Date: 23/08/2022**

**SD/-
Kundan Agrawal
Company Secretary
Membership No.:- 7631
C.P. No. 8325
UDIN: F007631D000835667**



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Kundan Agrawal & Associates

Company Secretaries

Phone: 91-11-43093900

Mobile: 09212467033, 09999415059

E-mail: agrawal.kundan@gmail.com

CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS

(Pursuant to Regulation 34(3) and Schedule V Para C clause (10) (i) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015)

To,

The Members of

MPS Infotecnics Limited

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

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

In our opinion and to the best of our information and according to the verifications (including Directors Identification Number (DIN) status at the portal (www.mca.gov.in) as considered necessary and explanations furnished to us by the Company & its officers, We hereby certify that none of the Directors on the Board of the Company as stated below for the Financial Year ending on 31st March, 2022 have been debarred or disqualified from being appointed or continuing as Directors of companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs, or any such other Statutory Authority.

| S.No | Name of Director | DIN | Date of appointment |
|------|----------------------------|----------|---------------------|
| 1. | Mr. Peeyush Kumar Aggarwal | 00090423 | 03/09/1997 |
| 2. | Mr. Manoj Kumar Jain | 01887411 | 02/06/2014 |
| 3. | Mrs. Madhu Sharma | 06947852 | 02/03/2015 |
| 4. | Mr. Santosh Pradhan | 00354664 | 08/01/2020 |
| 5. | Mr. Rachit Garg | 07574194 | 30/05/2018 |
| 6. | Mr. Ram Niwas Sharma | 08427985 | 30/09/2019 |

- National Stock Exchange vide order no NSE/COMP/51141 Circular Ref. No: 03/2022 dated 27/01/2022 declared Omkam Capital Markets Pvt. Ltd. a defaulter and expelled the company from being its trading member and disqualified Mr. Peeyush Kumar Aggarwal from being director of any company which is a trading member of stock exchange citing clause (iv) sub-rule 4(A) & 5 of Rule 8 of Securities (Contract) Regulation Rules, 1957.



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- Clause (iv) of sub-rule 4(A) of Rule 8 provides that the directors of the company are not disqualified from being members of a stock exchange under clause (1) [except sub-clause (b) and sub-clause (f) thereof] or clause (3) [except sub-clause (a) and sub-clause (f) thereof] and the Directors of the company had not held the offices of the Directors in any company which had been a member of the stock exchange and had been declared defaulter or expelled by the stock exchange.
- Further sub-rule (5) of Rule 8 provides that where any member of a stock exchange is a firm, the provisions of sub-rules (1), (3) and (4), shall, so far as they can, apply to the admission or continuation of any partner in such firm.
- In view of the provisions contained in Securities (Contract) Regulation Rules, 1957, Mr. Peeyush Kumar Aggarwal is disqualified to act as Director in companies which are also a trading member of Stock Exchange, however, he can still hold directorship in companies which are not a trading member of Stock Exchange.
- We have been informed by the Management that Omkam Capital Markets Private Limited has filed an appeal against the said order of NSE before the honorable Securities Appellate Tribunal (SAT). The appeal has been registered as A. NO 213 of 2022. Perusal of orders passed by honorable SAT, we understand that the honorable SAT has directed NSE to file written statement to the appeal.

Ensuring the eligibility of for the appointment / continuity of every Director on the Board is the responsibility of the management of the Company. Our responsibility is to express an opinion on these based on our verification. This certificate is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

For Kundan Agarwal & Associates Company
Secretaries
FRN: S2009DE113700

Date: 30/05/2022
Place: New Delhi

SD/-
Kundan Agarwal
Company Secretary
M. No. 7631
COP No. 8325
UDIN: F007631D000436994



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NEMANI GARG AGARWAL & CO.

CHARTERED ACCOUNTANTS

1517, DEVIKA TOWER, 6, NEHRU PLACE,

NEW DELHI- 110 019.

Br.Office: Ch. No.5, Kamadgiri Aptt, Kaushambi, Ghaziabad-201010

Tel.-011-26448022/33;0120-4374727

Email ID: sknemani@sknemani.com,nemani61@gmail.com

STANDALONE AUDIT REPORT

May 30, 2022

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

Opinion

We have audited the accompanying standalone Ind AS financial statements of **MPS Infotecnics Limited** ("MPS" or "the Company"), which comprise the Balance Sheet as at 31st March 2022, the Statement of Profit & Loss (including Other Comprehensive Income), the Statement of Changes in Equity and the Cash Flow Statement for the year then ended, and a summary of the Significant Accounting Policies and other explanatory information (*hereinafter referred to as Standalone Financial Statements*).

In our opinion and to the best of our information and according to the explanations given to us, except for the effect of the matters described in the "*Basis for Qualified Opinion*" section below, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at 31st March 2022, the **Loss** and total comprehensive income, changes in equity and its cash flows for the year ended on that date.

Basis for Qualified Opinion

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

- I. In case of the following items shown as intangible Assets / inventory, no provision for impairment of assets has been made in accordance with accounting policies E and F (Schedule to the accounts) and applying Ind AS 36 –
 - (a) Intangible Assets under development (Capital work-in-progress) - Rs. 56.44 Crores (Software development)
 - (b) Software rights - Rs. 15.93 crores
 - (c) Opening Stock (Source Codes) - Rs. 62.22 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



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has been made for the shortfall in value of the investment in accordance with accounting policies G and I (Schedule to the accounts) applying Ind AS 36.

- III. The Company has shown in the balance sheet, bank balances in Banco Efisa (Lisbon Portugal) amounting to Rs. 347,892,163 (USD 8,883,210.75) which the bank has adjusted and the matter is in the court of law. Consequently the bank balances shown in balance sheet are overstated by Rs. 347,892,163/- The above bank balance relates to FY 2008-09 which is treated as a current asset. No provision has been made for the possible loss on account of above.
- IV. Other non-current assets include other loans and advances of Rs. 222.09 Cr. which are considered to be good for recovery. However as the terms and conditions regarding these loans have not been provided to us we are unable to ascertain and comment on the extent of realisability of this asset.
- V. The Company had increased its Authorized Capital from Rs. 52.45 Crores to Rs. 377.50 crores during the period from FY-2010-11 to FY 2012-13, ROC fees of Rs. 6.83 crores towards the above stands payable, under the head "Other Current Liabilities"

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

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

Our opinion is modified in respect of above matters to the extent of above notes.

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

Our responsibilities under those Standards are further described in the *Auditor's Responsibilities for the Audit of Standalone Financial Statements* section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India (ICAI) together with the independence requirements that are relevant to our audit of the standalone financial statements under the provisions of the Act and the Rules made there under, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics.

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

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the standalone financial statements of the current period. These matters were addressed in the context of our audit of the standalone financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

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



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1. Evaluation of uncertain tax positions:

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

Auditor's Response.

We obtained from the Company's management, details of the status as of 31 March 2022 concerning tax assessments and demands for current as well as past years. We assessed the management's underlying assumptions in estimating the tax provision and the possible outcome of the disputes to evaluate whether any change was required to management's position on these uncertainties.

2. Company's business model

MPS's existing business model has been impacted by the uncertainty due to various factors including but not limited to, foreign exchange fluctuations, stiff competition, purchase in cash and sales on credit basis, regulatory restraints. This has resulted in losses leading to difficulty in bank financing and increasing dependence on loans from others. The Company hopes to recover and recover losses and make profits over the coming years.

- (a) The company has considered sundry debtors of Rs.1,764.40 Lacs due for more than six months as good. However in the opinion of auditors there should be a regular process of identification and making provision for bad and doubtful debts. Such a process has not been followed. We therefore are unable to comment on the extent of un-provided bad and doubtful debts and their impact on loss and reserves.
- (b) SEBI had investigated the GDR issue of the Company and SEBI in exercise of the powers conferred upon me under Sections 11(1), 11(4) and 11B of the SEBI Act, 1992 read with Section 19 of the SEBI Act, 1992, interalia, had directed the company to continue to pursue the measures to bring back the outstanding amount of \$ 8.90 million into its bank account in India and then the Directors and present Directors to ensure compliance of the directions issued by SEBI by furnish a certificate from a peer reviewed Chartered Accountant of ICAI certifying the compliance of the said directions.

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

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

Further SEBI vide its order dated 27.11.2020 has imposed a penalty of Rs. 10.00 crores on the Company. The Company is also in receipt of recovery certificate from SEBI and consequent thereon the SEBI has freed the bank accounts of the company. Against the order of the SEBI, the Company has filed an appeal before the Hon'ble Securities Appeal Tribunal which is presently pending for adjudication.



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(c) Default in payment of working capital dues

The cash-credit account of the company with Allahabad Bank was declared as NPA by the Bank; against the one-time settlement with the Bank for Rs. 2.81 cr, the overdue arrears as on 31 Mar 2022 is Rs. 3.35Cr. Provision for interest at the contracted rates have been made in the books of accounts though have not been paid.

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

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

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

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

Our opinion on the standalone financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the standalone financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the standalone financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a no material misstatement of this other information. We have nothing to report in this regard.

Management's Responsibility for the Standalone Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance, total comprehensive income, changes in equity and cash flows of the Company in accordance with the Ind AS and other accounting principles generally accepted in India.

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

- safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities
- selection and application of appropriate accounting policies
- making judgments and estimates that are reasonable and prudent
- and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.



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

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

Auditor's Responsibilities for the Audit of the Standalone Financial Statements

Our objectives are to obtain reasonable assurance about whether the standalone financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these standalone financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the standalone financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal financial controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the standalone financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the standalone financial statements, including the disclosures, and whether the standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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



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We consider quantitative materiality and qualitative factors in ;

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

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

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the standalone financial statements of the current period and are therefore the key audit matters.

We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2020 ("the Order") issued by the Central Government in terms of Section 143(11) of the Act, we give in "**Annexure A**" a statement on the matters specified in paragraphs 3 and 4 of the Order.
2. As required by Section 143(3) of the Act, based on our audit, we report that:
 - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
 - b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
 - c) The Balance Sheet, the Statement of Profit and Loss including Other Comprehensive Income, Statement of Changes in Equity and the Statement of Cash Flow dealt with by this Report are in agreement with the relevant books of account.
 - d) In our opinion, the aforesaid standalone financial statements comply with the Ind AS specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
 - e) On the basis of the written representations received from the directors as on March 31, 2022 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2022 from being appointed as a director in terms of Section 164 (2) of the Act.
 - f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, please refer to our separate Report in "**Annexure B**". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting.



MPS INFOTECNICS LIMITED

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- g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended, in our opinion and to the best of our information and according to the explanations given to us :
- i. The Company has disclosed the impact of pending litigations on its financial position in its standalone financial statements.
 - ii. There are no long term contracts including derivative contracts.
 - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.
- h) (a) The Management has represented that, to the best of its knowledge and belief, no funds (which are material either individually or in the aggregate) have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person or entity, including foreign entity ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;
- b) The Management has represented, that, to the best of its knowledge and belief, no funds (which are material either individually or in the aggregate) have been received by the Company from any person or entity, including foreign entity ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;
- i) Based on the audit procedures that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e), as provided under (a) and (b) above, contain any material misstatement.
- j) The company has not declared or proposed dividend during the year.

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

SD/-

SK Nemani

Partner

Membership no. 037222

UDIN:- 22037222AJYVMF3460

Place : New Delhi

Date : 30th May, 2022



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ANNEXURE 'A' TO THE INDEPENDENT AUDITOR'S REPORT

(Referred to in paragraph 1 under 'Report on Other Legal and Regulatory Requirements' section of our STANDALONE AUDIT Report to the Members of MPS Infotecnics Limited of even date)

To the best of our information and according to the explanations provided to us by the Company and the books of account and records examined by us in the normal course of audit, we state that:

- i. In respect of the Company's Property, Plant and Equipment and Intangible Assets:
 - (a) (A) The Company has maintained proper records showing full particulars, including quantitative details and situation of Property, Plant and Equipment and relevant details of right-of-use assets.
(B) The Company has maintained proper records showing full particulars of intangible assets, however the valuation reports are not available.
 - (b) The Company has a program of physical verification of Property, Plant and Equipment and right-of-use assets so to cover all the assets once every three years which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. Pursuant to the program, certain Property, Plant and Equipment were due for verification during the year and were physically verified by the Management during the year. According to the information and explanations given to us, no material discrepancies were noticed on such verification.
 - (c) The company had no Immovable property during the year.
 - (d) The Company has not revalued any of its Property, Plant and Equipment (including right- of-use assets) and intangible assets during the year.
 - (e) Proceedings under Benami Property Transactions(Prohibition) Act, 1988 have been dropped during the year against the company vide order no 49/AA/MUM/PBPT/2021-22 dated 21.02.2022
- ii.
 - (a) Physical verification of inventory has been conducted at reasonable intervals by the management and in our opinion , the coverage and procedure of such verification by the management is appropriate and any discrepancies of 10%or more in the aggregate for each class of inventory have been properly dealt with in the books of account
 - (b) The Company has no sanction of working capital limits in excess of ₹ 5 crore, in aggregate, during the year, from banks or financial institutions on the basis of security of current assets ,hence no requirement of filing quarterly returns or statements with banks
- iii. The Company has made investments in subsidiary foreign companies which are old and these subsidiaries are not active,but no investments was made in firms, Limited Liability ,Partnerships, and has not granted unsecured loans to other parties, during the year, hence reporting under clause 3(iii) (a)to (f)of the order are not applicable to the company.
- iv. The Company has complied with the provisions of Sections 185 and 186 of the Companies Act, 2013 in respect of loans granted, investments made and guarantees and securities provided, as applicable.
- v. The Company has not accepted any deposit or amounts which are deemed to be deposits. Hence, reporting under clause 3(v) of the Order is not applicable.



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vi. The maintenance of cost records has not been specified by the Central Government under sub-section (1) of section 148 of the Companies Act, 2013 for the business activities carried out by the Company.

vii. In respect of statutory dues:

(a) In our opinion, the Company has generally been regular in depositing undisputed statutory dues, including Goods and Services tax, Provident Fund, Employees' State Insurance, Income Tax, Sales Tax, Service Tax, duty of Custom, duty of Excise, Value Added Tax, Cess and other material statutory dues applicable to it with the appropriate authorities.

There were no undisputed amounts payable in respect of Goods and Service tax, Provident Fund, Employees' State Insurance, Income Tax, Sales Tax, Service Tax, duty of Custom, duty of Excise, Value Added Tax, Cess and other material statutory dues in arrears as at March 31, 2022 for a period of more than six months from the date they became payable.

(b) Details of statutory dues referred to in sub-clause (a) above which have not been deposited as on March 31, 2022 on account of disputes are given below:

| | | | | |
|------------|---------------------------------|------------|--------------|---|
| Income Tax | Demand raised by the Department | FY 2007-08 | Rs. 4.38 Cr, | Order has been passed in favour of the company, However, the department has filed an appeal before the Hon'ble Delhi High Court |
| Income Tax | Demand raised by the Department | FY 2008-09 | Rs. 2.75 Cr. | Order has been passed in favour of the company, however, the department has filed an appeal before the Hon'ble Delhi High Court |
| Income Tax | Demand raised by the Department | FY 2009-10 | Rs. 2.73 Cr. | Order has been passed in favour of the company, however, the department has filed an appeal before the Hon'ble Delhi High Court |

viii. There were no transactions relating to previously unrecorded income that have been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (43 of 1961).

ix. (a) In our opinion and according to the information and explanations given to us, the company has defaulted in repayment of dues to Allahabad Bank the details of which are as under:

| Nature of borrowing | Name of lender | Amt. not paid on due date | Whether Principal or interest |
|---------------------|----------------|---|---|
| Cash Credit | Allahabad Bank | Rs. 334.66 Lacs(As per OTS settlement) | Principal & Interest-NPA account since August 2013. |



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- (b) The Company has not been declared willful defaulter by any bank or financial institution or government or any government authority.
 - (c) The Company has applied the term loan for the purpose for which the loans were obtained.
 - (d) On an overall examination of the financial statements of the Company, funds raised on short- term basis have, prima facie, not been used during the year for long-term purposes by the Company.
 - (e) On an overall examination of the financial statements of the Company, the Company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiaries, associates or joint ventures.
 - (f) The Company has not raised any loans on the pledge of securities held in its subsidiary, joint ventures or associates companies.
- x. (a) The Company has not raised moneys by way of initial public offer or further public offer (including debt instruments) during the year and hence reporting under clause 3(x)(a) of the Order is not applicable.
- (b) During the year, the Company has not made any preferential allotment or private placement of shares or convertible debentures (fully or partly or optionally) and hence reporting under clause 3(x)(b) of the Order is not applicable.
- xi. (a) No fraud by the Company and no material fraud on the Company has been noticed or reported during the year.
- (b) No report under sub-section (12) of section 143 of the Companies Act has been filed in Form ADT-4 as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government, during the year and up to the date of this report.
- (c) As per informations provided by the company, nowhistle blower complaints was received by the Company during the year (and up to the date of this report.
- xii. The Company is not a Nidhi Company and hence reporting under clause (xii) of the Order is not applicable.
- xiii. In our opinion, the Company is in compliance with Section 177 and 188 of the Companies Act, 2013 with respect to applicable transactions with the related parties and the details of related party transactions have been disclosed in the standalone financial statements as required by the applicable accounting standards.
- xiv. (a) In our opinion the Company has an adequate internal audit system commensurate with the size and the nature of its business.
- (b) We have considered, the internal audit reports for the year under audit, issued to the Company during the year and till date, in determining the nature, timing and extent of our audit procedures.
- xv. In our opinion during the year the Company has not entered into any non-cash transactions with its Directors or persons connected with its directors. and hence provisions of section 192 of the Companies Act, 2013 are not applicable to the Company.
- xvi. (a) In our opinion, the Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934. Hence, reporting under clause 3(xvi)(a), (b) and (c) of the Order is not applicable.
- (b) In our opinion, there is no core investment company within the Group (as defined in the Core Investment Companies (Reserve Bank) Directions, 2016) and accordingly



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reporting under clause 3(xvi)(d) of the Order is not applicable.

- xvii. The Company has incurred cash loss during the financial year covered by our audit and incurred cash loss during the immediately preceding financial year.
- xviii. There has been no resignation of the statutory auditors of the Company during the year.
- xix. On the basis of the financial ratios, ageing and expected dates of realization of financial assets and payment of financial liabilities, other information accompanying the financial statements and our knowledge of the Board of Directors and Management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report indicating that Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.
- xx. (a) There are no unspent amounts towards Corporate Social Responsibility (CSR) on other than ongoing projects requiring a transfer to a Fund specified in Schedule VII to the Companies Act in compliance with second proviso to sub-section (5) of Section 135 of the said Act. Accordingly, reporting under clause 3(xx)(a) of the Order is not applicable for the year.

(b) No amount unspent under sub section (5) of section 135 of Companies Act pursuant to any ongoing project for CSR amount was outstanding for transfer to special Account in compliance with the provision of sub section (6) of section 135 of Companies Act at the end of the Financial Year.

For Nemani Garg Agarwal & Co.

Chartered Accountants

Firm's Registration Number: **.010192N**

SD/-

(CA. SK Nemani)

Partner

Membership Number: 037222

UDIN: 22037222AJYVMF3460

Place of Signature: New Delhi

Date: 30 May, 2022



MPS INFOTECNICS LIMITED

CIN: L30007DL1989PLC131190

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

NEMANI GARG AGARWAL & CO.

CHARTERED ACCOUNTANTS

**1517, DEVIKA TOWER, 6, NEHRU PLACE,
NEW DELHI- 110 019.**

Br.Office: Ch. No.5, Kamadgiri Aptt., Kaushambi, Ghaziabad-201010

Tel.-011-26448022/33;0120-4374727

Email ID: sknemani@sknemani.com,nemani61@gmail.com

Annexure - B

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

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

We have audited the internal financial controls over financial reporting of MPS Infotecnics Ltd. ("the Company") as of 31 March 2022 in conjunction with our audit of the stand-alone financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's Board of Directors is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditors' Responsibility

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

Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.



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Meaning of Internal Financial Controls Over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles.

A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Limitations of Internal Financial Controls Over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31 March 2022, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

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

SD/-
SK Nemani
Partner
Membership no. 037222
UDIN:- 22037222AJYVMF3460
Place: New Delhi
Date: 30/05/2022



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CIN: L30007DL1989PLC131190

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| STANDALONE BALANCE-SHEET AS AT 31ST MARCH, 2022 | | | |
|---|----------|--|-------------------------|
| | | | (Rs. In Hundreds) |
| PARTICULARS | NOTE NO. | AS AT 31.03.2022 | AS AT 31.03.2021 |
| ASSETS | | | |
| NON CURRENT ASSETS | | | |
| PROPERTY, PLANT AND EQUIPMENT | 2(a) | 4,747.79 | 4,931.99 |
| CAPITAL WORK IN PROGRESS | | - | - |
| INVESTMENT PROPERTY | | - | - |
| INTANGIBLE ASSETS | 2(b) | 1,593,292.27 | 1,949,867.27 |
| INTANGIBLE ASSETS UNDER DEVELOPMENT | 2(c) | 5,644,397.55 | 5,644,397.55 |
| FINANCIAL ASSETS | | | |
| INVESTMENTS | 3 | 6,174,851.95 | 6,174,851.95 |
| LOANS | | - | - |
| OTHER FINANCIAL ASSETS | | - | - |
| DEFERRED TAX ASSETS (NET) | | - | - |
| OTHER NON CURRENT ASSETS | 4 | 22,298,567.10 | 22,323,480.01 |
| TOTAL NON CURRENT ASSETS | | 35,715,856.66 | 36,097,528.77 |
| CURRENT ASSETS | | | |
| INVENTORIES | 5 | 6,222,045.66 | 6,221,891.85 |
| FINANCIAL ASSETS | | | |
| TRADE RECEIVABLES | 6 | 1,767,782.76 | 1,782,007.20 |
| CASH AND CASH EQUIVALENTS | 7 (a) | 54.48 | 1,263.87 |
| BANK BALANCES & LOANS | 7 (b) | 3,491,616.94 | 3,487,682.45 |
| OTHER FINANCIAL ASSETS | | - | - |
| CURRENT TAX ASSETS (NET) | | - | - |
| OTHER CURRENT ASSETS | 8 | 122,406.35 | 137,793.70 |
| TOTAL CURRENT ASSETS | | 11,603,906.19 | 11,630,639.07 |
| TOTAL ASSETS | | 47,319,762.84 | 47,728,167.84 |
| EQUITY AND LIABILITIES | | | |
| EQUITY SHARE CAPITAL | | | |
| EQUITY SHARE CAPITAL | 9 | 37,744,366.55 | 37,744,366.55 |
| OTHER EQUITY | 10 | 5,335,229.20 | 5,739,896.06 |
| TOTAL EQUITY | | 43,079,595.75 | 43,484,262.61 |
| LIABILITIES | | | |
| NON-CURRENT LIABILITIES | | | |
| FINANCIAL LIABILITIES | | | |
| BORROWINGS | 11 | - | 281,358.64 |
| DEFERRED TAX LIABILITY (NET) | | 330,167.60 | 373,010.79 |
| OTHER NON CURRENT LIABILITIES | | - | - |
| TOTAL NON-CURRENT LIABILITIES | | 330,167.60 | 654,369.44 |
| CURRENT LIABILITIES | | | |
| FINANCIAL LIABILITIES | | | |
| BORROWINGS | 12 | 2,314,572.98 | 2,123,705.47 |
| TRADE PAYABLES | | 445.48 | 15,816.47 |
| OTHER FINANCIAL LIABILITIES | | - | - |
| SHORT TERM PROVISIONS | 13 | 42,781.18 | 49,176.79 |
| OTHER CURRENT LIABILITIES | 14 | 1,552,199.87 | 1,400,837.05 |
| CURRENT TAX LIABILITY | | - | - |
| TOTAL CURRENT LIABILITIES | | 3,909,999.51 | 3,589,535.79 |
| TOTAL EQUITY AND LIABILITIES | | 47,319,762.84 | 47,728,167.84 |
| SIGNIFICANT ACCOUNTING POLICIES | NOTES ON | 1 | |
| FINANCIAL STATEMENTS | | 2-57 | |
| As per our Audit Report of even date | | | |
| For Nemani Garg Agarwal & Co. | | For and on behalf of the Board of Directors | |
| Chartered Accountants | | | |
| FRN No. : 010192N | | | |
| | | SD/- | SD/- |
| | | Peeyush Aggarwal | Rachit Garg |
| | | Managing Director | Director |
| | | DIN: 00090423 | DIN: 7574194 |
| SD/- | | | |
| S.K. Nemani | | | |
| Partner | | | |
| M.No. : 037222 | | SD/- | SD/- |
| UDIN:22037222AJYVMF3460 | | Garima Singh | Sanjay Sharma |
| | | Company Secretary | Chief Financial Officer |
| Place : New Delhi | | | |
| Date : 30th May 2022 | | | |



MPS INFOTECNICS LIMITED

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Standalone Statement of Profit & Loss Account for the year ended 31ST MARCH 2022

| PARTICULARS | NOTE NO. | (Rs. In Hundreds) | |
|---|----------|--|--------------------------------|
| | | YEAR ENDED | YEAR ENDED |
| | | 31.03.2022 | 31.03.2021 |
| REVENUE | | | |
| REVENUE FROM OPERATIONS | 15 | 48,969.56 | 41,478.18 |
| OTHER INCOME | 16 | 84,987.21 | 8,537.95 |
| TOTAL REVENUE | | 133,956.77 | 50,016.13 |
| EXPENDITURE | | | |
| PURCHASE OF STOCK -IN -TRADE & SERVICES | | 39,591.89 | 34,503.57 |
| CHANGE IN INVENTORIES | 17 | (153.81) | (2,177.96) |
| EMPLOYEE BENEFIT EXPENSES | 18 | 27,786.12 | 26,216.53 |
| FINANCE COST | 19 | 26,770.01 | 63,465.68 |
| DEPRECIATION & AMORTISATION EXPENSES | | 356,759.18 | 356,884.69 |
| OTHER EXPENSES | 20 | 138,181.90 | 126,989.88 |
| TOTAL EXPENDITURE | | 588,935.28 | 605,882.39 |
| PROFIT/(LOSS) BEFORE EXCEPTIONAL ITEMS AND TAX | | (454,978.51) | (555,866.26) |
| Exceptional Items | | - | - |
| PROFIT/(LOSS) BEFORE TAX | | (454,978.51) | (555,866.26) |
| TAX EXPENSES | | | |
| - CURRENT TAX | | - | - |
| - EARLIER YEARS (NET) | | - | - |
| - DEFERRED TAX (NET) | | 42,843.19 | 13,341.43 |
| PROFIT/(LOSS) FOR THE YEAR FROM CONTINUING OPERATIONS | | (412,135.32) | (542,524.83) |
| PROFIT/(LOSS) FROM DISCONTINUED OPERATIONS | | - | - |
| TAX EXPENSES OF DISCONTINUED OPERATIONS | | - | - |
| PROFIT/(LOSS) FROM DISCONTINUED OPERATIONS (AFTER TAX) | | - | - |
| PROFIT & LOSS FOR THE YEAR | | (412,135.32) | (542,524.83) |
| OTHER COMPREHENSIVE INCOME | | | |
| ITEMS THAT WILL NOT BE RECLASSIFIED SUBSEQUENTLY TO PROFIT & LOSS | | | |
| - REMEASUREMENTS OF THE DEFINED BENEFIT LIABILITY /ASSET | | 7,468.46 | 1,730.63 |
| - GAIN OR LOSS ARISING ON FAIR VALUATION OF EQUITY INSTRUMENT | | - | - |
| ITEMS THAT WILL BE RECLASSIFIED SUBSEQUENTLY TO PROFIT & LOSS | | | |
| | | - | - |
| TOTAL COMPREHENSIVE INCOME FOR THE YEAR COMPRISING PROFIT & LOSS AND OTHER COPREHNSIVE INCOME FOR THE YEAR | | (404,666.86) | (540,794.21) |
| EARNING PER SHARE (EQUITY SHARE OF RS 1/- EACH) - BASIC & DILUTED | 25 | (0.011) | (0.014) |
| SIGNIFICANT ACCOUNTING POLICIES AND ON FINANCIAL STATEMENTS | NOTES | 1 | 2-57 |
| As per our Audit Report of even date | | | |
| For Nemani Garg Agarwal & Co. | | For and on behalf of the Board of Directors | |
| Chartered Accountants | | | |
| FRN No. : 010192N | | | |
| | | SD/- | SD/- |
| | | Peeyush Aggarwal | Rachit Garg |
| SD/- | | Managing Director | Director |
| S.K. Nemani | | DIN: 00090423 | DIN: 7574194 |
| Partner | | | |
| M.No. : 037222 | | SD/- | SD/- |
| UDIN:22037222AJYVMF3460 | | Garima Singh | Sanjay Sharma |
| | | Company Secretary | Chief Financial Officer |
| Place : New Delhi | | | |
| Date : 30th May 2022 | | | |



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Standalone Cash Flow Statement for the year ended 31ST March, 2022

| Particulars | (Rs. In Hundreds) | |
|--|--|-------------------------|
| | AS AT | AS AT |
| | 31-Mar-22 | 31-Mar-21 |
| A. CASH FLOW FROM OPERATING ACTIVITIES | | |
| Net Profit before Tax | (454,978.51) | (555,866.26) |
| Adjustment for : | | |
| Depreciation & Amortisation | 356,759.18 | 356,884.69 |
| Leave Encashment | (307.82) | 1,649.68 |
| Gratuity | 1,380.67 | 1,351.80 |
| Comprehncive Income | - | - |
| Provision for Income Tax & Interest on Income Tax A.Y. 2013-14 | - | - |
| Interest & Other Costs | 26,770.01 | 63,465.68 |
| Interest Received | (416.04) | (531.37) |
| (Profit) / Loss on sale of Fixed Assets | - | - |
| Operating Profit Before Working Capital Changes | (70,792.52) | (133,045.80) |
| (Increase)/Decrease in Current Assets | 29,457.99 | 634,341.37 |
| Increase/(Decrease) in Current Liabilities | 326,859.33 | (485,756.84) |
| Net Cash from Operating Activities (A) | 285,524.81 | 15,538.73 |
| B. CASH FLOW FROM INVESTING ACTIVITIES | | |
| Purchase of Fixed Assets | - | - |
| Sale of Fixed Assets | - | - |
| Change in Capital WIP | - | - |
| Interest Received | 416.04 | 531.37 |
| Long term Loans & Advances | 24,912.91 | 9,359.23 |
| Net Cash Outflow in Investing Activities (B) | 25,328.95 | 9,890.61 |
| C. CASH FLOW FROM FINANCING ACTIVITIES | | |
| Issue of Equity Shares | - | - |
| Share Application Money Received | - | - |
| Increase / (Decrease) in Long Term Borrowings | (281,358.64) | 36,695.66 |
| Prior Period Item | - | - |
| Interest Paid | (26,770.01) | (63,465.68) |
| Net Cash inflow from Financing Activities (C) | (308,128.65) | (26,770.01) |
| Net Increase/(Decrease) in Cash & Cash Equivalent (A+B+C) | 2,725.10 | (1,340.69) |
| Cash and Cash Equivalent as at 01/04/2021 | 3,488,946.32 | 3,490,287.01 |
| Cash and Cash Equivalent as at 31/03/2022 | 3,491,671.42 | 3,488,946.32 |
| 1 Comparative figures have been regrouped wherever necessary. | | |
| 2 The cash flow statement has been prepared under the 'Indirect Method' as set out in Accounting Standard – 3 on Cash Flow Statement notified by the Companies (Accounting Standards) Rules, 2006. | | |
| 3 These earmarked account balances with banks can be utilised only for the specific identified purposes. | | |
| 4 Bank Balance as shown in cash and Cash Equivalentents amounting to Rs. 34,78,92,163 in Banco Efisa bank in Potugal is not available for use, because the bank has wrongly Debited the account by same amount, the matter is in court of Law. | | |
| As per our Audit Report of even date | | |
| For Nemani Garg Agarwal & Co. | For and on behalf of the Board of Directors | |
| Chartered Accountants | | |
| FRN : 010192N | SD/- | SD/- |
| | Peeyush Aggarwal | Rachit Garg |
| SD/- | Managing Director | Director |
| S.K. Nemani | DIN: 00090423 | DIN: 7574194 |
| Partner | | |
| M.No. : 037222 | | |
| UDIN:22037222AJYVMF3460 | SD/- | SD/- |
| | Garima Singh | Sanjay Sharma |
| Place : New Delhi | Company Secretary | Chief Financial Officer |
| Date : 30th May 2022 | | |



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| Note 1- A. Equity Share Capital | | Amount Rs. In Hundred | | | | | |
|---|-------------------|----------------------------|-------------------|-----------------------|----------------------------|---------------------|-------------------|
| Particulars | Number | Amount Rs. | | | | | |
| Balance as at 31st March 2020 | 3,774,436,655 | 37,744,366.55 | | | | | |
| Changes in Equity Share Capital | - | - | | | | | |
| Balance as at 31st March 2021 | 3,774,436,655 | 37,744,366.55 | | | | | |
| Changes in Equity Share Capital | - | - | | | | | |
| Balance as at 31st March 2022 | 3,774,436,655 | 37,744,366.55 | | | | | |
| B. Other Equity | | | | | | | |
| | | | | | | | (Rs. In Hundreds) |
| Particulars | Other Equity | | | | | Total | |
| | Capital Reserve | Securities Premium Reserve | General Reserve | Retained Earning | Other Comprehensive Income | | |
| Balance as at April 1,2020 | 514,571.16 | 8,991,025.06 | 260,734.30 | (3,498,967.65) | 13,327.39 | 6,280,690.26 | |
| Profit / (Loss) for the Year | - | - | - | (542,524.83) | | (542,524.83) | |
| Other Comprehensive Income for the Year | - | - | - | | 1,730.63 | 1,730.63 | |
| Total Comprehensive Income for the Year | - | - | - | (542,524.83) | 1,730.63 | (540,794.20) | |
| Dividend Paid on Shares | - | - | - | - | | - | |
| Transfer to General Reserve during the Year | - | - | - | - | | - | |
| Any other changes (to be specified) | - | - | - | - | | - | |
| As at 31st March, 2021 | 514,571.16 | 8,991,025.06 | 260,734.30 | (4,041,492.48) | 15,058.02 | 5,739,896.06 | |
| Balance as at April 1,2021 | 514,571.16 | 8,991,025.06 | 260,734.30 | (4,041,492.48) | 15,058.02 | 5,739,896.06 | |
| Profit / (Loss) for the Year | - | - | - | (412,135.32) | | (412,135.32) | |
| Other Comprehensive Income for the Year | - | - | - | - | 7,468.46 | 7,468.46 | |
| Total Comprehensive Income for the Year | - | - | - | (412,135.32) | 7,468.46 | (404,666.86) | |
| Dividend Paid on Shares | - | - | - | - | | - | |
| Transfer to General Reserve during the Year | - | - | - | - | | - | |
| Any other changes (to be specified) | - | - | - | - | | - | |
| As at 31st March, 2022 | 514,571.16 | 8,991,025.06 | 260,734.30 | (4,453,628.80) | 22,526.48 | 5,335,229.20 | |



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| Note 2 - Property, Plant & Equipments | | | | | | | | | | | |
|---|--------|---------------------|-------------|--------------|---------------------|-----------------------------|-------------------|--------------|---------------------|---------------------|---------------------|
| Description | Rate | Gross Block | | | | Depreciation / Amortization | | | | Rs. in Hundreds | |
| | | As At | Additions / | Deductions / | As At | As At | For the Year | Deductions / | As At | As At | As At |
| | | 01.04.2021 | Adjustments | Adjustments | 31.03.2022 | 01.04.2021 | | | 31.03.2022 | 31.03.2022 | 31.03.2021 |
| A. TANGIBLE ASSETS | | | | | | | | | | | |
| Building | 1.60% | - | - | - | - | - | - | - | - | - | - |
| Plant & Machinery - Computers and Peripherals | 16.21% | 343,268.83 | - | - | 343,268.83 | 342,424.79 | - | - | 342,424.79 | 844.04 | 844.04 |
| -Office Equipments | 4.75% | 143,294.13 | - | - | 143,294.13 | 142,653.00 | 28.13 | - | 142,681.13 | 613.00 | 641.13 |
| Vehicles | 9.50% | 43,798.93 | - | - | 43,798.93 | 42,745.97 | 45.99 | - | 42,791.96 | 1,006.97 | 1,052.96 |
| Furniture & Fixtures | 6.33% | 155,391.64 | - | - | 155,391.64 | 152,997.77 | 110.07 | - | 153,107.84 | 2,283.80 | 2,393.87 |
| Sub Total (A) | | 685,753.53 | - | - | 685,753.53 | 680,821.55 | 189.18 | - | 681,005.73 | 4,747.79 | 4,931.99 |
| B. INTANGIBLE ASSETS : | | | | | | | | | | | |
| Goodwill | 10% | 28,000.00 | - | - | 28,000.00 | 28,000.00 | - | - | 28,000.00 | - | - |
| Software | 10% | 3,565,750.00 | - | - | 3,565,750.00 | 1,615,882.73 | 356,575.00 | - | 1,972,457.73 | 1,593,292.27 | 1,949,867.27 |
| Sub Total (B) | | 3,593,750.00 | - | - | 3,593,750.00 | 1,643,882.73 | 356,575.00 | - | 2,000,457.73 | 1,593,292.27 | 1,949,867.27 |
| Total (A+B) | | 4,279,503.53 | - | - | 4,279,503.53 | 2,324,704.29 | 356,759.18 | - | 2,681,464.46 | 1,598,040.06 | 1,954,799.26 |
| C CAPITAL WORK IN PROGRESS | | | | | | | | | | | |
| Capital Work-in-Progress (including Advances on Capital Account) | | 5,644,397.55 | - | - | 5,644,397.55 | - | - | - | - | 5,644,397.55 | 5,644,397.55 |
| Grand Total A+B+C | | 9,923,901.08 | - | - | 9,923,901.08 | 2,324,704.29 | 356,759.18 | - | 2,681,464.46 | 7,242,437.61 | 7,599,196.81 |

| Rs. in Hundreds | | | | | | | | | | | |
|---|--------|---------------------|-------------|--------------|---------------------|-----------------------------|-------------------|--------------|---------------------|---------------------|---------------------|
| Description | Rate | Gross Block | | | | Depreciation / Amortization | | | | Rs. in Hundreds | |
| | | As At | Additions / | Deductions / | As At | As At | For the Year | Deductions / | As At | As At | As At |
| | | 01.04.2020 | Adjustments | Adjustments | 31.03.2021 | 01.04.2020 | | | 31.03.2021 | 31.03.2021 | 31.03.2020 |
| A. TANGIBLE ASSETS | | | | | | | | | | | |
| Building | 1.60% | - | - | - | - | - | - | - | - | - | - |
| Plant & Machinery - Computers and Peripherals | 16.21% | 343,268.83 | - | - | 343,268.83 | 342,424.79 | - | - | 342,424.79 | 844.04 | 844.04 |
| -Office Equipments | 4.75% | 143,294.13 | - | - | 143,294.13 | 142,566.09 | 86.91 | - | 142,563.00 | 641.13 | 728.04 |
| Vehicles | 9.50% | 43,798.93 | - | - | 43,798.93 | 42,695.57 | 50.41 | - | 42,745.97 | 1,052.96 | 1,103.36 |
| Furniture & Fixtures | 6.33% | 155,391.64 | - | - | 155,391.64 | 152,825.40 | 172.37 | - | 152,997.77 | 2,393.87 | 2,566.24 |
| Sub Total (A) | | 685,753.53 | - | - | 685,753.53 | 680,511.85 | 309.69 | - | 680,821.55 | 4,931.99 | 5,241.68 |
| B. INTANGIBLE ASSETS : | | | | | | | | | | | |
| Goodwill | 10% | 28,000.00 | - | - | 28,000.00 | 28,000.00 | - | - | 28,000.00 | - | - |
| Software | 10% | 3,565,750.00 | - | - | 3,565,750.00 | 1,259,307.73 | 356,575.00 | - | 1,615,882.73 | 1,949,867.27 | 2,306,442.27 |
| Sub Total (B) | | 3,593,750.00 | - | - | 3,593,750.00 | 1,287,307.73 | 356,575.00 | - | 1,643,882.73 | 1,949,867.27 | 2,306,442.27 |
| Total (A+B) | | 4,279,503.53 | - | - | 4,279,503.53 | 1,967,819.58 | 356,884.69 | - | 2,324,704.29 | 1,954,799.26 | 2,311,683.96 |
| C CAPITAL WORK IN PROGRESS | | | | | | | | | | | |
| Capital Work-in-Progress (including Advances on Capital Account) | | 5,644,397.55 | - | - | 5,644,397.55 | - | - | - | - | 5,644,397.55 | 5,644,397.55 |
| Grand Total A+B+C | | 9,923,901.08 | - | - | 9,923,901.08 | 1,967,819.58 | 356,884.69 | - | 2,324,704.29 | 7,599,196.81 | 7,956,081.50 |

Note :
1. The Company has developed or customized various computer software in house. The company has source code for all these software and has all the rights over the product. However, there is no formal registration of IPR. The company has shown these software under the sub-head "Software" under the head "Intangible" in its financial statements and the same is certified by the management. Capital WIP includes various software product under developed / developed which also includes software with third party for development/modification.



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| Note No. | Particulars | Rs. In Hundreds | |
|----------|--|----------------------|----------------------|
| | | As at 31.03.2022 | As at 31.03.2021 |
| 3 | NON-CURRENT INVESTMENTS | | |
| | In Equity Shares of Subsidiaries Companies | | |
| | Axis Convergence Inc -20000 Equity Share (20000 E.S.) | 4,039,859.05 | 4,039,859.05 |
| | Greenwire Network Ltd.-25641 Equity Share(25641 E.S.) | 2,014,792.37 | 2,014,792.37 |
| | Opentec Thai Network Specialists Co. Limited-129995 Equity Shares (129995 E.S.) | 120,200.53 | 120,200.53 |
| | | | |
| | | | |
| | | | |
| | Total | 6,174,851.95 | 6,174,851.95 |
| 4 | OTHER NON CURRENT ASSETS | | |
| | a. LONG-TERM LOANS & ADVANCES | | |
| | Advances with Tax Authorities | 89,491.76 | 92,112.80 |
| | Other Loans and Advances | 22,208,761.46 | 22,231,053.33 |
| | Total (a) | 22,298,253.22 | 22,323,166.13 |
| | b. OTHER NON CURRENT ASSETS | | |
| | Prepaid Rent on Security Deposit | 313.88 | 313.88 |
| | Total (a) | 313.88 | 313.88 |
| | | | |
| | Total (a) + (b) | 22,298,567.10 | 22,323,480.01 |
| | Notes : | | |
| | 1. Other Loans & Advances are subject to balance confirmation. | | |
| | 2. During the financial year 2013-14, due to change in business plan and consequential ammendment in terms, Capital Advances amounting to Rs. 220 Crore has been taken as long term advances and included in Other Loans & Advances. | | |
| 5 | INVENTORIES | | |
| | Stock-in-Trade | 6,222,045.66 | 6,221,891.85 |
| | Total | 6,222,045.66 | 6,221,891.85 |
| 6 | TRADE RECEIVABLES | | |
| | Trade Receivables | | |
| | Trade Receivables# | 1,767,782.76 | 1,782,007.20 |
| | Receivables from related parties | - | - |
| | Less: Provision for doubtful debts | - | - |
| | Trade Receivables | 1,767,782.76 | 1,782,007.20 |
| | Current portion | 1,767,782.76 | 1,782,007.20 |
| | Non-current portion | - | - |
| | Breakup of security details | | |
| | Trade Receivable Considered good-Secured | - | - |
| | Trade Receivable Considered good-Unsecured | 1,767,782.76 | 1,782,007.20 |
| | Trade Receivable which hase significant increase in credit risk | - | - |
| | Trade receivable credit impaired | - | - |
| | Total | 1,767,782.76 | 1,782,007.20 |
| | Provision for doubtful debts | - | - |
| | Total trade receivables | 1,767,782.76 | 1,782,007.20 |
| | Notes :- Trade Receivables subject to balance confirmation. The management considers the same is good and recoverable. | | |



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| Note No. | Particulars | As at 31.03.2022 | As at 31.03.2021 |
|---|---|---------------------|---------------------|
| 7 (a) | CASH BALANCES | | |
| | Cash in hand | 54.48 | 1,263.87 |
| | Total (a) | 54.48 | 1,263.87 |
| 7 (b) | BANK BALANCES | | |
| | Balances with Banks | 5,995.31 | 2,060.82 |
| | Fixed Deposits with Banks | 6,700.00 | 6,700.00 |
| | Balances with Foreign Bank - Banco Efisa | 3,478,921.63 | 3,478,921.63 |
| | Total (b) | 3,491,616.94 | 3,487,682.45 |
| | Total (a)+(b) | 3,491,671.42 | 3,488,946.32 |
| <p>Note: The funds raised by the Company from GDR issue during F.Y. 2007-08 were kept in fixed deposit account with Banco Efisa, Lisbon, Portugal, as the said amount was to be deployed in terms of INFORMATION MEMORANDUM of the GDR issue. During the F.Y. 2008-09, the Bank in Portugal, Banco Efisa wrongly debited an amount of USD 8,883,210.75 out of the balance lying in the Company's Account with the Bank. The Company has denied and disputed this debit and had initiated legal action under criminal jurisprudence of Portuguese Law. During the criminal investigation, several new facts/documents have come to our knowledge and based on the evaluation of new facts/documents by Barristers, Senior Advocates and investigation carried out of in India, London and Portugal; your Company has initiated a strong civil action for recovery of USD 8,883,210.75, along with interest, against Banco Efisa and its Holding Company, wherein the Portuguese advocates confirm that the chances of recovery are very high.</p> | | | |
| Note No. | Particulars | As at 31.03.2022 | As at 31.03.2021 |
| 8 | OTHER CURRENT ASSETS | | |
| | SHORT TERM LOANS & ADVANCES | | |
| | Advance to Suppliers | 36,705.43 | 48,037.67 |
| | Advance with Tax Authorities | 33,194.25 | 38,771.16 |
| | Staff Advance | 13.75 | - |
| | Total (a) | 69,913.43 | 86,808.83 |
| | OTHER CURRENT ASSETS | | |
| | Security Deposits | 4,523.34 | 4,723.34 |
| | Security Deposit Ammortisation Adjustment | (313.88) | (313.88) |
| | Prepaid Expenses | 43,605.02 | 42,313.02 |
| | Interest accrued but not due | 4,678.44 | 4,262.40 |
| | Total (b) | 52,492.92 | 50,984.87 |
| | Other Current Assets | - | - |
| | Total (a) + (b) | 122,406.35 | 137,793.70 |
| <p>Note : Other Loans & Advances, Advance to suppliers are subject to balance confirmation, however these loans and advances are good and recoverable.</p> | | | |



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| Note No. | Particulars | As at 31.03.2022 | As at 31.03.2021 |
|----------|--|-------------------------|----------------------|
| 9 | SHARE CAPITAL | | |
| | Equity Share Capital | | |
| | Authorised Share Capital : | 37,750,000.00 | 37,750,000.00 |
| | 3,775,000,000 Equity Share of Re.1/- each (Previous Year 3,775,000,000 equity share of Re. 1/- each) | | |
| | (a) Issued, Subscribed & Paid Up Share Capital : | 37,744,366.55 | 37,744,366.55 |
| | (377,44,36,655 Equity Shares of Re. 1/- each Includes 102,404,764 Equity Shares Consequent to issue of 46,54,762 GDR vide information Memorandum Dated December 4 , 2007) | | |
| | Total | 37,744,366.55 | 37,744,366.55 |
| | Notes: | | |
| | 1. The Company has only one class of equity shares having a par value of Re.1/- each per share. Each holder of equity share is entitled to one vote per share. | | |
| | 2. In the event of liquidation of the Company, holders of equity shares will be entitled to receive any of the remaining assets of the Company after discharging the liabilities of the Company. | | |
| | 3. The Company had increased the authorized capital during the Financial Year 2010-11 to 2012-13, however due to technical issues necessary forms along with the fees w.r.t increase in Authorised Capital, could not be filed and paid. Measnrwhile the schedule of fees was increased as per the companies act, 2013. However, the authorised capital was increased prior to the applicability of companies act, 2013. The company has filed a Writ Petition bearing No. WP(C) 5199 of 2015 before the Hon'ble High Court of Delhi, challenging the applicability of provisions prescribed under Para 3 of Table B under Registration of Offices and Fees Rules 2014 and the same is pending adjudication. | | |
| | The Details of Shareholders holding more than 5 % shares : | | |
| | | 31st March, 2022 | |
| | | 31st March, 2021 | |
| | Name of the Shareholder | No. of Shares | % held |
| | Mr. Peeyush Aggarwal | 73,647,300 | 1.95 |
| | Omkam Capital Markets Pvt. Ltd. | 47,690 | 0.001 |
| | | 786,750,193 | 20.84 |
| | | 341,000,000 | 9.03 |
| | Details of shares held by promoters as on 31.03.2022 | | |
| S. No. | Promoter's Name | No. of shares | % of total shares |
| 1 | Mr. Peeyush Aggarwal | 73,647,300 | 1.95 |
| 2 | Omkam Capital Markets Pvt. Ltd. | 47,690 | 0.001 |
| | Note_ Promoter holding has reduced during the year due to sale of shares pledged by promoters. | | |
| | Details of shares held by promoters as on 31.03.2021 | | |
| S. No. | Promoter's Name | No. of shares | % of total shares |
| 1 | Mr. Peeyush Aggarwal | 786,750,193 | 20.84 |
| 2 | Omkam Capital Markets Pvt. Ltd. | 341,000,000 | 9.03 |
| 3 | Mrs. Seema Aggarwal | 75,761,774 | 2.01 |
| | The reconciliation of the number of shares outstanding is set out as below | | |
| | | 31st March, 2021 | |
| | Particulars | No. of Shares | No. of Shares |
| | Equity Shares at the beginning of the year | 3,774,436,655 | 3,774,436,655 |
| | Add: Shares issued on conversion of convertible warrants | - | - |
| | Add: Shares issued as Bonus Shares | - | - |
| | Equity Shares at the end of the year | 3,774,436,655 | 3,774,436,655 |



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| Note No. | Particulars | As at 31.03.2022 | As at 31.03.2021 |
|-----------------|---|-----------------------------|-----------------------------|
| 10 | OTHER EQUITY | | |
| | a. Reserves & Surplus | | |
| | Capital Reserve | 514,571.16 | 514,571.16 |
| | Securities Premium Reserve | 8,991,025.06 | 8,991,025.06 |
| | General Reserve | 260,734.30 | 260,734.30 |
| | (Less):- | | |
| | Deficit in earlier year | (4,041,492.48) | (3,498,967.65) |
| | Deficit during the year | (412,135.32) | (542,524.83) |
| | Total a | 5,312,702.72 | 5,724,838.04 |
| | b. Other Comprehensive Income | | |
| | Items that will not be subsequently reclassified to OCI | | |
| | Remeasurements of Defined Benefit Liability | 22,526.48 | 15,058.02 |
| | Total (a+b) | 5,335,229.20 | 5,739,896.06 |
| Note No. | Particulars | As at 31.03.2022 | As at 31.03.2021 |
| 11 | LONG TERM BORROWINGS | | |
| | Secured | | |
| | Loans from Phoenix ARC Pvt. Ltd. | - | 281,358.64 |
| | Total | - | 281,358.64 |
| Note No. | Particulars | As at 31.03.2022 | As at 31.03.2021 |
| 12 | SHORT TERM BORROWING | | |
| | Secured | | |
| | Working Capital Loan from Allahabad Bank | 334,661.70 | 307,891.69 |
| | Unsecured | | |
| | From Directors | 1,926,251.92 | 1,762,154.42 |
| | From Corporate | 53,659.36 | 53,659.36 |
| | Total | 2,314,572.98 | 2,123,705.47 |



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| Note No. | Particulars | As at 31.03.2022 | As at 31.03.2021 |
|-----------|---|---------------------|---------------------|
| 13 | SHORT TERM PROVISIONS | | |
| | Provision for Income Tax | 20,800.74 | 20,800.74 |
| | Provisions for Employees Benefits - Leave Encashment | 10,367.74 | 17,253.54 |
| | Provisions for Employees Benefits - Gratuity | 11,612.70 | 11,122.52 |
| | Total | 42,781.18 | 49,176.79 |
| | Note: Income tax liability amounting to Rs. 20.80 Lacs in respect of assesment year 2013-14, still payable against which provision for income tax, had already been made in the books of account. As such this liability has no further impact on the profits / retained earnings of the reported period of the company. | | |
| | Notes: Working Capital Loans from Allahabad Bank are secured by way of charge on movable and immovable properties of the Company. | | |
| | (i) Company has entered into an OTS for a sum of Rs. 118,650,000.00 with Allahabad Bank as on 14.01.2016 and paid a sum of Rs. 10,27,40,318/- till 31.05.2017 and further re entered into an OTS of Rs. 281.00 Lacs and paid Rs. 13.30 lacs | | |
| | (ii) During the year, Company has cleared its entire outstanding loan with Indian Phoenix ARC Pvt. Ltd. pursuant to One Time Settlement Agreement entered into by our company with Phoenix & as on date no dues of Phoenix ARC Pvt. Ltd. are outstanding at the end of the Company. | | |
| | (iii) Other Unsecured loans included a sum of Rs. 192,625,192/- (176,215,442/-) from directors. | | |
| Note No. | Particulars | As at 31.03.2022 | As at 31.03.2021 |
| 14 | OTHER CURRENT LIABLITIES | | |
| | Advance from customers | 57,520.00 | 108,238.34 |
| | Statutory Dues | 700.46 | - |
| | Other Payables | 1,493,979.41 | 1,292,598.71 |
| | Total | 1,552,199.87 | 1,400,837.05 |
| | Note : Other payable includes Rs. 6.83 Crores towards ROC fees in connection with increase in Authorised share capital from Rs. 52.45 Crores to Rs. 377.50 Crores in various EGMs held and Merger through Court orders held during the Period from FY 2010-11 to FY 2012-13. Kindly referre Note No. 9.1 (3) under the head "Share Capital". | | |
| | Note: Trade Payables are subject to balance conirmation. | | |



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| Note No. | Particulars | As at 31.03.2022 | As at 31.03.2021 |
|-----------|---|---------------------|---------------------|
| 15 | REVENUE FROM OPERATIONS | | |
| | Sale of Products & Services | 48,969.56 | 41,478.18 |
| | Total | 48,969.56 | 41,478.18 |
| 16 | OTHER INCOME | | |
| | Miscellaneous Income | 1,212.53 | 8,006.58 |
| | Gain on the Settlement - Phoenix | 83,358.64 | - |
| | Interest income | 416.04 | 531.37 |
| | Total | 84,987.21 | 8,537.95 |
| 17 | CHANGES IN INVENTORIES OF STOCK-IN-TRADE | | |
| | Opening Stock | 6,221,891.85 | 6,219,713.89 |
| | Less: Closing Stock | 6,222,045.66 | 6,221,891.85 |
| | Total | (153.81) | (2,177.96) |
| 18 | EMPLOYEE'S BENEFIT EXPENSES | | |
| | Salaries and Wages | 27,501.11 | 25,715.44 |
| | Contribution to Provident and Other Funds | 280.00 | 279.00 |
| | Staff Welfare Expenses | 5.01 | 222.09 |
| | Total | 27,786.12 | 26,216.53 |
| 19 | FINANCE COST | | |
| | Interest Expenses | 26,770.01 | 63,465.68 |
| | Total | 26,770.01 | 63,465.68 |
| 20 | OTHER EXPENSES | | |
| | Advertisement and Publicity | 1,108.80 | 744.00 |
| | Miscellaneous Expenses | 58.60 | 47.50 |
| | Audit Fees | 1,500.00 | 1,500.00 |
| | Bank Charges | 322.36 | 876.62 |
| | Communication Expenses | 189.08 | 212.08 |
| | Conveyance Expenses | 75.83 | 259.30 |
| | Diwali Expenses | - | 24.00 |
| | Exchange Rate Fluctuation | - | 359.04 |
| | Insurance Premium | - | 27.35 |
| | Legal & Professional Charges | 4,426.38 | 1,111.50 |
| | Listing Fees | 14,098.23 | 15,337.73 |
| | Membership Fee | 110.76 | 63.56 |
| | Power, Fuel & Water Charges | 889.62 | 642.70 |
| | Printing & Stationery | 99.94 | 333.95 |
| | Rates & Taxes | 79,681.87 | 70,446.96 |
| | Rent Charges | 33,963.36 | 33,963.36 |
| | Repair & Maintenance Charges | 1,299.55 | 1,040.23 |
| | Short & Excess | 357.54 | - |
| | Total | 138,181.90 | 126,989.88 |



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| 3 | | |
|---|-----------------------------------|-----------------------------------|
| Note 21 - Disclosure Under Accounting Standard 21- Transactions occurred in Foreign Currency | | |
| | Rs. In Hundreds | |
| Particulars | As at 31st March, 2022 | As at 31st March, 2021 |
| Import/Export in Foreign Currency | | |
| FOB Value of Export | - | 390.27 |
| Value of Imports | 7,921.03 | 21,370.76 |
| Expenditure in Foreign Currency | - | - |
| Profit and (Loss) Foreign Exchange Fluctuation | 1,212.53 | (359.04) |
| Net Profit / (Loss) in Foreign Exchange Fluctuation | 1,212.53 | (359.04) |
| Note 22 - Disclosure under Accounting Standard 29 - Contingent Liabilities | | |
| A. Dues of Income Tax excluding Interest | | |
| a) A.Y. 2006-07 Rs. Nil (Rs. 1,245,589/-), | | |
| b) A.Y. 2008-09 Rs. 43,851,395/- (Rs. 43,851,395/-), Department filed appeal with Delhi High Court against the Order of ITAT, pending for disposal. Next Date of Hearing 06.10.2022 | | |
| c) A.Y. 2009-10 Rs. 27,487,250/- (27,487,250/-) Department filed appeal with Delhi High Court against the Order of ITAT, pending for disposal. Next Date of Hearing 06.10.2022 | | |
| d) A.Y. 2010-11 Rs. 27,306,810/- (2,73,06,810) Department filed appeal with Delhi High Court against the Order of ITAT, pending for disposal. Next Date of Hearing 06.10.2022 | | |
| B. Interest on Cash Credit (NPA as per Bank) of Rs. 20,581,099/- (Rs.19,355,408/-), which is under settlement with Bank . | | |
| C. ROC fees of increase in authorised share capital Rs. 50,835,392/- (Rs. 46,934,792/-). | | |
| D. Penaly impose by SEBI for Rs. 10.00 Crores for GDR Issue against which appeal is pending with Securities Appeleate Tribunal | | |
| Note 23 - Payment to auditors | | |
| | | (Amount in Rs.) |
| Particulars | As at 31st March, 2022 | As at 31st March, 2021 |
| Audit Fee for | | |
| -Statutory Audit | 1500.00 | 1500.00 |



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| Note 24 - Disclosure Under Indian Accounting Standard 24 - RELATED PARTY | | | | | | | |
|---|---|---|---------------------------|----------------------|------------------------|------------------------|------------------|
| | | Rs. In Hundreds | | | | | |
| Description of Relationship | Names of Related Parties | Outstanding Balance As | As At 31st March, | | | | |
| | | At 31st March, 2022 | 2021 | | | | |
| | | Receivable / (Payable) | Receivable / (Payable) | | | | |
| Ultimate Holding Company | No | | | | | | |
| Holding Company | No | | | | | | |
| Subsidiary Companies | Axis Convergence Inc Greenwire Network Limited Opentec Thai Network Specialists Limited | | | | | | |
| Fellow Subsidiary Company | No | | | | | | |
| Key Management Personnel (KMP) | Mr. Peeyush Kumar Aggarwal (Chairman & M.D.) | (1,926,251.92) | (1,762,154.42) | | | | |
| | Mr. Vishal Anand (CEO) | (1,714.29) | | | | | |
| | Ms. Garima Singh (Company Secretary) | (250.00) | (749.03) | | | | |
| | Mr. Sanjay Sharma (CFO) | (625.00) | (2,310.00) | | | | |
| Relatives of KMP | None | | | | | | |
| Entities in which KMP/ Relatives of KMP can exercise significant influence | Om kam Global Capital Private Limited E-wishes.com Limited MPS Informatics Pvt. Ltd. | (743,340.33) 6,725.11 (12,367.92) | (541,180.54) - - | | | | |
| Note: | | | | | | | |
| 1. Related Parties transactions during the year, have been identified by the management | | | | Rs. In Hundred | | | |
| Particulars | Mr. Peeyush Aggarwal | Om kam Global Capital Private Limited | MPS Informatics Pvt. Ltd. | E-Wishes.com Limited | Ms. Garima Singh | Mr. Sanjay Sharma | Mr. Vishal Anand |
| Sale of Goods | - | - | - | - | - | - | - |
| Purchase of Goods | - | - | - | - | - | - | - |
| Loan from Directors' (Previous Year) | 164,097.50 (13,279.72) | | | | | | |
| Other Advances (Previous Year) | | 202,159.79 (159,644.74) | 12,367.92 - | | | | |
| Advance given (Previous Year) | | | | 6,725.11 - | | | |
| Remuneration to Directors & KMPS (Previous Year) | | | | | 3,000.00 (3,000.00) | 7,825.00 (7,825.00) | 1,714.29 - |
| Share Application Money Received | - | - | - | - | - | - | - |
| Share Application Money Refunded | - | - | - | - | - | - | - |



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Note 25 - Disclosure under Indian Accounting Standard 33 -EARNINGS PER SHARE (EPS)

| Particulars | Rs. In Hundreds | |
|--|--------------------------|------------------------|
| | As at 31ST March 2022 | As at 31 March 2021 |
| Basic | | |
| Net Profit after tax as per Statement of Profit & Loss attributable to Equity Shareholders | (412,135.32) | (542,524.84) |
| Weighted Average number of equity shares used as denominator for calculating EPS | 3,774,436,655 | 3,774,436,655 |
| Basic Earnings per share | (0.011) | (0.014) |
| Face Value per equity share | 1 | 1 |
| Diluted | | |
| Net Profit after tax as per Statement of Profit & Loss attributable to Equity Shareholders | (412,135.32) | (542,524.84) |
| Weighted Average number of equity shares used as denominator for calculating EPS | 3,774,436,655 | 3,774,436,655 |
| Basic Earnings per share | (0.011) | (0.014) |
| Face Value per equity share | 1 | 1 |



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| Note 26 - DEFERRED TAX | | | |
|---|------------------------|--|---------------------|
| Movement in deferred tax assets | Rs. In Hundreds | | |
| | Depreciation | Provision for Employee's Benefits | Total |
| As at 31st March 2020 | (393,399.57) | 7,047.35 | (386,352.22) |
| (Charged / Credited: - to profit or loss | 13,011.01 | 330.42 | 13,341.43 |
| (Charged / Credited: - to other comprehensive income | - | - | - |
| As at 31st March 2021 | (380,388.56) | 7,377.77 | (373,010.79) |
| (Charged / Credited: - to profit or loss | 44,506.05 | (1,662.86) | 42,843.19 |
| (Charged / Credited: - to other comprehensive income | - | - | - |
| As at 31st March 2022 | (335,882.51) | 5,714.91 | (330,167.60) |



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Notes to the Financial Statements for the year ended March 31, 2022

(All amounts in INR Hundred, unless otherwise stated)

27 Financial instruments

(i) Fair values hierarchy

Financial assets and financial liabilities measured at fair value in the statement of financial position are classified into three Levels of a fair value hierarchy. The three levels are defined based on the observability of significant inputs to the measurement, as follows:

Level 1: Quoted prices (unadjusted) in active markets for financial instruments.

Level 2: The fair value of financial instruments that are not traded in an active market is determined using valuation techniques which maximise the use of observable market data rely as little as possible on entity specific estimates.

Level 3: If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3.

(ii) Financial Assets & Liabilities as Amortized Cost of instruments measured at amortised cost:

| Particulars | Level | Rs. In Hundred | |
|------------------------------------|---------|----------------------------------|----------------------------------|
| | | March 31, 2022 Carrying value | March 31, 2021 Carrying value |
| Financial assets | | | |
| Investments | Level 3 | 6,174,851.95 | 6,174,851.95 |
| Other Financial Assets | Level 3 | - | - |
| Trade receivable | Level 3 | 1,767,782.76 | 1,782,007.20 |
| Cash and cash equivalents | Level 3 | 3,491,671.42 | 3,488,946.32 |
| Total financial assets | | 5,259,454.17 | 5,270,953.52 |
| Financial liabilities | | | |
| Borrowings | Level 3 | 2,314,572.98 | 2,405,064.11 |
| Trade payables | Level 3 | 445.48 | 15,816.47 |
| Other financial liabilities | Level 3 | - | - |
| Total financial liabilities | | 2,315,018.46 | 2,420,880.58 |

iii) Financial instruments by category

| Particulars | March | | | March 31, | |
|------------------------------|----------|----------|----------------------|-----------|----------------------|
| | FVTPL | FVOCI | Amortised cost | FVTPL | Amortised cost |
| Financial assets | | | | | |
| Investments | - | - | 6,174,851.95 | - | 6,174,851.95 |
| Loan - security deposits | - | - | - | - | - |
| Loan - employees | - | - | - | - | - |
| Loan - Other | - | - | - | - | - |
| Other financial assets | - | - | - | - | - |
| Trade receivables | - | - | 1,767,782.76 | - | 1,782,007.20 |
| Cash and cash equivalents | - | - | 3,491,671.42 | - | 3,488,946.32 |
| Total | - | - | 11,434,306.12 | - | 11,445,805.47 |
| Financial liabilities | | | | | |
| Borrowings | - | - | 2,314,572.98 | - | 2,405,064.11 |
| Trade payable | - | - | 445.48 | - | 15,816.47 |
| Other financial liabilities | - | - | - | - | - |
| Total | - | - | 2,315,018.46 | - | 2,420,880.58 |



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| | | | | | |
|-----------|--|---------------------------|-----------------------|-----------------------|--|
| 28 | Financial risk management | | | | |
| | The Company's activities expose it to market risk, liquidity risk and credit risk. The Company's board of directors has overall responsibility for the establishment and oversight of the Company's risk management framework. This note explains the sources of risk which the entity is exposed to and how the entity manages the risk and the related impact in the financial statements. | | | | |
| A) | Credit risk | | | | |
| | Credit risk is the risk that a counterparty fails to discharge an obligation to the company. The company is exposed to this risk for various financial instruments, for example by granting loans and receivables to customers, placing deposits, etc. The company's maximum exposure to credit risk is limited to the carrying amount of following types of financial assets. | | | | |
| | <ul style="list-style-type: none"> - cash and cash equivalents, - trade receivables, - loans & receivables carried at amortised cost, and - deposits with banks | | | | |
| | Credit risk management | | | | |
| | <i>Credit risk rating</i> | | | | |
| | The Company assesses and manages credit risk based on internal credit rating system, continuously monitoring defaults of customers and other counterparties, identified either individually or by the company, and incorporates this information into its credit risk controls. Internal credit rating is performed for each class of financial instruments with different characteristics. The Company assigns the following credit ratings to each class of financial assets based on the assumptions, inputs and factors specific to the class of financial assets. | | | | |
| | A: Low | | | | |
| | B: Medium | | | | |
| | C: High | | | | |
| | Assets under credit risk - | | | | |
| | Credit rating | Particulars | March 31, 2022 | March 31, 2021 | |
| | HIGH | Other Financial Assets | | | |
| | HIGH | Investments | 6,174,851.95 | 6,174,851.95 | |
| | LOW | Cash and cash equivalents | 3,491,671.42 | 3,488,946.32 | |
| | HIGH | Trade receivables | 1,767,782.76 | 1,782,007.20 | |
| | <i>Cash & cash equivalents and bank deposits</i> | | | | |
| | Credit risk related to cash and cash equivalents and bank deposits is managed by only accepting highly rated banks and diversifying bank deposits and accounts in different banks. | | | | |
| | <i>Trade receivables</i> | | | | |
| | Company's trade receivables are considered of high quality and accordingly no life time expected credit losses are recognised on such receivables. | | | | |
| | <i>Other financial assets measured at amortised cost</i> | | | | |
| | Other financial assets measured at amortized cost includes advances to employees. Credit risk related to these other financial assets is managed by monitoring the recoverability of such amounts continuously, while at the same time internal control system in place ensure the amounts are within defined limits. | | | | |
| B) | Liquidity risk | | | | |
| | Prudent liquidity risk management implies maintaining sufficient cash and marketable securities and the availability of funding through an adequate amount of committed credit facilities to meet obligations when due. Due to the nature of the business, the Company maintains flexibility in funding by maintaining availability under committed facilities. | | | | |
| | Management monitors rolling forecasts of the Company's liquidity position and cash and cash equivalents on the basis of expected cash flows. The Company takes into account the liquidity of the market in which the entity operates. In addition, the Company's liquidity management policy involves projecting cash flows in major currencies and considering the level of liquid assets necessary to meet these, monitoring balance sheet liquidity ratios against internal and external regulatory requirements and maintaining debt financing plans. | | | | |
| | Maturities of financial liabilities | | | | |
| | The amounts disclosed in the table are the contractual undiscounted cash flows. Balances due within 12 months equal their carrying balances as the impact of discounting is not significant. | | | | |



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| | | | | (Rs. In Hundreds) |
|--|-------------------------------------|------------------|--------------------------|--------------------------|
| 31 March 2022 | Less than 1 | 1-5 year | More than 5 years | Total |
| Borrowings | 190,867.51 | - | 2,123,705.47 | 2,314,572.98 |
| Trade payable | 445.48 | - | - | 445.48 |
| Other financial liabilities | - | - | - | - |
| Total | 191,312.99 | - | 2,123,705.47 | 2,315,018.45 |
| 31 March 2021 | Less than 1 | 1-5 year | More than 5 years | Total |
| Borrowings | 76,745.40 | - | 2,328,318.72 | 2,405,064.12 |
| Trade payable | 56.73 | 14,409.74 | 1,350.00 | 15,816.47 |
| Other financial liabilities | | | | |
| Total | 76,802.13 | 14,409.74 | 2,329,668.72 | 2,420,880.59 |
| c) Market risk | | | | |
| a) Interest rate risk | | | | |
| The Company is not exposed to changes in market interest | | | | |
| b) Price risk | | | | |
| Exposure | | | | |
| The Company's exposure to price risk arises is nil | | | | |
| 29 Intangible assets under development | | | | |
| For Intangible assets under development, following ageing schedule shall be given: | | | | |
| Intangible assets under development ageing schedule | | | | |
| | | | | Amount in Hundred |
| Intangible assets under development | Amount in CWIP for period of | | | Total |
| | Less than 1 year | 1-2 years | 2-3 years | More than 3 years |
| Project 1 | | | | 5,644,397.55 |
| Project 2 | - | - | - | - |



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| Note- 30 | | | | | | |
|---------------------------|------------------------------|--|------------------------|------------------------|------------|---|
| MPS INFOTECNICS LIMITED | | | | | | |
| Ration Analysis (2021-22) | | | | | | REMARKS |
| Sl. No. | Particulars | Formula | Financial Year 2021-22 | Financial Year 2020-21 | % Variance | |
| 1 | Current Ratio | Current Assets / Current Liability | 2.97 | 3.24 | (8.41) | |
| 2 | Debt-to-Equity Ratio | Debts (Long Term and Short Term) / Equity Shareholder Fund | 0.05 | 0.06 | (2.86) | |
| 3 | Debt Service Coverage Ratio | EBIDT / Interest+Principal | (0.23) | (2.14) | (89.14) | One time settlement of Phonix ARC Pvt Ltd was made during the year hence Debt paid was higher during the year as compare to previous year |
| 4 | Return on Equity Ratio | Net Income /Average Shareholder's Equity | (0.01) | (0.01) | (23.32) | |
| 5 | Inventory Turnover Ratio | Cost of Goods Sold / Avg Inventory | 0.01 | 0.01 | 21.98 | |
| 6 | Receivables turnover | Sales / Trade Receivable | 0.03 | 0.02 | 19.01 | |
| 7 | Trade Payable Turnover Ratio | Sales / Trade Payable | 109.93 | 2.62 | 4,091.70 | Trade Payable was lower as compare to Previous Year |
| 8 | Net Capital Turnover Ratio | Sales/Average Working Capital | 0.01 | 0.00 | 143.60 | Due to lower base of Turnover in both year |
| 9 | Net Profit Margin Ratio | Net Income / Net Sales | (8.42) | (13.08) | (35.66) | |
| 10 | Return on Capital Employed | EBIT/ Total Assets - Current Liabilities | (0.01) | (0.01) | (11.58) | |
| 11 | Return on Investment | EBIT/Average Operating Assets | (0.01) | (0.01) | (12.90) | |

31. The Company has not paid any remuneration to the directors during the year hence no requirement of compliance of provisions of section 196, 197, 203 and other applicable provisions of the Companies Act 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 read with the Schedule V of the Companies Act 2013.

32. The debit and credit balances standing in the name of parties are subject to confirmation from them.

33. In the opinion of the Board of Directors, the non-current assets, the current assets, loans & advances are fully realizable at the value stated, if realized in the ordinary course of business. The provisions for all known liabilities are adequate in the opinion of board.

34. Employee Benefits

A. Defined Contribution Plan

The Company has contributed to Employee Provident Fund, under defined contribution plans. The provident fund is operated by the Regional Provident Fund Commissioner.



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During the year the company has recognized the following amounts in the Statement of Profit & Loss:

(Rs. In Hundreds)

| Particulars | March 31, 2022 | March 31, 2021 |
|---|----------------|----------------|
| Employer's Contribution to Provident Fund | 280.00 | 279.00 |

B. Defined Benefit Plan

The present value obligation in respect of gratuity & Leave Encashment are determined based on actuarial valuation using the projected unit credit method, which recognizes each period of service as giving rise to additional unit of employee benefit entitlement and measures each unit separately to build up the final obligation. The summarized positions of various defined benefits are as under:-

i. Actuarial Assumptions

| | Gratuity/Leave Encashment (unfunded) March 31, 2022 | Gratuity/Leave Encashment (unfunded) March 31, 2021 |
|---------------------------|---|---|
| Discount Rate (per annum) | 6.84% | 6.70% |
| Salary Escalation | 8.50% | 8.50% |
| Attrition rate: | | |
| Up to 30 Years | 3.00 | 3.00 |
| From 31 to 44 years | 2.00 | 2.00 |
| Above 44 years | 1.00 | 1.00 |
| Mortality Rates | 100% of India Assured Lives 2012-14 Ultimate | 100% of India Assured Lives 2012-14 Ultimate |

Note:

Discount rate should be based on the yield to maturity on high quality corporate bonds having term similar to that of the liability.

ii. Change in Gratuity A/c Obligation

(Rs. In Hundreds)

| S. No. | Particulars | 31/03/2022 | 31/03/2021 |
|--------|---|------------------|------------|
| a. | Present value of obligation as at the beginning of the period | 11,122.51 | 10,590.92 |
| b. | Interest Cost | 745.21 | 702.18 |
| c. | Service Cost | 635.46 | 649.61 |
| d. | Benefits Paid | - | - |
| e. | Total Actuarial (Gain)/Loss on Obligation | (890.48) | (820.20) |
| f. | Present value of obligation as at the End of the period | 11,612.70 | 11,122.51 |

iii. Change in Leave Encashment A/c Obligation

(Rs. In Hundreds)

| S. No. | Particulars | 31/03/2022 | 31/03/2021 |
|--------|---|------------|------------|
| a. | Present value of obligation as at the beginning of the period | 17,253.53 | 16,514.29 |
| b. | Interest Cost | 1,155.99 | 1,094.90 |
| c. | Service Cost | 536.19 | 554.77 |
| d. | Benefits Paid | (2,000.00) | - |



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| | | | |
|----|---|------------|-----------|
| e. | Total Actuarial (Gain)/Loss on Obligation | (6,577.97) | (910.43) |
| f. | Present value of obligation as at the End of the period | 10,367.74 | 17,253.53 |

35. Ageing of Trade Payable (Creditors)

As on 31.03.2022 (Rs. In Hundreds)

| Particulars | Amount of Trade Payable outstanding from due date of payment | | | | |
|--------------------------|--|----------|----------|-------------------|--------|
| | Less than 1 Years | 1-2 Year | 2-3 Year | More than 3 Years | Total |
| Undisputed Dues - MSME | - | - | - | - | - |
| Undisputed Dues - Others | 445.48 | - | - | - | 445.48 |
| Disputed dues - MSME | - | - | - | - | - |
| Disputed dues - Others | - | - | - | - | - |

As on 31.03.2021 (Rs. In Hundreds)

| Particulars | Amount of Trade Payable outstanding from due date of payment (Rs/Lacs) | | | | |
|--------------------------|--|----------|----------|-------------------|----------|
| | Less than 1 Years | 1-2 Year | 2-3 Year | More than 3 Years | Total |
| Undisputed Dues - MSME | - | - | - | - | - |
| Undisputed Dues - Others | 56.73 | - | 14409.74 | 1350.00 | 15816.47 |
| Disputed dues - MSME | - | - | - | - | - |
| Disputed dues - Others | - | - | - | - | - |

36. Ageing of Trade Receivable (Debtors)

As on 31.03.2022

(Rs. In Hundreds)

| Particulars | Amount of Trade Receivable outstanding from due date of payment | | | | | Total |
|--|---|--------------------|-----------|-----------|-------------------|------------|
| | Less than 6 Months | 6 Months to 1 Year | 1-2 Years | 2-3 Years | More than 3 Years | |
| Undisputed Trade receivables-considered good | 3,379.10 | 2,778.08 | | 22,153.61 | 1739471.96 | 1767782.76 |
| Undisputed | - | - | - | - | | |



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| | | | | | | |
|--|---|---|---|---|---|---|
| Trade receivables-considered doubtful | | | | | | |
| Disputed Trade receivables-considered good | - | - | - | - | | |
| Disputed Trade receivables-considered doubtful | - | - | - | - | - | - |

As on 31.03.2021

(Rs. In Hundreds)

| Particulars | Amount of Trade Receivable outstanding from due date of payment | | | | | |
|--|---|--------------------|-----------|-----------|-------------------|-------------------|
| | Less than 6 Months | 6 Months to 1 Year | 1-2 Years | 2-3 Years | More than 3 Years | Total |
| Undisputed Trade receivables considered good | 2876.01 | 2685.42 | 4252.86 | | 1772192.91 | 1782007.20 |
| Undisputed Trade receivables considered doubtful | - | - | - | - | - | - |
| Disputed Trade receivables considered good | - | - | - | - | - | - |
| Disputed Trade receivables considered doubtful | - | - | - | - | - | - |

- 37.** During the year, Company has cleared its entire outstanding loan with Indian Phoenix ARC Pvt. Ltd. pursuant to One Time Settlement Agreement entered into by our company with Phoenix & as on date no dues of Phoenix ARC Pvt. Ltd. are outstanding at the end of the Company
- 38.** Necessary disclosures under Micro, Small and Medium Enterprises Development Act 2006, could not be considered for previous years as the relevant information to identify the suppliers who were covered under the said Act were not received from such parties during the previous years.
- 39. Title Deeds of immovable Property:** The Company had no immovable property during the year.
- 40. Revaluation of Property, Plant and Equipment:** During the financial year, the Company has not re-valued any of its Property, Plant & Equipment.



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41. Disclosure of loans/advances given to Directors/KMP/Related parties:-

Disclosure w.r.t loans and advances which are:-

- repayable on demand or
- without specifying any terms or period of repayment are as follows:

| Type of Borrower | As on 31.03.2022 | | As on 31.03.2021 | |
|------------------|---|---|---|---|
| | Amount of loan or advance in the nature of loan outstanding | Percentage to the total loans and advances in the nature of loans | Amount of loan or advance in the nature of loan outstanding | Percentage to the total loans and advances in the nature of loans |
| Promoters | - | - | - | - |
| Directors | - | - | - | - |
| KMPs | - | - | - | - |
| Related Parties | - | - | - | - |

42. **Benami Properties** : Proceeding under Benami Property Transaction Act, 1988 has been dropped vide Order dated 21.02.2022 vide order No. 49/AA/MUM/PBPT/2021-22.

43. **Borrowings from Banks/FI on the basis of security of Current Assets**: Company had no working capital limit with bank hence the Company has not submitted quarterly current assets statement with bank, during the year under review.

44. The company has not been declared as willful defaulter by any bank of financial institution or any other lender.

45. **Transactions with Struck-off Companies**: The Company has not entered into any transactions with struck off companies under section 248 of the Companies Act 2013 or Section 560 of Companies Act 1956.

46. **Registration of Charges or Satisfaction** : During the year, company has filed following CHG-4 with MCA for satisfaction of charges with Phoenix ARC Pvt. Ltd., New Delhi:-

| Charge ID | Amount in Rs Hundreds | Date of filing |
|-----------|-----------------------|----------------|
| 10117410 | 1,000,000.00 | 25.01.2022 |

47. Compliance with layers of the companies:-

The company has complied with the number of layers prescribed under Clause (87) of the Act read with Companies (Restriction on number of Layers) Rules 2017.

48. **Scheme of Arrangement** : During the year, the company has not entered into any scheme or arrangement in terms of Section 230 to 237 of the Companies Act 2013.

49. During the year no income was surrendered or disclosed as income in the tax Assessments.

50. **Use of Borrowed Funds**: During the year Company has not borrowed any funds from banks and Financial Institutions.

51. The company has not dealt in Crypto Currency during the year.



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52. The Company has not advanced or loaned or invested funds to any other person or entities with an understanding that the intermediary will invest or provide any guarantee, security or the like to or on behalf of ultimate beneficiaries.
53. The Company has not received any fund from any person (s) or entity(s), including foreign entities (Funding party) with the understanding that the company shall directly or indirectly invest or provide any guarantee, security or the like to or on behalf of funding party.
54. In the opinion of the Board, all current assets have a value on realization in the ordinary course of business which is equal to the amount at which they are stated in financial statements.
55. Additional information, to the extent applicable, required under paragraphs 5 (viii) (c) of general instructions for preparation of the Statement of profit & Loss as per schedule III to the Companies Act, 2013

(A) Composition of Raw Material Consumption:

(Rs. In Lacs)

| Raw Material Consumption | 2021-22 | | 2020-21 | |
|--------------------------|---------|------------|---------|------------|
| | Value | Percentage | Value | Percentage |
| Imported | Nil | Nil | Nil | Nil |
| Indigenous | Nil | Nil | Nil | Nil |

(B) Value of Imports on CIF basis:-

| Particulars | 2021-22 | 2020-21 |
|--------------|---------|---------|
| Raw Material | NIL | NIL |

(C) Earning in Foreign Currency:

| Particulars | 2021-22 | 2020-21 |
|------------------------|---------|---------|
| F.O.B Value of Exports | NIL | NIL |

(D) Expenditure in Foreign Currency (on payment basis):

| Particulars | 2021-22 | 2020-21 |
|---------------------------------|---------|---------|
| Expenditure in Foreign Currency | NIL | NIL |

56. There are no separate reportable segments as per IND AS-108.



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57. Previous year figures have been regrouped, rearranged wherever necessary to correspond with the current year's classification/disclosure.

For Nemani Garg Agarwal & Co.

Chartered Accountants

Firm Regn. No. : 010192N

For and on behalf of the Board of Directors

SD/-

(S.K.Nemani)

Partner

M. No. 037222

SD/-

(Peeyush Kumar Aggarwal)

Chairman

DIN: 00090423

SD/-

(Rachit Garg)

Director

DIN: 07574194

SD/-

(Sanjay Sharma)

CFO

SD/-

(Garima Singh)

Company Secretary

UDIN:- 22037222AJYVMF3460

Place: New Delhi

Date: 30th May, 2022



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SIGNIFICANT ACCOUNTING POLICIES

Statement of Compliance with Ind AS

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

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

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

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

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

A. Basis of Accounting & Preparation of Financial Statements

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

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

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

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

B. Use of Estimates

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



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C. Property, plant and equipment (PPE) and Capital work-in-progress (CWIP)

Transition to Ind AS

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

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

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

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

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

D. Leases

The Company, as a lessee, recognizes a right-of-use asset and a lease liability for its leasing arrangements, if the contract conveys the right to control the use of an identified asset.

The contract conveys the right to control the use of an identified asset, if it involves the use of an identified asset and the Company has substantially all of the economic benefits from use of the asset and has right to direct the use of the identified asset. The cost of the right-of-use asset shall comprise of the amount of the initial measurement of the lease liability adjusted for any lease payments made at or before the commencement date plus any initial direct costs incurred. The right-of-use assets is subsequently measured at cost less any accumulated depreciation, accumulated impairment losses, if any and adjusted for any remeasurement of the lease liability. The right-of-use assets is depreciated using the straight-line method from the commencement date over the shorter of lease term or useful life of right-of-use asset.

The Company measures the lease liability at the present value of the lease payments that are not paid at the commencement date of the lease. The lease payments are discounted using the interest rate implicit in the lease, if that rate can be readily determined. If that rate cannot be readily determined, the Company uses incremental borrowing rate.

For short-term and low value leases, the Company recognizes the lease payments as an operating expense on a straight-line basis over the lease term

E. Intangible Assets

Transition to Ind AS:

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

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



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F. Depreciation and Amortisation

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

G. Impairment of Assets

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

H. Foreign Currency Transactions

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

(b) Monetary items denominated in foreign currencies at the yearend are restated at year end rates. In case of items which are covered by forward exchange contracts, the difference between the yearend rate and rate on the date of the contract is recognised as exchange difference

(c) Non monetary foreign currency items are carried at cost.

(d) Any income or expense on account of exchange difference either on settlement or on translation is recognised in the Profit and Loss account except in case of long term liabilities, where they relate to acquisition of fixed assets, in which case they are adjusted to the carrying cost of such assets.

I. Fair value measurement

The Company measures financial instruments at fair value at each balance sheet date.

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

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

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

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

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



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

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

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

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

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

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

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

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

Financial instruments

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

Financial assets

Initial recognition and measurement

All financial assets are recognised initially at fair value plus, in the case of financial assets not recorded at fair value through profit or loss, transaction costs that are attributable to the acquisition of the financial asset. The financial assets include equity and debt securities, trade and other receivables, loans and advances, cash and bank balances and derivative financial instruments.



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Subsequent measurement

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

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

Debt instruments at amortised cost

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

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

After initial measurement, such financial assets are subsequently measured at amortised cost using the effective interest rate (EIR) method. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR.

Equity investments

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

Deemed cost is the carrying amount under the previous GAAP as at the transition date i.e. 1st April, 2016. Equity instruments included within the FVTPL category, if any, are measured at fair value with all changes recognized in profit or loss. The Company may make an irrevocable election to present in OCI subsequent changes in the fair value.

The Company makes such election on an instrument-by-instrument basis. The classification is made on initial recognition and is irrevocable. When the fair value has been determined based on level 3 inputs, the difference between the fair value at initial recognition and the transaction price is deferred and after initial recognition deferred difference is recognised as gain or loss to the extent it arises from change in input to valuation technique. If the Company decides to classify an equity instrument at FVTOCI, then all fair value changes on the instrument, excluding dividends, are recognized in OCI.

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

De-recognition

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

Inventories

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



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J. Revenue Recognition

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

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

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

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

Interest Income is recognized on time proportion basis.

K. Employee Benefits

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

(b) Post-employment benefits:

Defined contribution plans:

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

Defined benefit plan:

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

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

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

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

Actuarial gains and losses are recognized in the other comprehensive income



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Long term employment benefits

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

L. Borrowing Costs

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

M. Provision for Current and Deferred Tax

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

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

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

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

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

N. Provisions, Contingent Liabilities and Contingent Assets

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

O. Estimated fair value of unlisted securities

The fair values of financial instruments that are not traded in an active market and cannot be measured based on quoted prices in active markets is determined using valuation techniques including the net assets value (NAV) model. The Group uses its judgment to select a variety of method / methods and make



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assumptions that are mainly based on market conditions existing at the end of each financial year. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgment is required in establishing fair values. Judgments include considerations of inputs such as liquidity risk, credit risk and volatility. Changes in assumptions about these factors could affect the reported fair value of financial instruments.

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



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CONSOLIDATED AUDIT REPORT

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

Opinion

We have audited the accompanying consolidated financial statements of MPS Infotecnics Limited ("MPS" or "Holding company") and its subsidiaries, (the Company and its subsidiaries together referred to as "the Group"), which comprise the Consolidated Balance Sheet as at 31st March 2022, and the Consolidated Statement of Profit and Loss (including Other Comprehensive Income), the Consolidated Statement of Changes in Equity and the Consolidated Statement of Cash Flows for the year then ended, and a summary of significant accounting policies and other explanatory information (herein after referred to as "the Consolidated financial statements").

In our opinion and to the best of our information and according to the explanations given to us, except for the effect of the matters described in the "Basis for Qualified Opinion" section below, the aforesaid consolidated financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended ('Ind AS'), and other accounting principles generally accepted in India, of the consolidated state of affairs of the Group as at 31st March 2022, consolidated Loss, consolidated total comprehensive income, consolidated changes in equity and consolidated cash flows for the year ended on that date.

Basis for Qualified Opinion

1. The following items shown as Intangible Assets / Inventories, no provision for impairment of assets has been made in accordance with Ind AS 36 –
 - (a) Intangible Assets under development (Capital Work-in-progress) (software development) of 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.

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.



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2. **Assets of subsidiaries – Rs. 16.93 Cr.**

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

The consolidated financial statements as of 31st March 2022 include the following, pertaining to the 3 subsidiaries:

- (a) Total assets of -Rs.16.93 Cr. which are not material to the Group
- (b) Total revenue of -Nil .
- (c) Net cash inflows of – NIL for the year ended on that date.

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

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

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

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

There is also uncertainty in the realization of receivables of these subsidiaries, aggregating to Rs. 16.59 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.

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

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

- 4. Other non-current assets include other loans and advances of Rs. 222.18 Cr. which are considered to be good for recovery. However as the terms and conditions regarding these loans have not been provided to us we are unable to ascertain and comment on the extent of realisability of this asset.

- 5. The Company had increased its Authorized Capital from Rs.52.45 Crores to Rs. 377.50 crores during the period from FY 2010-11 to FY 2012-13, ROC fees of Rs. 6.83 crores towards the above stands payable although provided for.

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

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



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Our opinion is modified in respect of these matters to the extent of above notes.

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

Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of Consolidated Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India (ICAI) together with the independence requirements that are relevant to our audit of the consolidated financial statements under the provisions of the Act and the Rules made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics.

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

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

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

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

Auditor's Response.

We obtained from the Company's management, details of the status as of 31st March 2022 concerning tax assessments and demands for current as well as past years. We assessed the management's underlying assumptions in estimating the tax provision and the possible outcome of the disputes to evaluate whether any change was required to management's position on these uncertainties.

2. **Holding Company's business model**
MPS's existing business model has been impacted by the uncertainty due to various facts including but not limited to, foreign exchange fluctuations, stiff competition, purchase in cash and sales on credit, regulatory restraints etc. The Company hopes to recover and recover losses and make profits over the coming years.
3. Sundry Debtors in consolidated balance sheet aggregates to Rs. 34.26 Crores which are more than 6 months old. These debtors include sundry debtors pertaining to Subsidiaries aggregating to Rs. 16.59 Crores which are more than 3 years.. However in the opinion of auditors there should be a regular process of identification and making provision for bad and doubtful debts. Such a process has not been followed. We therefore are unable to comment on the extent of un-provided bad and doubtful debts and their impact on loss and reserves.
4. SEBI had investigated the GDR issue of the Holding Company and SEBI in exercise of the powers conferred upon me under Sections 11(1), 11(4) and 11B of the SEBI Act, 1992 read with Section 19 of the SEBI Act, 1992, inter alia, had directed the company to continue to pursue the measures to bring back the outstanding amount of \$ 8.90 million into its bank account in India and then the Directors



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and present Directors to ensure compliance of the directions issued by SEBI by furnish a certificate from a peer reviewed Chartered Accountant of ICAI certifying the compliance of the said directions.

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

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

Further SEBI vide its order dated 27.11.2020 has imposed a penalty of Rs. 10.00 crores on the Holding Company The Company is also in receipt of recovery certificate from SEBI and consequent thereon the SEBI has free zed the bank accounts of the Holding Company. Against the order of SEBI, the Company has filed an appeal before the Hon'ble Securities Appellate Tribunal (SAT), which is presently pending for adjudication.

6. **Default in payment of working capital dues**

The cash-credit account of the Holding Company with Allahabad Bank was declared as NPA by the Bank; against the one-time settlement with the Bank for Rs. 2.81 cr, the overdue arrears as on 31 Mar 2022 is Rs. 3.35Cr. Provision for interest at the contracted rates have been made in the books of accounts though have not been paid.

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

Information Other than the Consolidated Financial Statements and Auditor's Report Thereon

The Holding Company's Board of Directors is responsible for the other information. The other information comprises the information included in the annual report, but does not include the consolidated financial statements and our auditor's report thereon.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is no material misstatement of this other information. We have nothing to report in this regard.

Management's Responsibility for the Consolidated Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these consolidated financial statements that give a true and fair view of the consolidated financial position, consolidated financial performance including other comprehensive income,



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consolidated changes in equity and consolidated cash flows of the Group in accordance with the Ind AS and other accounting principles generally accepted in India.

- The respective Board of Directors of the companies included in the Group are responsible for:
- maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and for preventing and detecting frauds and other irregularities
 - selection and application of appropriate accounting policies
 - making judgments and estimates that are reasonable and prudent, and
 - design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

The respective Board of Directors of the companies included in the Group is also responsible for overseeing the financial reporting process of each company.

Auditor's Responsibility for the Audit of the Consolidated Financial Statements

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

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal financial control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company and its subsidiary companies which are companies incorporated in India, have adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Group to continue as a going concern.



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If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion.

- Our conclusions are based on the audit evidence obtained up to the date of our audit report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities and business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the audit of financial information of such entities included in the consolidated financial statements.

Materiality is the magnitude of misstatements in the consolidated financial statements that, individually or in the aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the consolidated financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work and (ii) to evaluate the effect of any identified misstatements in the consolidated financial statements.

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

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Our opinion on the consolidated financial statements and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matters with respect to our reliance on the financial information certified by the Management.

Report on Other Legal and Regulatory Requirements

1. As required by Section 143(3) of the Act, based on our audit and consideration of financial information of the 3 subsidiaries, as were certified by the Management, and as referred to in para 2 in the Basis for Qualified Opinion section above, we report that:
 - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated financial statements.



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- b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books.
- c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss (including Other Comprehensive Income), the Consolidated Statement of Changes in Equity and the Consolidated Statement of Cash Flows dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements.
- d) In our opinion, the aforesaid consolidated financial statements comply with the Ind AS specified under Section 133 of the Act read with Rule 7 of the Companies (Accounts) Rules, 2014.
- e) On the basis of the written representations, as on 31st March 2022, received from the directors of the Holding company incorporated in India and certificate of Non-disqualification of Directors pursuant to section 164 (2) issued by the Secretarial Auditor M/s. Kundan Aggarwal & Associates, both taken on record by the Holding company's Board of Directors, none of the directors are disqualified as on 31st March 2022 from being appointed as a director in terms of Section 164 (2) of the Act.
- f) With respect to the adequacy of the internal financial controls over financial reporting and the operating effectiveness of such controls, please refer to our separate Report in "Annexure A" which is based on our audit report of the Holding company and the unaudited information given by Management concerning the 3 subsidiary companies. Our report expresses an unmodified opinion on the adequacy and operating effectiveness of internal financial controls over financial reporting of those companies.
- g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197 (16) of the Act, as amended, according to the information and explanations given to us, no remuneration has been paid by the Company to its directors during the year.
- h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014 as amended, in our opinion and to the best of our information and according to the explanations given to us:
- i) The consolidated financial statements disclose the impact of pending litigations on the consolidated financial position of the Group.
- ii) There are no long-term contracts including derivative contracts and hence no provision is required to be made in the consolidated financial statements, as required under the applicable law or accounting standards, for material foreseeable losses, if any.
- iii) There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund, by the Holding company; there are no Indian subsidiaries.
- iv) (a)The Management has represented that, to the best of its knowledge and belief, no funds (which are material either individually or in the aggregate) have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person or entity, including foreign entity ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;

b)The Management has represented, that, to the best of its knowledge and belief, no funds (which are material either individually or in the aggregate) have been received by the Company from any person or entity, including foreign entity ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;



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- V) Based on the audit procedures that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e), as provided under (a) and (b) above, contain any material misstatement.
- i) The company has not declared or proposed dividend during the year.

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

SD/-
S K Nemani
Partner
Membership no. 037222
UDIN:- 22037222AJZNTX6563
Place: New Delhi
Date: 30th May, 2022



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CIN: L30007DL1989PLC131190

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NEMANI GARG AGARWAL & CO.
CHARTERED ACCOUNTANTS
1517, DEVIKA TOWER, 6, NEHRU PLACE,
NEW DELHI- 110 019.

Br.Office: Ch. No.5, Kamadgiri Aptt., Kaushambi, Ghaziabad-201010

Tel.-011-26448022/33;0120-4374727

Email ID: sknemani@sknemani.com, nemani61@gmail.com

Annexure to Consolidated Audit Report

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

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

In conjunction with our audit of the consolidated financial statements of the Company as of and for the year ended 31 March, 2022, we have audited the internal financial controls over financial reporting of the Holding company, MPS Infotecnics Limited; we have relied on the unaudited information given by Management with respect to the 3 overseas subsidiary companies which form part of the consolidated statements covered by this Report.

Management’s Responsibility for Internal Financial Controls

The Board of Directors of the Holding company and its subsidiaries are responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the respective Companies considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (“Guidance Note”) issued by the Institute of Chartered Accountants of India (“ICAI”). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the respective company’s policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

Auditor’s Responsibility

Our responsibility is to express an opinion on the internal financial controls over financial reporting of the Holding company only as the 3 subsidiary companies, are incorporated outside India and have not been audited. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing, prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor’s judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.



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We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls system over financial reporting of the Holding company excluding its subsidiary companies which are companies incorporated outside India and have not been audited.

Meaning of Internal Financial Controls Over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Limitations of Internal Financial Controls Over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, to the best of our information and according to the explanations given to us and based on Management's certificate concerning the subsidiaries incorporated outside India, the Group has, in all material respects, a reasonably adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating reasonably effectively as at 31 March 2020 in accordance with the internal control over financial reporting criteria established by the respective companies considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

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

SD/-

S K Nemani

Partner

Membership no. 037222

UDIN:- 22037222AJZNTX6563

Place: New Delhi

Date: 30th May 2022



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| CONSOLIDATED BALANCE-SHEET AS AT 31st MARCH, 2022 | | | |
|---|-----------------|--|----------------------|
| | | | Rs. In Hundreds |
| PARTICULARS | NOTE NO | AS AT 31.03.2022 | AS AT 31.03.2021 |
| ASSETS | | | |
| NON CURRENT ASSETS | | | |
| PROPERTY, PLANT AND EQUIPMENT | 2(a) | 4,747.79 | 4,931.99 |
| CAPITAL WORK IN PROGRESS | | - | - |
| INVESTMENT PROPERTY | | - | - |
| GOODWILL | | 6,169,107.28 | 6,169,107.28 |
| INTANGIBLE ASSETS | 2(b) | 1,593,292.27 | 1,949,867.27 |
| INTANGIBLE ASSETS UNDER DEVELOPMENT | 2(C) | 5,644,397.55 | 5,644,397.55 |
| FINANCIAL ASSETS | | | |
| INVESTMENTS | 3 | 46.11 | 47.35 |
| LOANS | | - | - |
| OTHER FINANCIAL ASSETS | | - | - |
| DEFERRED TAX ASSETS (NET) | | - | - |
| OTHER NON CURRENT ASSETS | 4 | 22,307,891.11 | 22,333,054.52 |
| TOTAL NON CURRENT ASSETS | | 35,719,482.11 | 36,101,405.96 |
| CURRENT ASSETS | | | |
| INVENTORIES | 5 | 6,222,045.66 | 6,221,891.85 |
| FINANCIAL ASSETS | | | |
| TRADE RECEIVABLES | 6 | 3,426,316.26 | 3,390,168.02 |
| CASH AND CASH EQUIVALENTS- OWNED FUND | 7(a) | 4,022.51 | 5,119.08 |
| BANK BALANCES & LOANS | 7(b) | 3,491,616.94 | 3,487,682.45 |
| OTHER FINANCIAL ASSETS | | - | - |
| CURRENT TAX ASSETS (NET) | | - | - |
| OTHER CURRENT ASSETS | 8 | 143,388.60 | 158,585.98 |
| TOTAL CURRENT ASSETS | | 13,287,389.97 | 13,263,447.38 |
| TOTAL ASSETS | | 49,006,872.08 | 49,364,853.34 |
| EQUITY AND LIABILITIES | | | |
| EQUITY SHARE CAPITAL | | | |
| EQUITY SHARE CAPITAL | 9 | 37,744,366.55 | 37,744,366.55 |
| OTHER EQUITY | 10 | 6,100,677.14 | 6,481,853.46 |
| TOTAL EQUITY | | 43,845,043.69 | 44,226,220.01 |
| LIABILITIES | | | |
| NON-CURRENT LIABILITIES | | | |
| FINANCIAL LIABILITIES | | | |
| BORROWINGS | 11 | - | 281,358.64 |
| DEFERRED TAX LIABILITY (NET) | 26 | 330,167.60 | 373,010.79 |
| OTHER NON CURRENT LIABILITIES | | - | - |
| TOTAL NON-CURRENT LIABILITIES | | 330,167.60 | 654,369.44 |
| CURRENT LIABILITIES | | | |
| FINANCIAL LIABILITIES | | | |
| BORROWINGS | 12 | 2,314,572.98 | 2,123,705.47 |
| TRADE PAYABLES | | 897,655.86 | 885,776.94 |
| OTHER FINANCIAL LIABILITIES | | - | - |
| SHORT TERM PROVISIONS | 13 | 48,269.61 | 54,498.53 |
| OTHER CURRENT LIABILITIES | 14 | 1,571,162.36 | 1,420,282.95 |
| CURRENT TAX LIABILITY | | - | - |
| TOTAL CURRENT LIABILITIES | | 4,831,660.81 | 4,484,263.89 |
| TOTAL EQUITY AND LIABILITIES | | 49,006,872.08 | 49,364,853.34 |
| SIGNIFICANT ACCOUNTING POLICIES ON FINANCIAL STATEMENTS | NOTES 1 2-57 | | |
| As per our Audit Report of even date | | | |
| For Nemani Garg Agarwal & Co. | | For and on behalf of the Board of Directors | |
| Chartered Accountants | | | |
| FRN No. : 010192N | | | |
| SD/- | | SD/- | |
| S.K. Nemani | | Peeyush Aggarwal | |
| Partner | | Managing Director | |
| M.No. : 037222 | | DIN: 00090423 | |
| UDIN:22037222AJZNTX6563 | | DIN: 7574194 | |
| SD/- | | SD/- | |
| Garima Singh | | Sanjay Sharma | |
| Company Secretary | | Chief Financial Officer | |
| Place : New Delhi | | | |
| Date : 30/05/2022 | | | |



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Consolidated Statement of Profit & Loss Account for the year ended 31st March, 2022

| PARTICULARS | NOTE N | Rs. In Hundreds | |
|---|--------|--|-------------------------|
| | | YEAR ENDED | YEAR ENDED |
| | | 31.03.2022 | 31.03.2021 |
| REVENUE | | | |
| REVENUE FROM OPERATIONS | 15 | 48,969.56 | 41,478.18 |
| OTHER INCOME | 16 | 84,987.21 | 8,537.95 |
| TOTAL REVENUE | | 133,956.77 | 50,016.13 |
| EXPENDITURE | | | |
| PURCHASE OF STOCK - IN - TRADE & SERVICES | | 39,591.89 | 34,503.57 |
| CHANGE IN INVENTORIES | 17 | (153.81) | (2,177.96) |
| EMPLOYEE BENEFIT EXPENSES | 18 | 27,786.12 | 26,216.53 |
| FINANCE COST | 19 | 26,770.01 | 63,465.68 |
| DEPRECIATION & AMORTISATION EXPENSES | | 356,759.18 | 356,884.69 |
| OTHER EXPENSES | 20 | 138,181.90 | 126,989.88 |
| TOTAL EXPENDITURE | | 588,935.28 | 605,882.39 |
| PROFIT/(LOSS) BEFORE EXCEPTIONAL ITEMS AND TAX | | (454,978.51) | (555,866.26) |
| Exceptional Items | | - | - |
| PROFIT/(LOSS) BEFORE TAX | | (454,978.51) | (555,866.26) |
| TAX EXPENSES | | | |
| - CURRENT TAX | | - | - |
| - EARLIER YEARS (NET) | | - | - |
| - DEFERRED TAX (NET) | | 42,843.19 | 13,341.43 |
| PROFIT/(LOSS) FOR THE YEAR FROM CONTINUING OPERATIONS | | - | - |
| PROFIT/(LOSS) FROM DISCONTINUED OPERATIONS | | - | - |
| TAX EXPENSES OF DISCONTINUED OPERATIONS | | - | - |
| PROFIT/(LOSS) FROM DISCONTINUED OPERATIONS (AFTER TAX) | | - | - |
| PROFIT & LOSS FOR THE YEAR | | (412,135.32) | (542,524.83) |
| OTHER COMPREHENSIVE INCOME | | | |
| ITEMS THAT WILL NOT BE RECLASSIFIED SUBSEQUENTLY TO PROFIT & LOSS | | | |
| - REMEASUREMENTS OF THE DEFINED BENEFIT LIABILITY/ASSET | | 7,468.46 | 1,730.63 |
| - GAIN OR LOSS ARISING ON FOREIGN EXCHANGE TRANSACTION OF SUBSIDIAR | | 23,490.55 | - |
| - GAIN OR LOSS ARISING ON FAIR VALUATION OF EQUITY INSTRUMENT | | - | - |
| ITEMS THAT WILL BE RECLASSIFIED SUBSEQUENTLY TO PROFIT & LOSS | | - | - |
| TOTAL OTHER COMPREHENSIVE INCOME FOR THE YEAR COMPRISING PROFIT & LOSS AND OTHER COPREHNSIVE INCOME FOR THE YEAR | | (381,176.31) | (540,794.20) |
| EARNING PER SHARE (EQUITY SHARE OF RS 10/- EACH) - BASIC & DILUTED | 25 | (0.011) | (0.014) |
| SIGNIFICANT ACCOUNTING POLICIES | 1 | | |
| NOTES ON FINANCIAL STATEMENTS | 2-57 | | |
| As per our Audit Report of even date | | | |
| For Nemani Garg Agarwal & Co. | | For and on behalf of the Board of Directors | |
| Chartered Accountants | | | |
| FRN No. : 010192N | | SD/- | SD/- |
| | | Peeyush Aggarwal | Rachit Garg |
| SD/- | | Managing Director | Director |
| S.K. Nemani | | DIN: 00090423 | DIN: 7574194 |
| Partner | | | |
| M.No. : 037222 | | SD/- | SD/- |
| UDIN:22037222AJZNTX6563 | | Garima Singh | Sanjay Sharma |
| | | Company Secretary | Chief Financial Officer |
| Place : New Delhi | | | |
| Date : 30/05/2022 | | | |



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| Consolidated Cash Flow Statement for the year ended 31st March, 2022 | | | |
|---|--|---------------------|--------------------------------|
| Particulars | As At | | Rs. In Hundred |
| | 31-Mar-22 | 31-Mar-21 | As At |
| A. CASH FLOW FROM OPERATING ACTIVITIES | | | |
| Net Profit before Tax | (454,978.51) | (555,866.26) | |
| Adjustment for : | | | |
| Depreciation & Amortisation | 356,759.18 | 356,884.69 | |
| Leave Encashment | (307.82) | 1,649.68 | |
| Gratuity | 1,380.67 | 1,351.80 | |
| Provision for Expenses | 166.69 | (136.20) | |
| Interest & Other Costs | 26,770.01 | 63,465.68 | |
| Interest Received | (416.04) | (531.37) | |
| Operating Profit Before Working Capital Changes | (70,625.82) | (133,182.00) | |
| (Increase)/Decrease in Current Assets | (21,104.67) | 675,712.65 | |
| Increase/(Decrease) in Current Liabilities | 353,625.84 | (507,765.27) | |
| Net Cash from Operating Activities (A) | 261,895.35 | 34,765.38 | |
| B. CASH FLOW FROM INVESTING ACTIVITIES | | | |
| Purchase of Fixed Assets | - | - | |
| Sale of Fixed Assets | - | - | |
| Change in Capital WIP | - | - | |
| (Increase)/Decrease in Investments | 1.24 | (0.66) | |
| Interest Received | 416.04 | 531.37 | |
| Long term Loans & Advances | 25,163.41 | 9,224.38 | |
| Net Cash Outflow in Investing Activities (B) | 25,580.69 | 9,755.09 | |
| C. CASH FLOW FROM FINANCING ACTIVITIES | | | |
| Issue of Equity Shares | - | - | |
| Share Application Money Received | - | - | |
| Increase / (Decrease) in Long Term Borrowings | (281,358.64) | 36,695.66 | |
| Prior Period Item | - | - | |
| Interest Paid | (26,770.01) | (63,465.68) | |
| Net Cash inflow from Financing Activities (C) | (308,128.65) | (26,770.01) | |
| Foreign Currency Translation | 23,490.55 | (19,184.30) | |
| Net Increase/(Decrease) in Cash & Cash Equivalent (A+B+C) | (20,652.61) | 17,750.46 | |
| Cash and Cash Equivalent as at 01/04/2021 | 3,492,801.53 | 3,494,235.39 | |
| Cash and Cash Equivalent as at 31/03/2022 | 3,495,639.45 | 3,492,801.53 | |
| Notes: | | | |
| 1 Comparative figures have been regrouped wherever necessary. | | | |
| 2 The cash flow statement has been prepared under the 'Indirect Method' as set out in Accounting Standard – 3 on Cash Flow Statement notified by the Companies (Accounting Standards) Rules, 2006. | | | |
| 3 These earmarked account balances with banks can be utilised only for the specific identified purposes. | | | |
| 4 Bank Balance as shown in cash and Cash Equivalents amounting to Rs. 34,78,92,163 in Banco Efisa bank in Potugal is not available for use, because the bank has wrongly Debited the account by same amount, the matter is in court of Law. | | | |
| As per our Audit Report of even date | | | |
| For Nemani Garg Agarwal & Co. | For and on behalf of the Board of Directors | | |
| Chartered Accountants | | | |
| #REF! | | | |
| | SD/- | | SD/- |
| | Peeyush Aggarwal | | Rachit Garg |
| SD/- | Managing Director | | Director |
| S.K. Nemani | DIN: 00090423 | | DIN: 7574194 |
| Partner | | | |
| M.No. : 037222 | SD/- | | SD/- |
| UDIN:22037222AJZNTX6563 | Garima Singh | | Sanjay Sharma |
| | Company Secretary | | Chief Financial Officer |
| Place : New Delhi | | | |
| Date : 30/05/2022 | | | |



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Statement of changes in Equity for the year ended 31st March 2022

| Statement of changes in Equity for the year ended 31st March 2022 | | | | | | | |
|---|-------------------|-------------------------------|-------------------|-----------------------|--|--|---------------------|
| Note No.1 | | | | | | | |
| Particulars | Number | Amount Rs. In Hundred | | | | | |
| Balance as at 31st March 2020 | 3,774,436,655 | 37,744,366.55 | | | | | |
| Changes in Equity Share Capital | - | - | | | | | |
| Balance as at 31st March 2021 | 3,774,436,655 | 37,744,366.55 | | | | | |
| Changes in Equity Share Capital | - | - | | | | | |
| Balance as at 31st March 2022 | 3,774,436,655 | 37,744,366.55 | | | | | |
| B. Other Equity | | | | | | | |
| | | | | | | | Rs. In Hundred |
| Particulars | Other Equity | | | | | | Total |
| | Capital Reserve | Securities Premium Reserve | General Reserve | Retained Earning | Other Comprehensive Income- Remeasurement of Defined Benefit Plan | Other Comprehensive Income-Foreign Currency Translation of Subsidiaries | |
| Balance as at April 1,2020 | 514,571.16 | 8,991,025.06 | 545,700.09 | (3,498,470.97) | 13,327.39 | 475,679.22 | 7,041,831.95 |
| Profit/(Loss) for the Year | - | - | - | (561,709.13) | | | (561,709.13) |
| Other Comprehensive Income for the Year | | | | | 1,730.63 | - | 1,730.63 |
| Dividend Paid on Shares | - | - | - | - | | | - |
| Transfer to General Reserve during the Year | - | - | - | - | | | - |
| Any other changes (to be specified) | - | - | - | - | | | - |
| As at 31st March, 2021 | 514,571.16 | 8,991,025.06 | 545,700.09 | (4,060,180.10) | 15,058.02 | 475,679.22 | 6,481,853.46 |
| Balance as at April 1,2021 | 514,571.16 | 8,991,025.06 | 545,700.09 | (4,060,180.10) | 15,058.02 | 475,679.22 | 6,481,853.46 |
| Profit/(Loss) for the Year | - | - | - | (412,135.32) | | | (412,135.32) |
| Other Comprehensive Income for the Year | - | - | - | | 7,468.46 | 23,490.55 | 30,959.02 |
| Dividend Paid on Shares | - | - | - | - | | | - |
| Transfer to General Reserve during the Year | - | - | - | - | | | - |
| Any other changes (to be specified) | - | - | - | - | | | - |
| As at 31st March, 2022 | 514,571.16 | 8,991,025.06 | 545,700.09 | (4,472,315.42) | 22,526.48 | 499,169.77 | 6,100,677.14 |



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| Note 2 - Property, Plant & Equipments | | | | | | | | | | | | Rs. in Hundreds | |
|--|--------|---------------------|----------------------------|-----------------------------|---------------------|-----------------------------|-------------------|-----------------------------|---------------------|---------------------|---------------------|---------------------|--|
| Description | Rate | Gross Block | | | | Depreciation / Amortization | | | | Net Block | | | |
| | | As At 01.04.2021 | Additions / Adjustments | Deductions / Adjustments | As At 31.03.2022 | As At 01.04.2021 | For the Year | Deductions / Adjustments | As At 31.03.2022 | As At 31.03.2022 | As At 31.03.2021 | | |
| A. TANGIBLE ASSETS | | | | | | | | | | | | | |
| Building | 1.60% | - | - | - | - | - | - | - | - | - | - | | |
| Plant & Machinery | | | | | | | | | | | | | |
| - Computers and Peripherals | 16.21% | 343,268.83 | - | - | 343,268.83 | 342,424.79 | - | - | 342,424.79 | 844.04 | | 844.04 | |
| - Office Equipments | 4.75% | 143,294.13 | - | - | 143,294.13 | 142,653.00 | 28.13 | - | 142,681.13 | 613.00 | | 641.13 | |
| Vehicles | 9.50% | 43,798.93 | - | - | 43,798.93 | 42,745.97 | 45.99 | - | 42,791.96 | 1,006.97 | | 1,052.96 | |
| Furniture & Fixtures | 6.33% | 155,391.64 | - | - | 155,391.64 | 152,997.77 | 110.07 | - | 153,107.84 | 2,283.80 | | 2,393.87 | |
| Sub Total (A) | | 685,753.53 | - | - | 685,753.53 | 680,821.55 | 184.18 | - | 681,005.73 | 4,747.79 | | 4,931.99 | |
| B. INTANGIBLE ASSETS : | | | | | | | | | | | | | |
| Goodwill | 10% | 28,000.00 | - | - | 28,000.00 | 28,000.00 | - | - | 28,000.00 | - | | - | |
| Software | 10% | 3,565,750.00 | - | - | 3,565,750.00 | 1,615,882.73 | 356,575.00 | - | 1,972,457.73 | 1,593,292.27 | | 1,949,867.27 | |
| Sub Total (B) | | 3,593,750.00 | - | - | 3,593,750.00 | 1,643,882.73 | 356,575.00 | - | 2,000,457.73 | 1,593,292.27 | | 1,949,867.27 | |
| Total (A+B) | | 4,279,503.53 | - | - | 4,279,503.53 | 2,324,704.29 | 356,759.18 | - | 2,681,464.46 | 1,598,040.06 | | 1,954,799.26 | |
| C. CAPITAL WORK IN PROGRESS | | | | | | | | | | | | | |
| Capital Work-in-Progress (Including Advances on Capital Account) | | 5,644,397.55 | - | - | 5,644,397.55 | - | - | - | - | 5,644,397.55 | | 5,644,397.55 | |
| Grand Total A+B+C | | 9,923,901.08 | - | - | 9,923,901.08 | 2,324,704.29 | 356,759.18 | - | 2,681,464.46 | 7,242,437.61 | | 7,599,196.81 | |

| Note 2 - Property, Plant & Equipments | | | | | | | | | | | | Rs. in Hundreds | |
|--|--------|---------------------|----------------------------|-----------------------------|---------------------|-----------------------------|-------------------|-----------------------------|---------------------|---------------------|---------------------|---------------------|--|
| Description | Rate | Gross Block | | | | Depreciation / Amortization | | | | Net Block | | | |
| | | As At 01.04.2020 | Additions / Adjustments | Deductions / Adjustments | As At 31.03.2021 | As At 01.04.2020 | For the Year | Deductions / Adjustments | As At 31.03.2021 | As At 31.03.2021 | As At 31.03.2020 | | |
| A. TANGIBLE ASSETS | | | | | | | | | | | | | |
| Building | 1.60% | - | - | - | - | - | - | - | - | - | - | | |
| Plant & Machinery | | | | | | | | | | | | | |
| - Computers and Peripherals | 16.21% | 343,268.83 | - | - | 343,268.83 | 342,424.79 | - | - | 342,424.79 | 844.04 | | 844.04 | |
| - Office Equipments | 4.75% | 143,294.13 | - | - | 143,294.13 | 142,566.09 | 86.91 | - | 142,653.00 | 641.13 | | 728.04 | |
| Vehicles | 9.50% | 43,798.93 | - | - | 43,798.93 | 42,695.57 | 50.41 | - | 42,745.97 | 1,052.96 | | 1,103.36 | |
| Furniture & Fixtures | 6.33% | 155,391.64 | - | - | 155,391.64 | 152,825.40 | 172.37 | - | 152,997.77 | 2,393.87 | | 2,566.24 | |
| Sub Total (A) | | 685,753.53 | - | - | 685,753.53 | 680,511.85 | 309.69 | - | 680,821.55 | 4,931.99 | | 5,241.68 | |
| B. INTANGIBLE ASSETS : | | | | | | | | | | | | | |
| Goodwill | 10% | 28,000.00 | - | - | 28,000.00 | 28,000.00 | - | - | 28,000.00 | - | | - | |
| Software | 10% | 3,565,750.00 | - | - | 3,565,750.00 | 1,259,307.73 | 356,575.00 | - | 1,615,882.73 | 1,949,867.27 | | 2,306,442.27 | |
| Sub Total (B) | | 3,593,750.00 | - | - | 3,593,750.00 | 1,287,307.73 | 356,575.00 | - | 1,643,882.73 | 1,949,867.27 | | 2,306,442.27 | |
| Total (A+B) | | 4,279,503.53 | - | - | 4,279,503.53 | 1,967,819.58 | 356,884.69 | - | 2,324,704.29 | 1,954,799.26 | | 2,311,683.95 | |
| C. CAPITAL WORK IN PROGRESS | | | | | | | | | | | | | |
| Capital Work-in-Progress (including Advances on Capital Account) | | 5,644,397.55 | - | - | 5,644,397.55 | - | - | - | - | 5,644,397.55 | | 5,644,397.55 | |
| Grand Total A+B+C | | 9,923,901.08 | - | - | 9,923,901.08 | 1,967,819.58 | 356,884.69 | - | 2,324,704.29 | 7,599,196.81 | | 7,956,081.50 | |

Note :

1. The Company has developed or customized various computer software in house. The company has source code for all these software and has all the rights over the product. However there is no formal registration of IPR. The company has shown these software under the sub-head "Software" under the head "Intangible" in its financial statements and the same is certified by the management. Capital WIP includes various software product underdeveloped / developed which also includes software with third party for development/modification.



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| | | Rs. In Hundred | |
|-----------------|--|-----------------------------|-----------------------------|
| Note No. | Particulars | 31/03/2022 | 31/03/2021 |
| 3 | NON-CURRENT INVESTMENTS | | |
| | OTHERS | 46.11 | 47.35 |
| | Total | 46.11 | 47.35 |
| Note No. | Particulars | 31/03/2022 | 31/03/2021 |
| 4 | OTHER NON CURRNET ASSETS | | |
| | a. LONG-TERM LOANS & ADVANCES | | |
| | Advances with Tax Authorities | 89,491.76 | 92,112.80 |
| | Other Loans and Advances | 22,218,085.48 | 22,240,627.84 |
| | Total (a) | 22,307,577.23 | 22,332,740.64 |
| | b. OTHER NON CURRENT ASSETS | | |
| | Prepaid Rent on Security Deposit | 313.88 | 313.88 |
| | Total (a) | 313.88 | 313.88 |
| | Total (a) + (b) | 22,307,891.11 | 22,333,054.52 |
| | Notes : | | |
| | 1. Other Loans & Advances are subject to balance confirmation. | | |
| | 2. During the financial year 2013-14, due to change in business plan and consequential ammendment in terms, Capital Advances amounting to Rs. 220 Crore has been taken as long term advances and included in Other Loans & Advances. | | |
| Note No. | Particulars | As at 31.03.2022 | As at 31.03.2021 |
| 5 | INVENTORIES | | |
| | Stock-in-Trade | 6,222,045.66 | 6,221,891.85 |
| | Total | 6,222,045.66 | 6,221,891.85 |
| Note No. | Particulars | As at 31.03.2022 | As at 31.03.2021 |
| 6 | TRADE RECEIVABLES | | |
| | Trade Receivables | | |
| | Trade Receivables# | 3,426,316.27 | 3,390,168.02 |
| | Receivables from related parties | - | |
| | Less: Provision for doubtful debts | - | |
| | Trade Receivables | 3,426,316.27 | 3,390,168.02 |
| | Current portion | 3,426,316.26 | 3,390,168.02 |
| | Non-current portion | - | |
| | Breakup of security details | | |
| | Trade Receivable Considered good-Secured | - | |
| | Trade Receivable Considered good-Unsecured | 3,426,316.26 | 3,390,168.02 |
| | Trade Receivable which have significant increase in credit risk | - | |
| | Trade recivable credit impaired | - | |
| | Total | 3,426,316.26 | 3,390,168.02 |
| | Provision for doubtful debts | - | |
| | Total trade receivables | 3,426,316.26 | 3,390,168.02 |
| | Notes :- Trade Receivables subject to balance confirmation. The management considers the same is good and recoverable. | | |



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| Note No. | Particulars | As at 31.03.2022 | As at 31.03.2021 |
|--------------|---|---------------------|---------------------|
| 7 (a) | CASH BALANCES | | |
| | Cash in hand | 4,022.51 | 5,119.08 |
| | Total (a) | 4,022.51 | 5,119.08 |
| 7 (b) | BANK BALANCES | | |
| | Balances with Banks | 5,995.31 | 2,060.82 |
| | Fixed Deposits with Banks | 6,700.00 | 6,700.00 |
| | Balances with Foreign Bank - Banco Efisa | 3,478,921.63 | 3,478,921.63 |
| | Total (b) | 3,491,616.94 | 3,487,682.45 |
| | Total (a)+(b) | 3,495,639.45 | 3,492,801.53 |
| | <p>Note: The funds raised by the Company from GDR issue during F.Y. 2007-08 were kept in fixed deposit account with Banco Efisa, Lisbon, Portugal, as the said amount was to be deployed in terms of INFORMATION MEMORANDUM of the GDR issue. During the F.Y. 2008-09, the Bank in Portugal, Banco Efisa wrongly debited an amount of USD 8,883,210.75 out of the balance lying in the Company's Account with the Bank. The Company has denied and disputed this debit and had initiated legal action under criminal jurisprudence of Portuguese Law. During the criminal investigation, several new facts/documents have come to our knowledge and based on the evaluation of new facts/documents by Barristers, Senior Advocates and investigation carried out of in India, London and Portugal; your Company has initiated a strong civil action for recovery of USD 8,883,210.75, along with interest, against Banco Efisa and its Holding Company, wherein the Portuguese advocates confirm that the chances of recovery are very high.</p> | | |
| Note No. | Particulars | As at 31.03.2022 | As at 31.03.2021 |
| 8 | OTHER CURRENT ASSETS | | |
| | SHORT TERM LOANS & ADVANCES | | |
| | Advance to Suppliers | 55,891.05 | 67,087.88 |
| | Advance with Tax Authorities | 34,990.88 | 40,513.22 |
| | Staff Advance | 13.75 | - |
| | Total (a) | 90,895.68 | 107,601.10 |
| | OTHER CURRENT ASSETS | | |
| | Security Deposits | 4,523.34 | 4,723.34 |
| | Security Deposit Ammortisation Adjustment | (313.88) | (313.88) |
| | Prepaid Expenses | 43,605.02 | 42,313.02 |
| | Interest accrued but not due | 4,678.44 | 4,262.40 |
| | Total (b) | 52,492.92 | 50,984.88 |
| | Total (a) + (b) | 143,388.60 | 158,585.98 |
| | <p>Note : Other Loans & Advances, Advance to suppliers are subject to balance confirmation, however these loans and advances are good and recoverable.</p> | | |



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| Note No. | Particulars | As at 31.03.2022 | As at 31.03.2021 | | |
|---------------|---|-----------------------------|--------------------------|---------------------------------|---------------|
| 9 | SHARE CAPITAL | 37,750,000.00 | 37,750,000.00 | | |
| | Equity Share Capital | | | | |
| | Authorised Share Capital : | | | | |
| | 3,775,000,000 Equity Share of Re.1/- each | | | | |
| | (Previous Year 3,775,000,000 equity share of Re. 1/- each) | | | | |
| | (a) Issued, Subscribed & Paid Up Share Capital : | 37,744,366.55 | 37,744,366.55 | | |
| | (377,44,36,655 Equity Shares of Re. 1/- each Includes | | | | |
| | 102,404,764 Equity Shares Consequent to issue of 46,54,762 GDR | | | | |
| | vide information Memorandum Dated December 4 , 2007) | | | | |
| | Total | 37,744,366.55 | 37,744,366.55 | | |
| | Notes: | | | | |
| | 1. The Company has only one class of equity shares having a par value of Re.1/- each per share. Each holder of equity share is entitled to one vote per share. | | | | |
| | 2. In the event of liquidation of the Company, holders of equity shares will be entitled to receive any of the remaining assets of the Company after discharging the liabilities of the Company. | | | | |
| | 3.The Company had increased the authorized capital during the Financial Year 2010-11 to 2012-13, however due to technical issues necessary forms along with the fees w.r.t. increase in Authorised Capital, could not be filed and paid. Measnwhile the schedule of fees was increased as per the companies act, 2013. However, the authorised capital was increased prior to the applicability of companies act, 2013. The company has filed a Writ Petition bearing No. WP(C) 5199 of 2015 before the Hon'ble High Court of Delhi, challenging the applicability of provisions prescribed under Para 3 of Table B under Registration of Offices and Fees Rules 2014 and the same is pending adjudication. | | | | |
| | | | | | |
| | The Details of Shareholders holding more than 5 % shares : | | | | |
| | | As at 31.03.2022 | | | |
| | Name of the Shareholder | No. of Shares | % held | No. of Shares | % held |
| | Mr. Peeyush Aggarwal | 73,647,300 | 1.95 | 786,750,193 | 20.84 |
| | Omkam Capital Markets Pvt. Ltd. | 47,690 | 0.001 | 341,000,000 | 9.03 |
| | | | | | |
| | Details of shares held by promoters as on 31.03.2022 | | | | |
| S. No. | Promoter's Name | No. of shares | % of total shares | % change during the year | |
| 1 | Mr. Peeyush Aggarwal | 73,647,300 | 1.95 | -90.63 | |
| 2 | Omkam Capital Markets Pvt. Ltd. | 47,690 | 0.001 | -99.63 | |
| | Promoters holding has reduced the due to sale of shares pledged by promoters | | | | |
| | | | | | |
| | Details of shares held by promoters as on 31.03.2021 | | | | |
| S. No. | Promoter's Name | No. of shares | % of total shares | % change during the year | |
| 1 | Mr. Peeyush Aggarwal | 786,750,193 | 20.84 | No | |
| 2 | Omkam Capital Markets Pvt. Ltd. | 341,000,000 | 9.03 | No | |
| 3 | Mrs. Seema Aggarwal | 75,761,774 | 2.01 | No | |



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| The reconciliation of the number of shares outstanding is set out as below | | | |
|--|--|---|---|
| Particulars | | Nos. of Shares as on 31.3.2022 | Nos. of Shares as on 31.3.2021 |
| Equity Shares at the beginning of the year | | 3774436655 | 3,774,436,655 |
| Add: Shares issued on conversion of convertible warrants | | - | - |
| Add: Shares issued as Bonus Shares (1:10) | | - | - |
| Equity Shares at the end of the year | | 3774436655 | 374,436,655 |
| Note No. | Particulars | As at 31.03.2022 | As at 31.03.2021 |
| 10 | OTHER EQUITY | | |
| | a. Reserves & Surplus | | |
| | Capital Reserve | 514,571.16 | 514,571.16 |
| | Securities Premium Reserve | 8,991,025.06 | 8,991,025.06 |
| | General Reserve | 545,700.09 | 545,700.09 |
| | Retained Earnings | (4,472,315.42) | (4,060,180.08) |
| | Total A- Reserve & Surplus | 5,578,980.89 | 5,991,116.23 |
| | b. Other Comprehensive Income | | |
| | Items that will not be subsequently reclassified to OCI | | |
| | Remeasurement of Defined Benefit plan | 22,526.48 | 15,058.02 |
| | Foreign Currency Translation of Subsidiaries | 499,169.77 | 475,679.22 |
| | Total b-Other comprehensive income | 521,696.26 | 490,737.24 |
| | Total (a+b)-Other Equity | 6,100,677.14 | 6,481,853.46 |
| Note No. | Particulars | As at 31.03.2022 | As at 31.03.2021 |
| 11 | LONG TERM BORROWINGS | | |
| | Secured | | |
| | Loans from Other Banks & Institution | - | 281,358.64 |
| | Total | - | 281,358.64 |
| Note No. | Particulars | As at 31.03.2022 | As at 31.03.2021 |
| 12 | SHORT TERM BORROWING | | |
| | Secured | | |
| | Working Capital Loan from Allahabad Bank | 334,661.70 | 307,891.69 |
| | Unsecured | | |
| | From Directors | 1,926,251.92 | 1,762,154.42 |
| | From Corporate | 53,659.36 | 53,659.36 |
| | Total | 2,314,572.98 | 2,123,705.47 |



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| Note No. | Particulars | As at 31.03.2022 | As at 31.03.2021 |
|-----------|---|---------------------|---------------------|
| 13 | SHORT TERM PROVISIONS | | |
| | Provision for Income Tax | 20,800.74 | 20,800.74 |
| | Provisions for Employees Benefits - Leave Encashment | 10,367.74 | 17,253.54 |
| | Provisions for Employees Benefits - Gratuity | 11,612.70 | 11,122.52 |
| | Provisions for Expenses | 5,488.43 | 5,321.74 |
| | Total | 48,269.61 | 54,498.53 |
| | Note: Income tax liability amounting to Rs. 20.80 Lacs in respect of assesment year 2013-14, still payable against which provision for income tax, had already been made in the books of account. As such this liability has no further impact on the profits / retained earnings of the reported period of the company. | | |
| | Notes: Working Capital Loans from Allahabad Bank are secured by way of charge on movable and immovable properties of the Company. | | |
| | (i) Company has entered into an OTS for a sum of Rs. 118,650,000.00 with Allahabad Bank as on 14.01.2016 and paid a sum of Rs. 10,27,40,318/- till 31.05.2017 and further re entered into an OTS of Rs. 281.00 Lacs and paid Rs. 13.30 lacs | | |
| | (ii) During the year, Company has cleared its entire outstanding loan with Indian Phoenix ARC Pvt. Ltd. pursuant to One Time Settlement Agreement entered into by our company with Phoenix & as on date no dues of Phoenix ARC Pvt. Ltd. are outstanding at the end of the Company. | | |
| | (iii) Other Unsecured loans included a sum of Rs. 192,625,192/- (176,215,442/-) from directors. | | |
| Note No. | Particulars | As at 31.03.2022 | As at 31.03.2021 |
| 14 | OTHER CURRENT LIABILITIES | | |
| | Advance from customers | 57,520.00 | 108,238.34 |
| | Statutory Dues | 700.46 | - |
| | Other Payables | 1,512,941.90 | 1,312,044.61 |
| | Total | 1,571,162.36 | 1,420,282.95 |
| | Note : Other payable includes Rs. 6.83 Crores towards ROC fees in connection with increase in Authorised share capital from Rs. 52.45 Crores to Rs. 377.50 Crores in various EGMs held and Merger through Court orders held during the Period from FY 2010-11 to FY 2012-13. Kindly refer Note No. 9.1 (3) under the head "Share Capital". | | |
| | Note: Trade Payables are subject to balance confirmation. | | |



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| | | Rs. In Hundred | |
|-----------|---|-------------------|-------------------|
| Note No. | Particulars | 31/03/2022 | 31/03/2021 |
| 15 | REVENUE FROM OPERATIONS | | |
| | Sale of Products & Services | 48,969.56 | 41,478.18 |
| | Custom Collection Refund | | - |
| | Total | 48,969.56 | 41,478.18 |
| 16 | OTHER INCOME | | |
| | Miscellaneous Income | 1,212.53 | 8,006.58 |
| | Gain on the Settlement - Phoenix | 83,358.64 | - |
| | Interest income | 416.04 | 531.37 |
| | Total | 84,987.21 | 8,537.95 |
| 17 | CHANGES IN INVENTORIES OF STOCK-IN-TRADE | | |
| | Opening Stock | 6,221,891.85 | 6,219,713.89 |
| | Less: Closing Stock | 6,222,045.66 | 6,221,891.85 |
| | Total | (153.81) | (2,177.96) |
| 18 | EMPLOYEE's BENEFIT EXPENSES | | |
| | Salaries and Wages | 27,501.11 | 25,715.44 |
| | Contribution to Provident and Other Funds | 280.00 | 279.00 |
| | Staff Welfare Expenses | 5.01 | 222.09 |
| | Total | 27,786.12 | 26,216.53 |
| 19 | FINANCE COST | | |
| | Interest Expenses | 26,770.01 | 63,465.68 |
| | Total | 26,770.01 | 63,465.68 |
| 20 | OTHER EXPENSES | | |
| | Advertisement and Publicity | 1,108.80 | 744.00 |
| | Miscellaneous Expenses AGM / Board Meeting Expenses | 58.60 | 47.50 |
| | Audit Fees | 1,500.00 | 1,500.00 |
| | Bank Charges | 322.36 | 876.62 |
| | Communication Expenses | 189.08 | 212.08 |
| | Conveyance Expenses | 75.83 | 259.30 |
| | Diwali Expenses | - | 24.00 |
| | Exchange Rate Fluctuation | - | 359.04 |
| | Insurance Premium | - | 27.35 |
| | Legal & Professional Charges | 4,426.38 | 1,111.50 |
| | Listing Fees | 14,098.23 | 15,337.73 |
| | Membership Fee | 110.76 | 63.56 |
| | Power, Fuel & Water Charges | 889.62 | 642.70 |
| | Printing & Stationery | 99.94 | 333.95 |
| | Rates & Taxes | 79,681.87 | 70,446.96 |
| | Rent Charges | 33,963.36 | 33,963.36 |
| | Repair & Maintenance Charges | 1,299.55 | 1,040.23 |
| | Short & Excess | 357.54 | - |
| | Total | 138,181.90 | 126,989.88 |



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| Note 21 - Disclosure Under Accounting Standard 21- Transactions occurred in Foreign Currency | | |
|--|-----------------------------------|-----------------------------------|
| | Rs. In Hundred | |
| Particulars | As at 31st March, 2022 | As at 31st March, 2021 |
| Import/Export in Foreign Currency | | |
| FOB Value of Export | - | 390.27 |
| Value of Imports | 7,921.03 | 21,370.76 |
| Expenditure in Foreign Currency | - | - |
| Profit and (Loss) Foreign Exchange Fluctuation | 1,212.53 | (359.04) |
| Net Profit / (Loss) in Foreign Exchange Fluctuation | 1,212.53 | (359.04) |
| Note 22 - Disclosure under Accounting Standard 29 - Contingent Liabilities | | |
| A. Dues of Income Tax excluding Interest | | |
| a) A.Y. 2006-07 Rs. Nil (Rs. 1,245,589/-), | | |
| b) A.Y. 2008-09 Rs. 43,851,395/- (Rs. 43,851,395/-), Department filed appeal with Delhi High Court against the Order of ITAT, pending for disposal. Next Date of Hearing 06.10.2022. | | |
| c) A.Y. 2009-10 Rs. 27,487,250/- (27,487,250/-) Department filed appeal with Delhi High Court against the Order of ITAT, pending for disposal. Next Date of Hearing 06.10.2022. | | |
| d) A.Y. 2010-11 Rs. 27,306,810/- (27,306,810/-) Department filed appeal with Delhi High Court against the Order of ITAT, pending for disposal. Next Date of Hearing 06.10.2022. | | |
| B. Interest on Cash Credit (NPA as per Bank) of Rs. 20,581,099/- (Rs.19,355,408/-), which is under settlement with Bank . | | |
| C. ROC fees of increase in authorised share capital Rs. 50,835,392/- (Rs. 46,934,792/-). | | |
| D. Penaly impose by SEBI for Rs. 10.00 Crores for GDR Issue against which appeal is pending with Securities Appellate Tribunal | | |
| Note 23 - Payment to auditors | | |
| | | (Amount in Rs.) |
| Particulars | As at 31st March, 2022 | As at 31st March, 2021 |
| Audit Fee for | | |
| -Statutory Audit | 1,500.00 | 1,500.00 |



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| Note 24 - Disclosure Under Indian Accounting Standard 24 - RELATED PARTY | | | | | | | |
|---|---|--|---------------------------|--|------------------------|------------------------|------------------|
| | | Rs. In Hundreds | | | | | |
| Description of Relationship | Names of Related Parties | Outstanding Balance As At 31st March, 2022 | | Outstanding Balance As At 31st March, 2021 | | | |
| | | Receivable / (Payable) | | Receivable / (Payable) | | | |
| Ultimate Holding Company | No | | | | | | |
| Holding Company | No | | | | | | |
| Subsidiary Companies | Axis Convergence Inc Greenwire Network Limited Opentec Thal Network Specialists Limited | | | | | | |
| Fellow Subsidiary Company | No | | | | | | |
| Key Management Personnel (KMP) | Mr. Peeyush Kumar Aggarwal (Chairman & M.D.) | (1,926,251.92) | | (1,762,154.42) | | | |
| | Mr. Vishal Anand (CEO) | (1,714.29) | | | | | |
| | Ms. Garima Singh (Company Secretary) | (250.00) | | (749.03) | | | |
| | Mr. Sanjay Sharma (CFO) | (625.00) | | (2,310.00) | | | |
| Relatives of KMP | None | | | | | | |
| Entities in which KMP/ Relatives of KMP can exercise significant influence | Omkam Global Capital Private Limited | (743,340.33) | | (541,180.54) | | | |
| | E-visesh.com Limited | 6,725.11 | | - | | | |
| | MPS Informatics Pvt. Ltd. | (12,367.92) | | - | | | |
| Note: | | | | | | | |
| 1. Related Parties transactions during the year, have been identified by the management | | | | | | | Rs. In Hundred |
| Particulars | Mr. Peeyush Aggarwal | Omkam Global Capital Private Limited | MPS Informatics Pvt. Ltd. | E-Visesh.com Limited | Ms. Garima Singh | Mr. Sanjay Sharma | Mr. Vishal Anand |
| Sale of Goods | - | - | | | - | - | |
| Purchase of Goods | - | - | | | - | - | |
| Loan from Directors' (Previous Year) | 164,097.50 (13,279.72) | | | | | | |
| Other Advances (Previous Year) | | 202,159.79 (159,644.74) | 12,367.92 - | | - | - | |
| Advance given (Previous Year) | | - | - | 6,725.11 - | - | - | |
| Remuneration to Directors & KMPs (Previous Year) | | - | - | | 3,000.00 (3,000.00) | 7,825.00 (7,825.00) | 1,714.29 - |
| Share Application Money Received | - | - | | | - | - | |
| Share Application Money Refunded | - | - | | | - | - | |



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| Note 25 - Disclosure under Indian Accounting Standard 33 -EARNINGS PER SHARE (EPS) | | |
|---|----------------------------------|--------------------------------|
| | Rs. In Hundred) | |
| Particulars | As at 31ST March 2022 | As at 31 March 2021 |
| Basic | | |
| Net Profit after tax as per Statement of Profit & Loss attributable to | (412,135.34) | (542,524.83) |
| Weighted Average number of equity shares used as denominator fo | 3,774,436,655 | 3,774,436,655 |
| Basic Earnings per share | (0.011) | (0.014) |
| Face Value per equity share | 1 | 1 |
| Diluted | | |
| Net Profit after tax as per Statement of Profit & Loss attributable to | (412,135.34) | (542,524.83) |
| Weighted Average number of equity shares used as denominator fo | 3,774,436,655 | 3,774,436,655 |
| Basic Earnings per share | (0.011) | (0.014) |
| Face Value per equity share | 1 | 1 |



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| MPS Infotecnics Limited | | | |
|---|---------------------|--|---------------------|
| Note 26 - DEFERRED TAX | | | |
| Movement in deferred tax assets | | Rs. In Hundred | |
| | Depreciation | Provision for Employee's Benefits | Total |
| As at 31st March 2020 | (393,399.57) | 7,047.35 | (386,352.22) |
| (Charged / Credited: - to profit or loss | 13,011.01 | 330.42 | 13,341.43 |
| (Charged / Credited: - to other comprehensive income | - | - | - |
| As at 31st March 2021 | (380,388.56) | 7,377.77 | (373,010.79) |
| (Charged / Credited: - to profit or loss | 44,506.05 | (1,662.86) | 42,843.19 |
| (Charged / Credited: - to other comprehensive income | - | - | - |
| As at 31st March 2022 | (335,882.51) | 5,714.91 | (330,167.60) |



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Notes to the Financial Statements for the year ended March 31, 2022

(All amounts in INR Hundred, unless otherwise stated)

27 Financial instruments

(i) Fair values hierarchy

Financial assets and financial liabilities measured at fair value in the statement of financial position are classified into three Levels of a fair value hierarchy. The three levels are defined based on the observability of significant inputs to the measurement, as follows:

Level 1: Quoted prices (unadjusted) in active markets for financial instruments.

Level 2: The fair value of financial instruments that are not traded in an active market is determined using valuation techniques which maximise the use of observable market data.

Level 3: If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3.

(ii) Financial Assets & Liabilities as Amortized Cost of instruments measured at amortised cost:

| Particulars | Level | March 31, 2022 | March 31, 2021 |
|------------------------------------|---------|---------------------|---------------------|
| | | Carrying value | Carrying value |
| Financial assets | | | |
| Investments | Level 3 | 46.11 | 47.35 |
| Other Financial Assets | Level 3 | - | - |
| Trade receivable | Level 3 | 3,426,316.26 | 3,390,168.02 |
| Cash and cash equivalents | Level 3 | 3,495,639.45 | 3,492,801.53 |
| Total financial assets | | 6,921,955.71 | 6,882,969.55 |
| Financial liabilities | | | |
| Borrowings | Level 3 | 2,314,572.98 | 2,405,064.11 |
| Trade payables | Level 3 | 897,655.86 | 885,776.94 |
| Other financial liabilities | Level 3 | - | - |
| Total financial liabilities | | 3,212,228.84 | 3,290,841.05 |

iii) Financial instruments by category

| Particulars | March 31, 2022 | | | March 31, 2021 | |
|------------------------------|----------------|----------|---------------------|----------------|---------------------|
| | FVTPL | FVOCI | Amortised cost | FVOCI | Amortised cost |
| Financial assets | | | | | |
| Investments | - | - | 46.11 | - | 47.35 |
| Loan - security deposits | - | - | - | - | - |
| Loan - employees | - | - | - | - | - |
| Loan - Other | - | - | - | - | - |
| Other financial assets | - | - | - | - | - |
| Trade receivables | - | - | 3,426,316.26 | - | 3,390,168.02 |
| Cash and cash equivalents | - | - | 3,495,639 | - | 3,492,801.53 |
| Total | - | - | 6,922,001.82 | - | 6,883,016.90 |
| Financial liabilities | | | | | |
| Borrowings | - | - | 2,314,572.98 | - | 2,405,064.11 |
| Trade payable | - | - | 897,655.86 | - | 885,776.94 |
| Other financial liabilities | - | - | - | - | - |
| Total | - | - | 3,212,228.84 | - | 3,290,841.05 |



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| 28 | Financial risk management | <p>The Company's activities expose it to market risk, liquidity risk and credit risk. The Company's board of directors has overall responsibility for the establishment and oversight of the Company's risk management framework. This note explains the sources of risk which the entity is exposed to and how the entity manages the risk and the related impact in the financial statements.</p> | | | | | | | | | | | | | | | | | | | | |
|---------------|--|---|----------------|-------------|----------------|----------------|------|------------------------|---|---|------|-------------|-------|-------|-----|---------------------------|--------------|--------------|------|-------------------|--------------|--------------|
| | A) Credit risk | <p>Credit risk is the risk that a counterparty fails to discharge an obligation to the company. The company is exposed to this risk for various financial instruments, for example by granting loans and receivables to customers, placing deposits, etc. The company's maximum exposure to credit risk is limited to the carrying amount of following types of financial assets.</p> <ul style="list-style-type: none"> - cash and cash equivalents, - trade receivables, - loans & receivables carried at amortised cost, and - deposits with banks | | | | | | | | | | | | | | | | | | | | |
| | Credit risk management | | | | | | | | | | | | | | | | | | | | | |
| | <i>Credit risk rating</i> | | | | | | | | | | | | | | | | | | | | | |
| | | <p>The Company assesses and manages credit risk based on internal credit rating system, continuously monitoring defaults of customers and other counterparties, identified either individually or by the company, and incorporates this information into its credit risk controls. Internal credit rating is performed for each class of financial instruments with different characteristics. The Company assigns the following credit ratings to each class of financial assets based on the assumptions, inputs and factors specific to the class of financial assets.</p> | | | | | | | | | | | | | | | | | | | | |
| | A: Low | | | | | | | | | | | | | | | | | | | | | |
| | B: Medium | | | | | | | | | | | | | | | | | | | | | |
| | C: High | | | | | | | | | | | | | | | | | | | | | |
| | | | | | | | | | | | | | | | | | | | | | | |
| | <i>Assets under credit risk -</i> | | | | | | | | | | | | | | | | | | | | | |
| | | <table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="width: 30%;">Credit rating</th> <th style="width: 20%;">Particulars</th> <th style="width: 15%;">March 31, 2022</th> <th style="width: 15%;">March 31, 2021</th> </tr> </thead> <tbody> <tr> <td>HIGH</td> <td>Other Financial Assets</td> <td style="text-align: right;">-</td> <td style="text-align: right;">-</td> </tr> <tr> <td>HIGH</td> <td>Investments</td> <td style="text-align: right;">46.11</td> <td style="text-align: right;">47.35</td> </tr> <tr> <td>LOW</td> <td>Cash and cash equivalents</td> <td style="text-align: right;">3,495,639.45</td> <td style="text-align: right;">3,492,801.53</td> </tr> <tr> <td>HIGH</td> <td>Trade receivables</td> <td style="text-align: right;">3,426,316.26</td> <td style="text-align: right;">3,390,168.02</td> </tr> </tbody> </table> | Credit rating | Particulars | March 31, 2022 | March 31, 2021 | HIGH | Other Financial Assets | - | - | HIGH | Investments | 46.11 | 47.35 | LOW | Cash and cash equivalents | 3,495,639.45 | 3,492,801.53 | HIGH | Trade receivables | 3,426,316.26 | 3,390,168.02 |
| Credit rating | Particulars | March 31, 2022 | March 31, 2021 | | | | | | | | | | | | | | | | | | | |
| HIGH | Other Financial Assets | - | - | | | | | | | | | | | | | | | | | | | |
| HIGH | Investments | 46.11 | 47.35 | | | | | | | | | | | | | | | | | | | |
| LOW | Cash and cash equivalents | 3,495,639.45 | 3,492,801.53 | | | | | | | | | | | | | | | | | | | |
| HIGH | Trade receivables | 3,426,316.26 | 3,390,168.02 | | | | | | | | | | | | | | | | | | | |
| | <i>Cash & cash equivalents and bank deposits</i> | | | | | | | | | | | | | | | | | | | | | |
| | | <p>Credit risk related to cash and cash equivalents and bank deposits is managed by only accepting highly rated banks and diversifying bank deposits and accounts in different banks.</p> | | | | | | | | | | | | | | | | | | | | |
| | <i>Trade receivables</i> | | | | | | | | | | | | | | | | | | | | | |
| | | <p>Company's trade receivables are considered of high quality and accordingly no life time expected credit losses are recognised on such receivables.</p> | | | | | | | | | | | | | | | | | | | | |
| | <i>Other financial assets measured at amortised cost</i> | | | | | | | | | | | | | | | | | | | | | |
| | | <p>Other financial assets measured at amortized cost includes advances to employees. Credit risk related to these other financial assets is managed by monitoring the recoverability of such amounts continuously, while at the same time internal control system in place ensure the amounts are within defined limits.</p> | | | | | | | | | | | | | | | | | | | | |
| | B) Liquidity risk | | | | | | | | | | | | | | | | | | | | | |
| | | <p>Prudent liquidity risk management implies maintaining sufficient cash and marketable securities and the availability of funding through an adequate amount of committed credit facilities to meet obligations when due. Due to the nature of the business, the Company maintains flexibility in funding by maintaining availability under committed facilities.</p> <p>Management monitors rolling forecasts of the Company's liquidity position and cash and cash equivalents on the basis of expected cash flows. The Company takes into account the liquidity of the market in which the entity operates. In addition, the Company's liquidity management policy involves projecting cash flows in major currencies and considering the level of liquid assets necessary to meet these, monitoring balance sheet liquidity ratios against internal and external regulatory requirements and maintaining debt financing plans.</p> | | | | | | | | | | | | | | | | | | | | |
| | Maturities of financial liabilities | | | | | | | | | | | | | | | | | | | | | |
| | | <p>The amounts disclosed in the table are the contractual undiscounted cash flows. Balances due within 12 months equal their carrying balances as the impact of discounting is not significant.</p> | | | | | | | | | | | | | | | | | | | | |



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| | | | | | (Rs. In Hundreds) | |
|---|------------------------------|-------------------------|-------------------|--------------------------|---------------------|--|
| 31 March 2022 | | Less than 1 year | 1-5 year | More than 5 years | Total | |
| Borrowings | | 190,867.51 | | 2,123,705.47 | 2,314,572.98 | |
| Trade payable | | 445.48 | - | 897,210.38 | 897,655.86 | |
| Other financial liabilities | | - | - | - | - | |
| Total | | 191,312.99 | - | 3,020,915.85 | 3,212,228.84 | |
| | | | | | (Rs. In Hundreds) | |
| 31 March 2021 | | Less than 1 year | 1-5 year | More than 5 years | Total | |
| Borrowings | | 76,745.40 | - | 2,328,318.72 | 2,405,064.12 | |
| Trade payable | | 56.73 | 885,720.21 | | 885,776.94 | |
| Other financial liabilities | | | | | - | |
| Total | | 76,802.13 | 885,720.21 | 2,328,318.72 | 3,290,841.06 | |
| C) Market risk | | | | | | |
| a) Interest rate risk | | | | | | |
| The Company is not exposed to changes in market interest rates. | | | | | | |
| b) Price risk | | | | | | |
| Exposure | | | | | | |
| The Company's exposure to price risk arises is nil | | | | | | |
| 29 Intangible assets under development | | | | | | |
| For Intangible assets under development, following ageing schedule shall be given | | | | | | |
| Intangible assets under development aging schedule | | | | | | |
| | | | | | Amount in Hundred | |
| Intangible assets under development | Amount in CWIP for period of | | | | Total | |
| | Less than 1 year | 1-2 years | 2-3 years | More than 3 years | | |
| Project 1 | | | | 5,644,397.55 | 5,644,397.55 | |
| Project 2 | - | - | - | - | | |



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| Note- 30 | | | | | | |
|---------------------------|------------------------------|--|------------------------|------------------------|------------|---|
| Ration Analysis (2021-22) | | | | | | REMARKS |
| Sl. No. | Particulars | Formula | Financial Year 2021-22 | Financial Year 2020-21 | % Variance | |
| 1 | Current Ratio | Current Assets / Current Liability | 2.75 | 2.96 | (7.02) | |
| 2 | Debt-to-Equity Ratio | Debts (Long Term and Short Term) / Equity Shareholder Fund | 0.05 | 0.05 | (2.93) | |
| 3 | Debt Service Coverage Ratio | EBIDT / Interest+Principal | (0.23) | (2.14) | (89.14) | One time settlement of Phonix ARC Pvt Ltd was made during the year hence Debt paid was higher during the year as compare to previous year |
| 4 | Return on Equity Ratio | Net Income / Average Shareholder's Equity | (0.01) | (0.01) | (23.37) | |
| 5 | Inventory Turnover Ratio | Cost of Goods Sold / Avg Inventory | 0.01 | 0.01 | 21.98 | |
| 6 | Receivables turnover | Sales / Trade Receivable | 0.01 | 0.01 | 16.82 | |
| 7 | Trade Payable Turnover Ratio | Sales / Trade Payable | 0.05 | 0.05 | 16.50 | |
| 8 | Net Capital Turnover Ratio | Sales/Average Working Capital | 0.00 | 0.00 | (69.64) | Due to lower base of Turnover in both year |
| 9 | Net Profit Margin Ratio | Net Income / Net Sales | (8.42) | (13.08) | (35.66) | Due to lower base of Loss in both year as compare to capital employed. |
| 10 | Return on Capital Employed | EBIT/ Total Assets - Current Liabilities | (0.01) | (0.01) | (11.65) | |
| 11 | Return on Investment | EBIT/Average Operating Assets | (0.01) | (0.01) | (2.91) | |

31. The Company has not paid any remuneration to the directors during the year hence no requirement of compliance of provisions of section 196, 197, 203 and other applicable provisions of the Companies Act 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 read with the Schedule V of the Companies Act 2013.

32. The debit and credit balances standing in the name of parties are subject to confirmation from them.

33. In the opinion of the Board of Directors, the non-current assets, the current assets, loans & advances are fully realizable at the value stated, if realized in the ordinary course of business. The provisions for all known liabilities are adequate in the opinion of board.



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34. Employee Benefits

A. Defined Contribution Plan

The Company has contributed to Employee Provident Fund, under defined contribution plans. The provident fund is operated by the Regional Provident Fund Commissioner.

During the year the company has recognized the following amounts in the Statement of Profit & Loss:

(Rs. In Hundreds)

| Particulars | March 31, 2022 | March 31, 2021 |
|---|----------------|----------------|
| Employer's Contribution to Provident Fund | 280.00 | 279.00 |

B. Defined Benefit Plan

The present value obligation in respect of gratuity & Leave Encashment are determined based on actuarial valuation using the projected unit credit method, which recognizes each period of service as giving rise to additional unit of employee benefit entitlement and measures each unit separately to build up the final obligation. The summarized positions of various defined benefits are as under:-

i. Actuarial Assumptions

| | Gratuity/Leave Encashment (unfunded) March 31, 2022 | Gratuity/Leave Encashment (unfunded) March 31, 2021 |
|---------------------------|---|---|
| Discount Rate (per annum) | 6.84% | 6.70% |
| Salary Escalation | 8.50% | 8.50% |
| Attrition rate: | | |
| Up to 30 Years | 3.00 | 3.00 |
| From 31 to 44 years | 2.00 | 2.00 |
| Above 44 years | 1.00 | 1.00 |
| Mortality Rates | 100% of India Assured Lives 2012-14 Ultimate | 100% of India Assured Lives 2012-14 Ultimate |

Note:

Discount rate should be based on the yield to maturity on high quality corporate bonds having term similar to that of the liability.

ii. Change in Gratuity A/c Obligation

(Rs. In Hundreds)

| S. No. | Particulars | 31/03/2022 | 31/03/2021 |
|--------|---|------------|------------|
| a. | Present value of obligation as at the beginning of the period | 11,122.51 | 10,590.92 |
| b. | Interest Cost | 745.21 | 702.18 |
| c. | Service Cost | 635.46 | 649.61 |
| d. | Benefits Paid | - | - |
| e. | Total Actuarial (Gain)/Loss on Obligation | (890.48) | (820.20) |
| f. | Present value of obligation as at the End of the period | 11,612.70 | 11,122.51 |



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iii. Change in Leave Encashment A/c Obligation

(Rs. In Hundreds)

| S. No. | Particulars | 31/03/2022 | 31/03/2021 |
|--------|---|------------|------------|
| a. | Present value of obligation as at the beginning of the period | 17,253.53 | 16,514.29 |
| b. | Interest Cost | 1,155.99 | 1,094.90 |
| c. | Service Cost | 536.19 | 554.77 |
| d. | Benefits Paid | (2,000.00) | - |
| e. | Total Actuarial (Gain)/Loss on Obligation | (6,577.97) | (910.43) |
| f. | Present value of obligation as at the End of the period | 10,367.74 | 17,253.53 |

35. Ageing of Trade Payable (Creditors)

As on 31.03.2022

(Rs. In Hundreds)

| Particulars | Amount of Trade Payable outstanding from due date of payment | | | | |
|--------------------------|--|----------|----------|-------------------|-----------|
| | Less than 1 Years | 1-2 Year | 2-3 Year | More than 3 Years | Total |
| Undisputed Dues - MSME | - | - | - | - | - |
| Undisputed Dues - Others | 445.48 | - | - | 853108.15 | 897655.86 |
| Disputed dues - MSME | - | - | - | - | - |
| Disputed dues - Others | - | - | - | - | - |

As on 31.03.2021

(Rs. In Hundreds)

| Particulars | Amount of Trade Payable outstanding from due date of payment (Rs/Lacs) | | | | |
|--------------------------|--|----------|----------|-------------------|-----------|
| | Less than 1 Years | 1-2 Year | 2-3 Year | More than 3 Years | Total |
| Undisputed Dues - MSME | - | - | - | - | - |
| Undisputed Dues - Others | 56.73 | - | 14409.74 | (559520.06) | 885776.94 |
| Disputed dues - MSME | - | - | - | - | - |
| Disputed dues - Others | - | - | - | - | - |

36. Ageing of Trade Receivable (Debtors)



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As on 31.03.2022

(Rs. In Hundreds)

| Particulars | Amount of Trade Receivable outstanding from due date of payment | | | | | |
|--|---|--------------------|-----------|-----------|-------------------|-------------------|
| | Less than 6 Months | 6 Months to 1 Year | 1-2 Years | 2-3 Years | More than 3 Years | Total |
| Undisputed Trade receivables-considered good | 3,379.10 | 2,778.08 | | 22,153.61 | 3398005.46 | 3426316.26 |
| Undisputed Trade receivables-considered doubtful | - | - | - | - | | |
| Disputed Trade receivables-considered good | - | - | - | - | | |
| Disputed Trade receivables-considered doubtful | - | - | - | - | - | - |

As on 31.03.2021

(Rs. In Hundreds)

| Particulars | Amount of Trade Receivable outstanding from due date of payment | | | | | |
|--|---|--------------------|-----------|-----------|-------------------|-------|
| | Less than 6 Months | 6 Months to 1 Year | 1-2 Years | 2-3 Years | More than 3 Years | Total |
| Undisputed Trade receivables considered good | 2876.01 | 2685.42 | 4252.86 | | 3416501.97 | |
| Undisputed Trade receivables considered doubtful | - | - | - | - | - | - |
| Disputed Trade receivables considered good | - | - | - | - | - | - |
| Disputed Trade receivables considered doubtful | - | - | - | - | - | - |



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37. During the year, Company has cleared its entire outstanding loan with Indian Phoenix ARC Pvt. Ltd. pursuant to One Time Settlement Agreement entered into by our company with Phoenix & as on date no dues of Phoenix ARC Pvt. Ltd. are outstanding at the end of the Company.
38. Necessary disclosures under Micro, Small and Medium Enterprises Development Act 2006, could not be considered for previous years as the relevant information to identify the suppliers who were covered under the said Act were not received from such parties during the previous years.
39. **Title Deeds of immovable Property:** The Company had no immovable property during the year.
40. **Revaluation of Property, Plant and Equipment:** During the financial year, the Company has not re-valued any of its Property, Plant & Equipment.
41. **Disclosure of loans/advances given to Directors/KMP/Related parties:-**

Disclosure w.r.t loans and advances which are:-

- a. repayable on demand or
- b. without specifying any terms or period of repayment are as follows:

| Type of Borrower | As on 31.03.2022 | | As on 31.03.2021 | |
|------------------|---|---|---|---|
| | Amount of loan or advance in the nature of loan outstanding | Percentage to the total loans and advances in the nature of loans | Amount of loan or advance in the nature of loan outstanding | Percentage to the total loans and advances in the nature of loans |
| Promoters | - | - | - | - |
| Directors | - | - | - | - |
| KMPs | - | - | - | - |
| Related Parties | - | - | - | - |

42. **Benami Properties :** Proceeding under Benami Property Transaction Act, 1988 has been dropped vide Order dated 21.02.2022 vide order No. 49/AA/MUM/PBPT/2021-22.
43. **Borrowings from Banks/FI on the basis of security of Current Assets:** Company had no working capital limit with bank hence the Company has not submitted quarterly current assets statement with bank, during the year under review.
44. The company has not been declared as willful defaulter by any bank of financial institution or any other lender.
45. **Transactions with Struck-off Companies:** The Company has not entered into any transactions with struck off companies under section 248 of the Companies Act 2013 or Section 560 of Companies Act 1956.
46. **Registration of Charges or Satisfaction :** During the year, company has filed following CHG-4 with MCA for satisfaction of charges with Phoenix ARC Pvt. Ltd., New Delhi:-

| Charge ID | Amount in Rs Hundreds | Date of filing |
|-----------|-----------------------|----------------|
| 10117410 | 1,000,000.00 | 25.01.2022 |



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47. Compliance with layers of the companies:-

The company has complied with the number of layers prescribed under Clause (87) of the Act read with Companies (Restriction on number of Layers) Rules 2017.

48. **Scheme of Arrangement** : During the year, the company has not entered into any scheme or arrangement in terms of Section 230 to 237 of the Companies Act 2013.

49. During the year no income was surrendered or disclosed as income in the tax Assessments.

50. **Use of Borrowed Funds**: During the year Company has not borrowed any funds from banks and Financial Institutions.

51. The company has not dealt in Crypto Currency during the year.

52. The Company has not advanced or loaned or invested funds to any other person or entities with an understanding that the intermediary will invest or provide any guarantee, security or the like to or on behalf of ultimate beneficiaries.

53. The Company has not received any fund from any person (s) or entity(s), including foreign entities (Funding party) with the understanding that the company shall directly or indirectly invest or provide any guarantee, security or the like to or on behalf of funding party.

54. In the opinion of the Board, all current assets have a value on realization in the ordinary course of business which is equal to the amount at which they are stated in financial statements.

55. Additional information, to the extent applicable, required under paragraphs 5 (viii) (c) of general instructions for preparation of the Statement of profit & Loss as per schedule III to the Companies Act, 2013

(A) Composition of Raw Material Consumption:

(Rs. In Lacs)

| Raw Material Consumption | 2021-22 | | 2020-21 | |
|--------------------------|---------|------------|---------|------------|
| | Value | Percentage | Value | Percentage |
| Imported | Nil | Nil | Nil | Nil |
| Indigenous | Nil | Nil | Nil | Nil |

(B) Value of Imports on CIF basis:-

| Particulars | 2021-22 | 2020-21 |
|--------------|---------|---------|
| Raw Material | NIL | NIL |



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(C) Earning in Foreign Currency:

| Particulars | 2021-22 | 2020-21 |
|------------------------|---------|---------|
| F.O.B Value of Exports | NIL | NIL |

(D) Expenditure in Foreign Currency (on payment basis):

| Particulars | 2021-22 | 2020-21 |
|---------------------------------|---------|---------|
| Expenditure in Foreign Currency | NIL | NIL |

56. There are no separate reportable segments as per IND AS-108.
57. Previous year figures have been regrouped, rearranged wherever necessary to correspond with the current year's classification/disclosure.

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

For and on behalf of the Board of Director

SD/- SD/-
(S.K.Nemani) (Peeyush Kumar Aggarwal)
Partner Chairman
M. No. 03722 DIN: 00090423
UDIN: 22037222AJZNTX6563

SD/- SD/- SD/-
(Rachit Garg) (Garima Singh) (Sanjay Sharma)
Director Company Secretary CFO
DIN: 7574194

Place: New Delhi
Date: 30th May, 2022



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SIGNIFICANT ACCOUNTING POLICIES ON CONSOLIDATED FINANCIAL STATEMENT

Statement of Compliance with Ind AS

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

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

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

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

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

A. Basis of Accounting & Preparation of Consolidated Financial Statements

These Consolidated Financial Statements are prepared on the accrual basis of accounting, under the historical cost convention except for the following:

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

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

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



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Principles of Consolidation

The consolidated financial statements relate to MPS Infotecnics Limited ('the Holding Company') and its subsidiary companies. The consolidated financial statements have been prepared on the following basis:

- a). The financial statements of the Company and its subsidiary companies are combined on a line-by-line basis by adding together the book values of like items of assets, liabilities, income and expenses, after fully eliminating intra-group balances and intra-group transactions in accordance with Accounting Standard (AS) 21 - "Consolidated Financial Statements".
- b). The difference between the cost of investment in the subsidiaries, over the net assets at the time of acquisition of shares in the subsidiaries is recognised in the financial statements as Goodwill or Capital Reserve, as the case may be.
- c). The difference between the proceeds from disposal of investment in subsidiaries and the carrying amount of its assets less liabilities as of the date of disposal is recognised in the consolidated Profit and Loss Statement being the profit or loss on disposal of investment in subsidiary.
- d). Minority Interest's share of net profit of consolidated subsidiaries for the year is identified and adjusted against the income of the group in order to arrive at the net income attributable to shareholders of the Company.
- e). Minority Interest's share of net assets of consolidated subsidiaries is identified and presented in the consolidated balance sheet separate from liabilities and the equity of the Company's shareholders.

B. Use of Estimates

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

C. Property, plant and equipment (PPE) and Capital work-in-progress (CWIP)

Transition to Ind AS

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

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

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

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



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

D. Leases

The Company, as a lessee, recognizes a right-of-use asset and a lease liability for its leasing arrangements, if the contract conveys the right to control the use of an identified asset.

The contract conveys the right to control the use of an identified asset, if it involves the use of an identified asset and the Company has substantially all of the economic benefits from use of the asset and has right to direct the use of the identified asset. The cost of the right-of-use asset shall comprise of the amount of the initial measurement of the lease liability adjusted for any lease payments made at or before the commencement date plus any initial direct costs incurred. The right-of-use assets is subsequently measured at cost less any accumulated depreciation, accumulated impairment losses, if any and adjusted for any remeasurement of the lease liability. The right-of-use assets is depreciated using the straight-line method from the commencement date over the shorter of lease term or useful life of right-of-use asset.

The Company measures the lease liability at the present value of the lease payments that are not paid at the commencement date of the lease. The lease payments are discounted using the interest rate implicit in the lease, if that rate can be readily determined. If that rate cannot be readily determined, the Company uses incremental borrowing rate.

For short-term and low value leases, the Company recognizes the lease payments as an operating expense on a straight-line basis over the lease term

E. Intangible Assets

Transition to Ind AS:

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

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

F. Depreciation and Amortisation

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

G. Impairment of Assets

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



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H. Foreign Currency Transactions

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

I. Fair value measurement

The Company measures financial instruments at fair value at each balance sheet date.

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

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

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

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

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

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

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



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

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

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

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

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

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

Financial instruments

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

Financial assets

Initial recognition and measurement

All financial assets are recognised initially at fair value plus, in the case of financial assets not recorded at fair value through profit or loss, transaction costs that are attributable to the acquisition of the financial asset. The financial assets include equity and debt securities, trade and other receivables, loans and advances, cash and bank balances and derivative financial instruments.

Subsequent measurement

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

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



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Debt instruments at amortised cost

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

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

After initial measurement, such financial assets are subsequently measured at amortised cost using the effective interest rate (EIR) method. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR.

Equity investments

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

Deemed cost is the carrying amount under the previous GAAP as at the transition date i.e. 1st April, 2016. Equity instruments included within the FVTPL category, if any, are measured at fair value with all changes recognized in profit or loss. The Company may make an irrevocable election to present in OCI subsequent changes in the fair value.

The Company makes such election on an instrument-by-instrument basis. The classification is made on initial recognition and is irrevocable. When the fair value has been determined based on level 3 inputs, the difference between the fair value at initial recognition and the transaction price is deferred and after initial recognition deferred difference is recognised as gain or loss to the extent it arises from change in input to valuation technique. If the Company decides to classify an equity instrument at FVTOCI, then all fair value changes on the instrument, excluding dividends, are recognized in OCI.

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

De-recognition

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

J. Inventories

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

K. Revenue Recognition

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

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



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

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

Interest Income is recognized on time proportion basis.

L. Employee Benefits

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

(b) Post employment benefits:

Defined contribution plans:

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

Defined benefit plan:

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

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

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

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

Actuarial gains and losses are recognized in the other comprehensive income



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Long term employment benefits

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

M. Borrowing Costs

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

N. Provision for Current and Deferred Tax

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

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

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

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

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

O. Provisions, Contingent Liabilities and Contingent Assets

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

P. Estimated fair value of unlisted securities



MPS INFOTECNICS LIMITED

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

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



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Form No. MGT-11 Proxy form

[Pursuant to Section 105(6) of the Companies Act, 2013 and Rule 19(3) of the Companies (Management and Administration) Rules, 2014]

Name of the member:

Registered Address:

Registered E-Mail Address:

Folio No. /Client ID:

DP ID:

I / We, being the member(s) of shares of the above named company, hereby appoint:

1. Name: _____
Address: _____
E-mail Id: _____
Signature: _____, or failing him/her

2. Name: _____
Address: _____
E-mail Id: _____
Signature: _____

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at 33rd Annual General Meeting of members of the Company, to be held on Friday, September, 30th, 2022 at 10.00 a.m. at the 703, Arunachal Building, 19, Barakhamba Road, Connaught Place, New Delhi-110001 and at any adjournment thereof in respect of such resolutions as are indicated below:

| S. No. | RESOLUTIONS | Vote (Optional, see Note 2) (Please mention no. of shares) | |
|-----------|---|---|---------|
| | | For | Against |
| A. | ORDINARY BUSINESS | | |
| 1. | Approval of Financial Statements | | |
| 2. | Re-appointment of Mr. Ram Niwas Sharma, who is liable to retire by rotation | | |
| B. | SPECIAL BUSINESS | | |
| 3. | Approval of Related Party Transactions | | |
| 4. | To consider and approve disinvestment in subsidiaries of the company | | |

Signed this day of..... 2022
Signature of Shareholder
Signature of Proxy holder(s)

Affix
Revenue
Stamp

Note:

1. This form of proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company not less than 48 hours before the commencement of the Meeting (on or before 10:00 a.m. on September 28, 2022).

2. It is optional to indicate your preference. If you leave the 'for' or 'against' column blank against any or all of the resolutions, your proxy will be entitled to vote in the manner as he / she may deem appropriate.



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ROUTE MAP TO THE VENUE OF THE 33rd ANNUAL GENERAL MEETING

Route map of the venue of 33rd Annual General Meeting of MPS Infotecnics Limited to be held on Friday, September 30, 2022 at 10.00 a.m. at the 703, Arunachal Building, 19, Barakhamba Road, Connaught Place, New Delhi-10001

