

MPS North America LLC
Balance Sheet as at 31 March 2018

		INR in Lacs		
	Note	As at 31 March 2018	As at 31 March 2017	As at 1 April 2016
ASSETS				
Non-current assets				
Property, plant and equipment	3	38.52	35.51	27.23
Goodwill	4	1,705.62	1,100.21	1,123.64
Other Intangible assets	4	34.91	-	0.20
Financial assets				
Investments	5	-	1,269.26	-
Loans	6 (i)	-	6.60	12.81
Income tax assets (net)	7	-	20.05	7.90
Total non-current assets		1,779.05	2,431.63	1,171.78
Current Assets				
Financial assets				
Trade receivables	8	1,428.03	1,894.51	984.18
Cash and cash equivalents	9	2,016.82	878.02	1,005.56
Loans	6 (ii)	12.59	-	-
Other financial assets	10	588.30	71.82	51.37
Other current assets	11	53.28	30.84	10.43
Total current assets		4,099.02	2,875.19	2,051.54
TOTAL ASSETS		5,878.07	5,306.82	3,223.32
EQUITY AND LIABILITIES				
Equity				
Equity share capital	12	4,213.59	4,213.59	2,423.96
Other equity		692.43	516.52	457.95
Total equity		4,906.02	4,730.11	2,881.91
Liabilities				
Non-current liabilities				
Deferred tax liabilities (net)	13	94.30	98.75	48.91
Total non-current liabilities		94.30	98.75	48.91
Current liabilities				
Financial liabilities				
Trade payables	14	662.33	340.55	199.34
Other financial liabilities	15	123.25	93.42	65.73
Other current liabilities	16	70.67	39.23	22.62
Provisions	17	4.83	4.76	4.81
Income tax assets (net)	18	16.67	-	-
Total current liabilities		877.75	477.96	292.50
TOTAL EQUITY AND LIABILITIES		5,878.07	5,306.82	3,223.32
Significant accounting policies	2			
Notes to financial statements	3-34			
The accompanying notes form an integral part of financial statements				

For and on behalf of MPS North America LLC

Yamini Tandon

Yamini Tandon
Manager

Place : Gurugram
Date : 23 May 2018


MPS North America LLC

Statement of Profit & Loss for the year ended 31 March 2018

INR in Lacs

	Note	Year ended 31 March 2018	Year ended 31 March 2017
Income			
Revenue from operations	19	6,600.47	6,354.63
Other income	20	1.62	20.41
Total income		6,602.09	6,375.04
Expenses			
Employee benefits expense	21	1,942.00	2,084.07
Depreciation and amortization expense	22	29.17	22.57
Other expenses	23	4,135.64	3,995.79
Total expenses		6,106.81	6,102.43
Profit before tax		495.28	272.61
Tax expense:			
Current tax	24	95.21	14.83
Deferred tax	13	(4.83)	52.53
Total tax expenses		90.38	67.36
Profit for the year		404.90	205.25
Other comprehensive income			
Items that will be reclassified subsequently to profit or loss			
Exchange differences on translation of foreign operations		46.98	(146.68)
Total other comprehensive income for the year , net of tax		46.98	(146.68)
Total comprehensive income for the year		451.88	58.57
Earnings per unit (nominal value of unit USD 100 each)			
- Basic and diluted (earnings per unit expressed in absolute amount in Indian Rupees)	25	608.88	344.79
Significant accounting policies	2		
Notes to financial statements	3-34		
The accompanying notes form an integral part of financial statements			

For and on behalf of MPS North America LLC



Yamini Tandon
Manager

Place : Gurugram
Date : 23 May 2018

MPS North America LLC
Statement of change in Equity for the year ended 31 March 2018

A. Equity share capital		INR in Lacs	
Balance as at 1 April 2016		2,423.96	
Changes in equity share capital during the year		1,789.63	
Balance as at 31 March 2017		4,213.59	
Changes in equity share capital during the year		-	
Balance as at 31 March 2018		4,213.59	
B. Other equity		INR in Lacs	
Particulars	Reserve and Surplus (refer note 1 below) Retained earnings	Other Comprehensive income (refer note 1 below) Foreign currency translation reserve	Total
As at 1 April 2016	457.95	-	457.95
Profit for the year	205.25	-	205.25
Other comprehensive income	-	(146.68)	(146.68)
Total comprehensive income for the year	205.25	(146.68)	58.57
Transfer to general reserve	-	-	-
As at 31 March 2017	663.20	(146.68)	516.52
As at 1 April 2017	663.20	(146.68)	516.52
Profit for the year	404.90	-	404.90
Addition due to merger of wholly owned subsidiary (refer note 5)	(254.84)	(21.13)	(275.97)
Other comprehensive income	-	46.98	46.98
Total comprehensive income for the year	150.06	25.85	175.91
Transfer to general reserve	-	-	-
As at 31 March 2018	813.26	(120.83)	692.43

Notes:

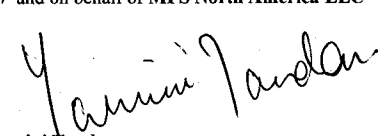
1 Nature and purpose of other equity:

Foreign currency translation reserve: Exchange differences arising on translation of the foreign operations are recognised in other comprehensive income as described in accounting policy and accumulated in a separate reserve within equity. The cumulative amount is reclassified to profit or loss when the Company dispose or partially dispose off its interest in a foreign operation through sale, liquidation, repayment of share capital or abandonment of all, or part of, that entity.

2 Refer note 34

The accompanying notes form an integral part of financial statements

For and on behalf of MPS North America LLC


Yamini Tandon
Manager

Place : Gurugram
Date : 23 May 2018

MPS North America LLC

Cash Flow Statement for the year ended 31 March 2018

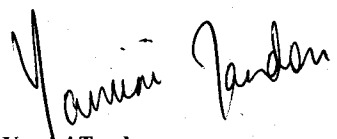
INR in Lacs

Particulars	Year ended 31 March 2018	Year ended 31 March 2017
A. Cash flow from operating activities		
Net Profit before tax	495.28	272.61
Adjustments:		
Depreciation and amortisation expense	29.17	22.57
Liabilities/provisions no longer required written back	-	(20.41)
Allowances for expected credit loss	83.66	11.09
Bad debts written off/(reversal)	43.15	-
Operating cash flows before working capital changes	651.26	285.86
(Increase)/decrease in trade receivables	610.01	(921.42)
(Increase)/decrease in loans	(0.34)	6.21
(Increase)/decrease in other financial assets	(516.48)	(20.45)
(Increase)/decrease in other current assets	26.65	(20.40)
(Decrease)/increase in trade payables	110.33	161.61
(Decrease)/increase in other financial liabilities	15.56	27.69
(Decrease)/increase in other current liabilities	(56.00)	16.61
(Decrease)/increase in short-term provisions	0.07	(0.07)
Cash generated from operations	841.06	(464.36)
Income tax paid (net of refund)	(58.49)	(26.98)
Net cash generated from operating activities (A)	782.57	(491.34)
B. Cash flow from investing activities		
Purchase of property, plant and equipment (including capital work-in-progress)	(10.09)	(30.42)
Purchase of other intangible assets	(6.90)	-
Investments in shares of subsidiary company	-	(1,269.26)
Merger of subsidiary company	361.54	-
Net cash used in investing activities (B)	344.55	(1,299.68)
C. Cash flow from financing activities		
Proceeds from issue of share capital	-	1,789.63
Net cash used in financing activities (C)	-	1,789.63
Net increase/(decrease) in cash and cash equivalents (A+B+C)	1,127.12	(1.39)
Impact on cash flow on account of foreign currency translation reserve	11.68	(126.15)
Cash and cash equivalents at the beginning of the year	878.02	1,005.56
Cash and cash equivalents at the end of the year (see below)	2,016.82	878.02
Components of cash and cash equivalents:		
Cash on hand	-	-
Balances with banks		
- Current accounts	2,016.82	878.02
	2,016.82	878.02

Notes:

Statement of Cash Flow has been prepared under the indirect method as set out in the Ind AS 7 "Statement of Cash Flows".

For and on behalf of MPS North America LLC


Yamini Tandon
ManagerPlace : Gurugram
Date : 23 May 2018

MPS North America LLC

Notes forming part of Financial Statements for the year ended 31 March 2018

(INR in Lacs, except share and per share data, unless otherwise stated)

3. Property, plant and equipment

	INR in Lacs			
Particulars	Plant and equipment	Furniture & Fixtures	Leasehold improvements	Total
Gross carrying value				
As at 1 April 2016 (Deemed Cost)	25.94	1.29	-	27.23
Additions	10.25	16.96	3.21	30.42
Disposals/adjustments	-	-	-	-
Foreign currency translation reserve	(1.87)	(0.09)	-	(1.96)
As at 31 March 2017	34.32	18.16	3.21	55.69
Additions	3.51	-	6.58	10.09
Addition due to merger of wholly owned subsidiary (refer note 5)	77.59	-	-	77.59
Disposals/adjustments	(0.09)	-	-	(0.09)
Foreign currency translation reserve	0.37	0.10	0.02	0.49
As at 31 March 2018	115.70	18.26	9.81	143.77
Accumulated depreciation				
As at 1 April 2016	-	-	-	-
Depreciation charge for the year	20.86	1.19	0.35	22.40
Disposals/adjustments	-	-	-	-
Foreign currency translation reserve	(1.76)	(0.40)	(0.06)	(2.22)
As at 31 March 2017	19.10	0.79	0.29	20.18
Addition due to merger of wholly owned subsidiary (refer note 5)	58.70	-	-	58.70
Depreciation charge for the year	20.88	2.01	2.91	25.80
Disposals/adjustments	(0.09)	-	-	(0.09)
Foreign currency translation reserve	(5.71)	4.64	1.73	0.66
As at 31 March 2018	92.88	7.44	4.93	105.25
Net carrying value				
As at 1 April 2016	25.94	1.29	-	27.23
As at 31 March 2017	15.22	17.37	2.92	35.51
As at 31 March 2018	22.82	10.82	4.88	38.52
Net carrying value	31 March 2018	31 March 2017	1 April 2016	
Property, plant and equipment	38.52	35.51	27.23	
Capital work in progress	-	-	-	

MPS North America LLC
Notes forming part of Financial Statements for the year ended 31 March 2018
(INR in Lacs, except share and per share data, unless otherwise stated)

4. Intangible assets				INR in Lacs
Particulars	Goodwill	Computer software	Trademark	Total
Gross carrying value				
As at 1 April 2016 (Deemed Cost)	1,123.64	0.20	-	1,123.84
Additions	-	-	-	-
Foreign currency translation reserve	(23.43)	-	-	(23.43)
As at 31 March 2017	1,100.21	0.20	-	1,100.41
Additions	-	6.90	-	6.90
Addition due to merger of wholly owned subsidiary (refer note 5)	577.87	-	35.40	613.27
Foreign currency translation reserve	27.54	0.09	(0.06)	27.58
As at 31 March 2018	1,705.62	7.19	35.34	1,748.16
Accumulated depreciation/amortisation				
As at 1 April 2016	-	-	-	-
Amortisation expense for the year	-	0.17	-	0.17
Foreign currency translation reserve	-	0.03	-	0.03
As at 31 March 2017	-	0.20	-	0.20
Addition due to merger of wholly owned subsidiary (refer note 5)	-	-	3.94	3.94
Amortisation expense for the year	-	1.14	2.23	3.37
Foreign currency translation reserve	-	0.10	0.02	0.12
As at 31 March 2018	-	1.44	6.19	7.63
Net carrying value	Goodwill	Computer software	Trademark	Total
As at 1 April 2016	1,123.64	0.20	-	1,123.84
As at 31 March 2017	1,100.21	-	-	1,100.21
As at 31 March 2018	1,705.62	5.75	29.16	1,740.53
Net carrying value		31 March 2018	31 March 2017	31 March 2016
Intangible assets		1,740.53	1,100.21	1,123.84

4(a) Impairment testing of goodwill

For the purposes of impairment testing, goodwill is allocated to the Cash Generating Units (CGU) which represents the lowest level at which the goodwill is monitored for internal management purposes, which is not higher than the Group's operating segments.

The aggregate carrying amounts of goodwill allocated to content solution and platform solutions operating segments is as follows:

Particulars	As at 31 March 2018	As at 31 March 2017	As at 1 April 2016
Content solutions	1,105.72	1,100.21	1,123.64
Platform solutions	599.89	-	-
	1,705.62	1,100.21	1,123.64

For the purposes of impairment testing, goodwill is allocated to the Cash Generating Units (CGU) which represents the recoverable amount of the above cash generating units based on its value in use. The value in use of these units was determined to be higher than the carrying amount and an analysis of the calculation's sensitivity towards change in key assumptions did not identify any probable scenarios where the CGU recoverable amount would fall below their carry amount.

Value in use was determined by discounting the future cash flows generated from the continuing use of the CGU. The calculation was based on the following key assumptions:

- The anticipated annual revenue growth and margin included in the cash flow projections are based on past experience, actual operating results and the 5-year business plan in all periods presented.
- The terminal growth rate ranges from 1% for the year ended 31 March 2018 (31 March 2017: 1%; 1 April 2016: 1%) representing management view on the future long-term growth rate.
- Discount rate ranging from 9% to 11.90% for the year ended 31 March 2018 (31 March 2017: ranging from 9% to 11.90% ; 1 April 2016: 9%) was applied in determining the recoverable amount of the CGUs. The discount rate was estimated based on past experience and historical industry average weighted-average cost of capital.

The values assigned to the key assumptions represent the management's assessment of future trends in the industry and based on both internal and external sources.

MPS North America LLC**Notes forming part of Financial Statements for the year ended 31 March 2018****(INR in Lacs, except share and per share data, unless otherwise stated)****5. Non-current investments**

Particulars	INR in Lacs		
	As at 31 March 2018	As at 31 March 2017	As at 1 April 2016

Investments carried at cost :

Equity instruments of subsidiaries (unquoted)

Nil shares (31 March 2017: 100 shares; 1 April 2016: Nil shares) of

USD 100 each fully paid up of MagPlus Inc., USA

-	1,269.26	-
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-	1,269.26	-
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Note:

MagPlus Inc., USA a wholly subsidiary company has been merged with its holding company w.e.f. 10 August 2017.

MPS North America LLC
Notes forming part of Financial Statements for the year ended 31 March 2018
(INR in Lacs, except share and per share data, unless otherwise stated)

6 Loans		INR in Lacs		
Particulars	As at 31 March 2018	As at 31 March 2017	As at 1 April 2016	
(i) Non Current (Unsecured, considered good)				
Security deposits carried at amortised cost	-	6.60	12.81	
	-	6.60	12.81	
(ii) Current (Unsecured, considered good)				
Security deposits carried at cost	12.59	-	-	
	12.59	-	-	
7 Income taxes		INR in Lacs		
Particulars	As at 31 March 2018	As at 31 March 2017	As at 1 April 2016	
Advance income tax (net of provisions)	-	20.05	7.90	
	-	20.05	7.90	
8 Trade receivables		INR in Lacs		
Particulars	As at 31 March 2018	As at 31 March 2017	As at 1 April 2016	
Current				
Trade receivables	1,428.03	1,894.51	984.18	
	1,428.03	1,894.51	984.18	
Break-up for details:				
Trade receivables (Unsecured)				
Considered good	1,428.03	1,894.51	984.18	
Doubtful	27.35	10.93	0.27	
	1,455.38	1,905.44	984.45	
Less: Expected credit loss allowance (refer note 30)	27.35	10.93	0.27	
Total Trade receivables	1,428.03	1,894.51	984.18	
9 Cash and cash equivalents		INR in Lacs		
Particulars	As at 31 March 2018	As at 31 March 2017	As at 1 April 2016	
Balances with banks				
-In Current accounts	2,016.82	878.02	1,005.56	
	2,016.82	878.02	1,005.56	
10 Other financial assets		INR in Lacs		
Particulars	As at 31 March 2018	As at 31 March 2017	As at 1 April 2016	
Unbilled revenue	588.30	71.82	51.37	
	588.30	71.82	51.37	
11 Other assets		INR in Lacs		
Particulars	As at 31 March 2018	As at 31 March 2017	As at 1 April 2016	
Other current assets (Unsecured, Considered Good)				
Prepaid expenses	53.28	19.49	7.47	
Others receivables	-	11.35	2.96	
	53.28	30.84	10.43	

MPS North America LLC
Notes forming part of Financial Statements for the year ended 31 March 2018
(INR in Lacs, except share and per share data, unless otherwise stated)

12	Share capital	INR in Lacs		
(i)	Particulars	As at 31 March 2018	As at 31 March 2017	As at 1 April 2016
	Issued, Subscribed & Paid-Up 66,500 units of USD 100 each fully paid up with voting rights (31 March 2017: 66,500 units; 1 April 2016: 40,000 units of USD 100)	4,213.59 <u>4,213.59</u>	4,213.59 <u>4,213.59</u>	2,423.96 <u>2,423.96</u>

(ii) Reconciliation of the units outstanding at beginning and at end of the year

Particulars	As at 31 March 2018		As at 31 March 2017		As at 1 April 2016	
	Number	INR in Lacs	Number	INR in Lacs	Number	INR in Lacs
Units (with voting rights) outstanding at the beginning of the year	66,500	4,213.59	40,000	2,423.96	30,000	1,784.76
Issued during the year	-	-	26,500	1,789.63	10,000	639.20
Outstanding at the end of the year	<u>66,500</u>	<u>4,213.59</u>	<u>66,500</u>	<u>4,213.59</u>	<u>40,000</u>	<u>2,423.96</u>

(iii) Rights, preferences and restrictions attached to units

The Company has only one class of units having a par value of USD 100 per unit. Each unit holder is entitled to one vote per unit. In the event of liquidation of the Company, the unit holders will be entitled to receive any of the remaining assets of the Company, after distribution of all preferential amount, if any. The distribution will be in proportion to number of units held by the unit holders.

(iv) Details of units held by the holding company, the ultimate holding company, their subsidiaries and associates:

Particulars	As at 31 March 2018		As at 31 March 2017		As at 1 April 2016	
	Number	INR in Lacs	Number	INR in Lacs	Number	INR in Lacs
Units of USD 100 each fully paid up and held by MPS Limited, the holding company	66,500	4,213.59	66,500	4,213.59	40,000	2,423.96

(v) Details of unit holders holding more than 5% units of the Company

Class of units / Name of unit holder	As at 31 March 2018		As at 31 March 2017		As at 1 April 2016	
	Number	% holding in that class of units	Number	% holding in that class of units	Number	% holding in that class of units
Units of USD 100 each fully paid up and held by MPS Limited, the holding company	66,500	100%	66,500	100%	40,000	100%

(vi) Aggregate number of bonus units issued, units issued for consideration other than cash and units bought back during the period of five years immediately preceding the reporting date:

There are no bonus units issued and units bought back during the period of five years immediately preceding the reporting date.

13 Deferred tax

Deferred income tax reflect the net tax effects of temporary difference between the carrying amount of asset and liabilities for financial reporting purposes and the amounts used for income tax purposes. Significant component of the Company's net deferred income tax are as follows:

Deferred tax assets:				INR in Lacs
	Expected credit loss allowance	Expenses allowable for tax purposes when paid	Others	Total
As at 1 April 2016	0.59	-	-	0.59
(Charged)/credited				
- to statement of profit and Loss	4.19	-	-	4.19
- to other comprehensive income	-	-	-	-
- to foreign currency translation reserve	(0.55)			(0.55)
As at 31 March 2017	4.23	-	-	4.23
(Charged)/credited				
- to statement of profit and Loss	2.88	-	-	2.88
- to other comprehensive income	-	-	-	-
- to foreign currency translation reserve	(0.17)			(0.17)
As at 31 March 2018	6.94	-	-	6.94

Deferred tax liabilities:				INR in Lacs
	Difference between book balance and tax balance of property, plant and equipment/ intangible assets	Expenses allowable for tax purposes when paid	Others	Total
As at 1 April 2016	(48.50)	(1.00)	-	(49.50)
(Charged)/credited				
- to statement of profit and Loss	(38.41)	(33.71)	15.39	(56.73)
- to other comprehensive income	-	-	-	-
- to foreign currency translation reserve	2.91	0.57	(0.23)	3.25
As at 31 March 2017	(84.00)	(34.13)	15.16	(102.98)
(Charged)/credited				
- to statement of profit and Loss	(7.40)	24.21	(14.86)	1.95
- to other comprehensive income	-	-	-	-
- to foreign currency translation reserve	(0.16)	0.25	(0.30)	(0.21)
As at 31 March 2018	(91.56)	(9.67)	-	(101.24)

Reflected in the Balance Sheet as follows:

	As at 31 March 2018	As at 31 March 2017	As at 1 April 2016
Deferred tax assets	6.94	4.23	0.59
Deferred tax liabilities	(101.24)	(102.98)	(49.50)
Deferred tax liabilities (net)	(94.30)	(98.75)	(48.91)

Reconciliation of deferred tax asset (net):

	Year ended 31 March 2018	Year ended 31 March 2017
Balance as at the commencement of the year	(98.75)	(48.91)
Expense/(credit) during the year recognised in Statement of profit and loss	(4.83)	52.54
Expense/(credit) during the year recognised in OCI	-	-
Foreign currency translation reserve	0.38	(2.70)
Balance as at the end of the year	(94.30)	(98.75)

MPS North America LLC

Notes forming part of Financial Statements for the year ended 31 March 2018

(INR in Lacs, except share and per share data, unless otherwise stated)

14 Trade payables		INR in Lacs	
Particulars	As at 31 March 2018	As at 31 March 2017	As at 1 April 2016
Trade payables	238.05	296.44	79.04
Trade payables to related parties (refer note 33)	424.28	44.11	120.30
	662.33	340.55	199.34

15 Other financial liability (Current)		INR in Lacs	
Particulars	As at 31 March 2018	As at 31 March 2017	As at 1 April 2016
Employee payable	123.25	93.42	65.73
	123.25	93.42	65.73

16 Other current liabilities		INR in Lacs	
Particulars	As at 31 March 2018	As at 31 March 2017	As at 1 April 2016
Income received in advance (Unearned revenue)	26.19	-	-
Statutory remittances*	44.48	39.23	22.62
	70.67	39.23	22.62
*(includes 401(k) plan and Sales tax etc.)			

17 Provisions (Current)		INR in Lacs	
Particulars	As at 31 March 2018	As at 31 March 2017	As at 1 April 2016
Provision for compensated absences	4.83	4.76	4.81
	4.83	4.76	4.81

18 Income tax		INR in Lacs	
Particulars	As at 31 March 2018	As at 31 March 2017	As at 1 April 2016
Provision for tax	16.67	-	-
	16.67	-	-

MPS North America LLC
Notes forming part of Financial Statements for the year ended 31 March 2018
(INR in Lacs, except share and per share data, unless otherwise stated)

19	Revenue from operations	INR in Lacs	
	Particulars	Year ended 31 March 2018	Year ended 31 March 2017
	Income from services	6,600.47	6,354.63
		6,600.47	6,354.63

20	Other income	INR in Lacs	
	Particulars	Year ended 31 March 2018	Year ended 31 March 2017
	Other non-operating income (Refer note (i) below)	1.62	20.41
		1.62	20.41

Note (i) Other non-operating income comprises:		INR in Lacs	
	Particulars	Year ended 31 March 2018	Year ended 31 March 2017
	Liabilities no longer required written back	-	20.41
	Miscellaneous income	1.62	-
		1.62	20.41

MPS North America LLC**Notes forming part of Financial Statements for the year ended 31 March 2018****(INR in Lacs, except share and per share data, unless otherwise stated)**

21 Employee benefits expense		INR in Lacs	
Particulars	Year ended	Year ended	
	31 March 2018	31 March 2017	
Salaries and wages (refer note 26)	1,810.08	1,939.12	
Contribution to 401(k) plan (refer note 26)	124.04	143.07	
Staff welfare expenses	7.88	1.88	
	1,942.00	2,084.07	

22 Depreciation and amortization expense		INR in Lacs	
Particulars	Year ended	Year ended	
	31 March 2018	31 March 2017	
Depreciation on property, plant and equipment (refer note 3)	25.80	22.40	
Amortization on intangible assets (refer note 4)	3.37	0.17	
	29.17	22.57	

MPS North America LLC

Notes forming part of Financial Statements for the year ended 31 March 2018

(INR in Lacs, except share and per share data, unless otherwise stated)

23 Other expenses	INR In Lacs	
Particulars	Year ended 31 March 2018	Year ended 31 March 2017
Outsourcing cost	3,042.98	3,571.87
Power and fuel	2.53	4.18
Rent (refer note 27)	112.76	105.31
Hire charges	1.09	0.53
Repairs and maintenance - buildings	4.43	-
Repairs and maintenance - plant and machinery	7.88	6.77
Repairs and maintenance - others	-	3.40
Insurance	7.02	5.51
Rates and taxes	0.73	0.27
Communication	48.27	45.89
Travelling and conveyance	94.53	124.41
Legal and professional	40.36	29.06
Bad debts written off	156.26	-
Less: Allowances for expected credit loss utilised for the above	<u>(113.11)</u>	-
Allowances for expected credit loss and doubtful advances	83.66	11.09
Royalty	499.20	-
Miscellaneous expenses	147.05	87.50
	<u>4,135.64</u>	<u>3,995.79</u>

MPS North America LLC**Notes forming part of Financial Statements for the year ended 31 March 2018****(INR in Lacs, except share and per share data, unless otherwise stated)****24 Income tax**

The major components of income tax expense for the years ended 31 March 2018 and 31 March 2017 are:

	INR in Lacs	
	Year ended	Year ended
	31 March 2018	31 March 2017
Current income tax		
Current income tax charge for the year	95.21	14.83
Adjustments in respect of current income tax of previous years	-	-
	95.21	14.83
Deferred tax		
Deferred tax on profits for the year	(4.83)	52.53
Adjustments in respect of deferred tax of previous years	-	-
	(4.83)	52.53
Income tax expense reported in the Statement of Profit and Loss	90.38	67.36

25 Earnings per unit

	INR in Lacs	
	Year ended	Year ended
	31 March 2018	31 March 2017
Profit for the year attributable to the owners of the Company	404.90	205.25
Weighted average number of units outstanding	66,500	59,530
Face value per unit (USD)	100	100
Earnings per unit-Basic & Diluted (INR)	608.88	344.79

MPS North America LLC**Notes forming part of Financial Statements for the year ended 31 March 2018****(INR in Lacs, except share and per share data, unless otherwise stated)****26 Employee benefits in respect of the Company have been calculated as under****(A) Defined Contribution Plans**

The Company has certain defined contribution plan such as 401(k) plan, CPTO scheme for qualifying employees. Under the schemes, the company is required specified percentage of payroll costs to fund the benefits. During the year, the Company has contributed following amounts to:

Particulars	INR in Lacs	
	Year ended 31 March 2018	Year ended 31 March 2017
Short-term compensated absences (CPTO)	0.05	3.44
Employer's contribution to 401(k) plan	124.04	143.07
	<u>124.09</u>	<u>146.51</u>

(B) Other long term benefits (compensated absences)

Particulars	INR in Lacs		
	As at 31 March 2018	As at 31 March 2017	As at 1 April 2016
Present value of obligation at the end of the year	4.83	4.76	4.81

27 Leases

The Company has entered into cancellable and non-cancellable operating leases for office premises. The aggregate lease rentals payable are charged as expenses. Rental payments under such leases are as follows:

Particulars	INR in Lacs	
	Year ended 31 March 2018	Year ended 31 March 2017
Lease rental	112.76	105.31
	<u>112.76</u>	<u>105.31</u>

28 Contingent liabilities to the extent not provided for

Particulars	INR in Lacs		
	As at 31 March 2018	As at 31 March 2017	As at 1 April 2016
Claims against Company, disputed by the Company, not acknowledged as debt:	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>

MPS North America LLC

Notes forming part of Financial Statements for the year ended 31 March 2018

(INR in Lacs, except share and per share data, unless otherwise stated)

29 Fair value measurements

Particulars	Note	Level of hierarchy	As at 31 March 2018			As at 31 March 2017			As at 1 April 2016			INR in Lacs	
			FVPL		Amortised cost	FVPL		FVOCI	Amortised cost	FVPL			FVOCI
Financial assets													
Trade receivables	(a)		-	-	1,428.03	-	-	1,894.51	-	-	-	984.18	
Loans	(a, b)		-	-	12.59	-	-	6.60	-	-	-	12.81	
Cash and cash equivalents	(a)		-	-	2,016.82	-	-	878.02	-	-	-	1,005.56	
Other financial assets	(a, b)		-	-	588.30	-	-	71.82	-	-	-	51.37	
Total financial assets			-	-	4,045.74	-	-	2,850.95	-	-	-	2,053.92	
Financial liabilities													
Trade payables	(a)		-	-	662.33	-	-	340.55	-	-	-	199.34	
Other financial liabilities	(a)		-	-	123.25	-	-	93.42	-	-	-	65.73	
Total financial liabilities			-	-	785.58	-	-	433.97	-	-	-	265.07	

Note:

(a) Fair valuation of financial assets and liabilities with short term maturities is considered as approximate to respective carrying amount due to the short term maturities of these instruments.

(b) Fair value of non-current financial assets has not been disclosed as there is no significant differences between carrying value and fair value.

MPS North America LLC
Notes forming part of Financial Statements for the year ended 31 March 2018
(INR in Lacs, except share and per share data, unless otherwise stated)

30 Financial risk management
Risk management framework

The Company's activities expose it to a variety of financial risks: market risk including foreign currency risk, credit risk, liquidity risk and interest rate risk.

i Market risk

Market risk includes foreign exchange risk, industry risk, customer concentration risk, pricing risk and interest risk that may affect the Company's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the returns.

Currency risk

The Company is not exposed to currency risk as there is no mismatch between the currencies in which revenue and expense are denominated and the functional currency of the Company.

Pricing risk:

Pricing pressure is a constant risk due to increased competition. The Group strives to mitigate this risk with existing customers by a trade-off for volumes. Thereon, it is the Group's endeavor to reduce the impact by taking advantage of economies of scale and increasing productivity, as well increasing automation within these processes.

ii Credit risk

Trade receivables

The Company's exposure to credit risk is influenced mainly by the individual characteristics of each customer and if a customer fails to meet its contractual obligations. The demographics of the customer, including the default risk of the industry and country in which the customer operates, also has an influence on credit risk assessment. Details of concentration of revenue are as follows:

Particulars	INR in Lacs	
	Year ended 31 March 2018	Year ended 31 March 2017
Revenue from top 4 customers (Previous year 2 customers)	4,209.44	3,579.09
(more than 10% revenue individually)		
Revenue from top 15 customers	5,718.98	6,284.51

Expanding the customer base is mitigating this risk. Within the current customers, the Company is looking to deepen the partnership by supporting publishers in new areas of outsourcing.

Expected credit loss for trade receivables:

The Company based on internal assessment which is driven by the historical experience/ current facts available in relation to default and delays in collection thereof, the credit risk for trade receivables is considered low. The Company estimates its allowance for trade receivable using lifetime expected credit loss.

Movement in the expected credit loss allowance of trade receivables are as follows:

Particulars	INR in Lacs	
	As at 31 March 2018	As at 31 March 2017
Balance at the beginning of the year	10.93	0.27
Addition due to merger	44.91	-
Add: Provided during the year (net of reversal)	83.66	11.09
Less: Amount written off	(113.11)	-
Less: Impact of foreign currency translation	0.96	(0.43)
Balance at the end of the year	27.35	10.93

Expected credit loss on financial assets other than trade receivables:

With regards to all financial assets with contractual cash flows other than trade receivable, management believes these to be high quality assets with negligible credit risk. The management believes that the parties from which these financial assets are recoverable, have strong capacity to meet the obligations and where the risk of default is negligible and accordingly no provision for expected credit loss has been provided on these financial assets. Break up of financial assets other than trade receivables have been disclosed on balance sheet.

iii Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Company's approach to managing liquidity is to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when they are due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation.

The Company's treasury department is responsible for managing the short term and long term liquidity requirements. Liquidity situation is reviewed regularly by the management.

Exposure to liquidity risk

The following are the remaining contractual maturities of financial liabilities at the reporting date. The amounts are gross and undiscounted, and include contractual interest payments and exclude the impact of netting agreements.

Particulars	Contractual Cash flows							INR in Lacs		
	As at 31 March 2018		As at 31 March 2017			As at 1 April 2016				
	Carrying Amount	Within 1 year	More than 1 Year	Carrying Amount	Within 1 year	More than 1 Year	Carrying Amount		Within 1 year	More than 1 Year
Non-derivative financial liabilities										
Trade payables	662.33	662.33	-	340.55	340.55	-	199.34	199.34	-	-
Other financial liabilities	123.25	123.25	-	93.42	93.42	-	65.73	65.73	-	-

iv Interest rate risk

The Company is not exposed to interest rate risk.

31 Capital management

The Company is equity financed which is evident from the capital structure (refer note 12). Further, the Company has always been a net cash Company with cash and bank balances. This allows investor, creditor and market confidence and to sustain future development of the business.

32 Segment information

Operating Segments

The CEO and Whole Time Director of the Group has been identified as the Chief Operating Decision Maker (CODM) as defined by Ind AS 108, Operating Segments. Operating Segments have been defined and presented based on the regular review by the CODM to assess the performance of each segment and to make decision about allocation of resources. Accordingly, the Group has determined reportable segment by nature of its product and service, accordingly following are the reportable segments:

- (a) **Content Solutions:** Content solutions mean creating and developing content for print and digital delivery. It includes content authoring/development, content production, content transformation, fulfillment and customer support services.
- (b) **Platform Solutions:** Platform solutions means developing and implanting various software and technology services programs.

The Company has aggregated its operating segment into Content and Platform operating reportable segment, which is consistent with aggregation criteria defined under Ind AS 108 i.e. similar economic characteristics, similar nature of the production process, similar type or class of customer for their products and services and similar method used to distribute their product or provide their services.

Accordingly, operating segment i.e. content production, content transformation and customer support are aggregated into content operating segment and technology and software related services aggregated into platform operating segment.

The Company prepares its segment information in conformity with the accounting policies adopted for preparing and presenting the financial statements of the Company as a whole.

Common allocable costs are allocated to each segment according to the relative contribution of each segment to the total common costs.

- (i) Revenue and expenses which relate to the Company as a whole and not allocable to segments on reasonable basis have been included under 'unallocated revenue/expenses'. Details are as follows:

Particulars	INR in Lacs	
	Year ended 31 March 2018	Year ended 31 March 2017
Segment revenue		
Content solutions	5,768.48	6,354.63
Platform solutions	831.99	-
Total revenue from operations	6,600.47	6,354.63
Segment results		
Content solutions	605.79	252.20
Platform solutions	(112.13)	-
Total	493.66	252.20
Un-allocable expenditure (net of un-allocable income)	(1.62)	(20.41)
Interest income	-	-
Finance cost	-	-
Profit before tax	495.28	272.61
Tax expense	90.38	67.36
Profit for the year	404.90	205.25

- (ii) Assets and liabilities used in the Company's business are not identified to any of the reportable segments, as these are used interchangeably between segments and the management believes that it is not practicable to provide segment disclosures relating to total assets and liabilities.

(c) Geographical informations:

The geographical information analysis the Company's revenue and non-current assets by the holding Company's country of domicile (i.e. USA) and other countries. In presenting the geographical information segment revenue has been based on the geographical location of customers and segment assets which have been based on the geographical location of the assets.

(i) Revenue by geographical markets

Particular	INR in Lacs	
	Year ended 31 March 2018	Year ended 31 March 2017
Europe	138.64	-
USA (Country of domicile)	6,274.59	6,354.63
Rest of the World	187.24	-
Total	6,600.47	6,354.63

(ii) Non-current assets (by geographical location of assets)*

Particular	INR in Lacs		
	As at 31 March 2018	As at 31 March 2017	As at 1 April 2016
USA (Country of domicile)	1,779.05	2,431.63	1,171.78
Total	1,779.05	2,431.63	1,171.78

MPS North America LLC

Notes forming part of Financial Statements for the year ended 31 March 2018

(INR in Lacs, except share and per share data, unless otherwise stated)

33 Related party transactions

The related parties as per the terms of Ind AS-24, "Related Party Disclosures", (specified under section 133 of the Companies Act, 2013, read with Rule 7 of Companies (Accounts) Rules, 2015) are disclosed below:-

A Names of related parties and description of relationship:

S.No.	Description of relationship	Names of related parties
1	Holding Company	MPS Limited
2	Subsidiary Company	Magplus Inc., USA (Merged with MPS NA LLC on 10 August, 2017)
3	Key management personnel (KMP)	Ms. Yamini Tandon, Manager

B Details of related party transactions during the year ended 31 March 2018 and balances outstanding as at 31 March 2018:

Description of transactions:	Name of related party	Relationship	Year ended 31 March 2018	Year ended 31 March 2017
1 Equity Contribution	MPS Limited	Holding Company	-	1,789.63
2 Investment	Magplus Inc.	Subsidiary Company	-	1,269.26
3 Receiving of Services	MPS Limited	Holding Company	2,040.29	1,455.37
4 Remunerations paid	Ms. Yamini Tandon	KMP	119.75	89.67

C Balances at the year end	Name of related party	Relationship	As at 31 March 2018	As at 31 March 2017	As at 1 April 2016
1 Trade payables	MPS Limited	Holding Company	424.28	44.11	120.30

Notes:

- 1 No amount has been written off / written back during the year in respect of dues from / to related parties.

34 First-time adoption of Ind AS

Transition to Ind AS

These are the Company's first financial statements prepared in accordance with Ind AS.

The significant accounting policies set out in note 2 have been applied in preparing the financial statements for the year ended 31 March 2018, the comparative information presented in these financial statements for the year ended 31 March 2017 and in the preparation of an opening Ind AS balance sheet at 1 April 2016 (the Company's date of transition). In preparing its opening Ind AS balance sheet, the Company has adjusted the amounts reported previously in financial statements prepared in accordance with the accounting standards notified under Companies (Accounting Standards) Rules, 2006 (as amended) and other relevant provisions of the Act (previous GAAP or Indian GAAP). An explanation of how the transition from previous GAAP to Ind AS has affected the Company's financial position, financial performance and cash flows is set out in the following tables and notes.

(A) Exemptions and exceptions availed

Set out below are the applicable Ind AS 101 optional exemptions and mandatory exceptions applied in the transition from previous GAAP to Ind AS.

Ind AS optional exemptions

1 Business combinations

Ind AS 101 provides the option to apply Ind AS 103 "Business Combinations" prospectively from the transition date or from a specific date prior to the transition date. This provides relief from full retrospective application that would require restatement of all business combinations prior to the transition date. The Company elected to apply Ind AS 103 prospectively to business combinations occurring after its transition date.

2 Deemed cost

Ind AS 101 permits a first-time adopter to elect to continue with the carrying value for all of its property, plant and equipment as recognised in the financial statements as at the date of transition to Ind AS, measured as per the previous GAAP and use that as its deemed cost as at the date of transition. This exemption can also be used for intangible assets and investment property covered by Ind AS 38 Intangible Assets and Ind AS 40 Investment Property respectively. Accordingly, the Company has elected to measure all of its property, plant and equipment, investment property and intangible assets at their previous GAAP carrying value.

3 Investments in subsidiaries

Ind AS 101 permits the first time adopter to measure investment in subsidiaries in accordance with Ind AS 27 at one of the following:

a) cost determined in accordance with Ind AS 27 or

b) Deemed cost:

(i) fair value at date of transition

(ii) previous GAAP carrying amount at that date.

The Company has elected to consider previous GAAP carrying amount of its investments in subsidiaries on the date of transition to Ind AS as its deemed cost for the purpose of determining cost in accordance with principles of Ind AS 27-"Separate financial statements"

Ind AS mandatory exceptions

1 Estimates

An entity's estimates in accordance with Ind AS as at the date of transition to Ind AS shall be consistent with estimates made for the same date in accordance with previous GAAP (after adjustments to reflect any difference in accounting policies), unless there is objective evidence that those estimates were in error.

Ind AS estimates as at 1 April 2016 are consistent with the estimates as at the same date made in conformity with previous GAAP. The Company made estimates for following items in accordance with Ind AS at the date of transition as these were not required under previous GAAP:

-Impairment of financial assets based on expected credit Loss model.

-Determination of the discounted value for financial instruments carried at amortised cost.

2 Classification and measurement of financial assets

Ind AS 101 requires an entity to assess classification of financial assets on the basis of the facts and circumstances existing as on the date of transition. Further, the standard permits measurement of financial assets accounted at amortised cost based on facts and circumstances existing at the date of transition if retrospective application is impracticable.

Accordingly, the Company has determined the classification of financial assets based on facts and circumstances that exist on the date of transition. Measurement of the financial assets accounted at amortised cost has been done retrospectively except where the same is impracticable.

MPS North America LLC
Notes forming part of Financial Statements for the year ended 31 March 2018
(INR in Lacs, except share and per share data, unless otherwise stated)
34 (B). Reconciliations of Balance Sheet 1 April 2016 and as at 31 March 2017
INR in Lacs

Particulars	Notes 34(F)	As at 1 April 2016			As at 31 March 2017		
		IGAAP	Effects of transition to Ind-AS	Ind AS	IGAAP	Effects of transition to Ind-AS	Ind AS
ASSETS							
Non-current assets							
Property, plant and equipment		27.23	-	27.23	35.51	-	35.51
Goodwill		1,123.64	-	1,123.64	1,100.21	-	1,100.21
Other Intangible assets		0.20	-	0.20	-	-	-
Financial assets							
Investments		-	-	-	1,269.26	-	1,269.26
Loans		12.81	-	12.81	6.60	-	6.60
Income tax assets (net)		7.90	-	7.90	20.05	-	20.05
Total Non-Current Assets		1,171.78	-	1,171.78	2,431.63	-	2,431.63
Current assets							
Financial assets							
Trade receivables	1	982.88	1.30	984.18	1,894.20	0.31	1,894.51
Cash and cash equivalents		1,005.56	-	1,005.56	878.02	-	878.02
Other financial assets		51.37	-	51.37	71.82	-	71.82
Other current assets		10.43	-	10.43	30.84	-	30.84
Total current assets		2,050.24	1.30	2,051.54	2,874.88	0.31	2,875.19
TOTAL ASSETS		3,222.02	1.30	3,223.32	5,306.51	0.31	5,306.82
EQUITY AND LIABILITIES							
Equity							
Equity share capital		2,423.96	-	2,423.96	4,213.59	-	4,213.59
Other equity	1	456.65	1.30	457.95	516.21	0.31	516.52
Total equity		2,880.61	1.30	2,881.91	4,729.80	0.31	4,730.11
Liabilities							
Non-current liabilities							
Deferred tax liabilities (net)		48.91	-	48.91	98.75	-	98.75
Total non-current liabilities		48.91	-	48.91	98.75	-	98.75
Current liabilities							
Financial liabilities							
Trade payables		199.34	-	199.34	340.55	-	340.55
Other financial liabilities		65.73	-	65.73	93.42	-	93.42
Other current liabilities		22.62	-	22.62	39.23	-	39.23
Provisions		4.81	-	4.81	4.76	-	4.76
Income tax assets (net)		-	-	-	-	-	-
Total current liabilities		292.50	-	292.50	477.96	-	477.96
TOTAL EQUITY AND LIABILITIES		3,222.02	1.30	3,223.32	5,306.51	0.31	5,306.82

*The previous GAAP figures have been reclassified to conform to Ind AS presentation requirement for the purposes of this note.

MPS North America LLC
Notes forming part of Financial Statements for the year ended 31 March 2018
(INR in Lacs, except share and per share data, unless otherwise stated)
34 (C) Reconciliation Statement of Profit and Loss as previously reported under Previous GAAP to Ind AS
INR in Lacs

	Notes 34 (F)	Year ended 31 March 2017		
		IGAAP	Effects of transition to Ind-AS	Ind AS
Income				
Revenue from operations		6,354.63	-	6,354.63
Other income		20.41	-	20.41
Total income		6,375.04	-	6,375.04
Expenses				
Employee benefits expense		2,084.07	-	2,084.07
Finance costs		-	-	-
Depreciation and amortization expense		22.57	-	22.57
Other expenses	1	3,994.80	0.99	3,995.79
Total expenses		6,101.44	0.99	6,102.43
Profit before tax		273.60	(0.99)	272.61
Tax expense:				
Current tax		14.83	-	14.83
Reversal of excess provision for tax relating to earlier years		-	-	-
Deferred tax		52.53	-	52.53
Total tax expenses		67.36	-	67.36
Profit for the year		206.24	(0.99)	205.25
Other comprehensive income				
Items that will be reclassified subsequently to profit or loss				
Exchange differences on translation of foreign operations	B	-	(146.68)	(146.68)
		-	(146.68)	(146.68)
Total other comprehensive income for the year , net of tax		206.24	(147.67)	58.57

*The previous GAAP figures have been reclassified to conform to Ind AS presentation requirement for the purposes of this note.

MPS North America LLC

Notes forming part of Financial Statements for the year ended 31 March 2018

(INR in Lacs, except share and per share data, unless otherwise stated)

34 (D) Equity reconciliation

	Notes	INR in Lacs	
		As at 31 March 2017	As at 1 April 2016
Reported earlier under Previous GAAP		4,729.80	2,880.61
Impact of expected credit loss	3	0.31	1.30
Net Profit for the year under Ind AS		4,730.11	2,881.91

34 (E) Other than effect of certain reclassifications due to difference in presentation, there was no other material effect of cash flow from operating, financing, investing activities for all periods presented.

34 (F) Notes to the reconciliations**1 Trade receivables**

As per Ind AS, the Company based on internal assessment which is driven by the historical experience/current facts available in relation to default and delays in collection of trade receivable, the company estimates its allowance for trade receivable using lifetime expected credit loss.

This has increased total equity by INR 0.31 Lacs as at 31 March 2017 (1 April 2016: INR 1.30 Lacs)

For and on behalf of MPS North America LLC



Yamini Tandon
Manager

Place : Gurugram
Date : 23 May 2018