

**MPS North America LLC**  
**Balance Sheet as at 31 March 2020**

		INR in Lacs	
	Note	As at 31 March 2020	As at 31 March 2019
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property, plant and equipment	3.1	19.41	25.42
Capital work in progress		0.37	-
Right-of-use assets	3.2	72.14	-
Goodwill	4	1,980.15	1,809.78
Other intangible assets	4	28.41	32.03
<b>Total non-current assets</b>		<b>2,100.48</b>	<b>1,867.24</b>
<b>Current assets</b>			
Financial assets			
Trade receivables	5	1,397.37	1,988.14
Cash and cash equivalents	6	3,171.55	2,317.60
Loans	7	29.56	20.74
Income tax assets (net)	8	-	41.95
Other current assets	9	1,251.74	281.76
<b>Total current assets</b>		<b>5,850.22</b>	<b>4,650.19</b>
<b>TOTAL ASSETS</b>		<b>7,950.70</b>	<b>6,517.43</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
Equity share capital	10 (i)	4,213.59	4,213.59
Other equity		2,442.67	1,304.08
<b>Total equity</b>		<b>6,656.26</b>	<b>5,517.67</b>
<b>Liabilities</b>			
<b>Non-current liabilities</b>			
Financial liabilities			
Lease liabilities	12 (i)	2.32	-
Deferred tax liabilities (net)	11	213.82	148.85
<b>Total non-current liabilities</b>		<b>216.14</b>	<b>148.85</b>
<b>Current liabilities</b>			
Financial liabilities			
Lease liabilities	12 (ii)	72.19	-
Trade payables	13	766.52	597.93
Other financial liabilities	14	73.32	116.65
Other current liabilities	15	106.30	131.68
Provisions	16	4.61	4.65
Income tax liabilities (net)	17	55.36	-
<b>Total current liabilities</b>		<b>1,078.30</b>	<b>850.91</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>7,950.70</b>	<b>6,517.44</b>
Significant accounting policies	2		
Notes to financial statements	3.1-35		
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 : 19 May 2020

**MPS North America LLC****Statement of Profit & Loss for the year ended 31 March 2020****INR in Lacs**

	<b>Note</b>	<b>Year ended 31 March 2020</b>	<b>Year ended 31 March 2019</b>
<b>Income</b>			
Revenue from operations	18	6,569.56	6,742.26
Other income	19	48.03	16.70
<b>Total income</b>		<b>6,617.59</b>	<b>6,758.96</b>
<b>Expenses</b>			
Employee benefits expense	20	1,965.80	2,310.71
Finance costs	21	5.20	-
Depreciation and amortization expense	22	80.79	23.87
Other expenses	23	3,777.79	3,931.84
<b>Total expenses</b>		<b>5,829.58</b>	<b>6,266.42</b>
<b>Profit before tax</b>		<b>788.01</b>	<b>492.54</b>
<b>Tax expense:</b>			
Current tax	24	141.41	70.44
Adjustment of tax relating to earlier years		12.48	29.42
Deferred tax	11	49.30	51.49
<b>Total tax expenses</b>		<b>203.19</b>	<b>151.35</b>
<b>Profit for the year</b>		<b>584.82</b>	<b>341.19</b>
<b>Other comprehensive income</b>			
Items that will be reclassified subsequently to profit or loss			
Exchange differences on translation of foreign operations		556.97	270.46
<b>Total other comprehensive income for the year , net of tax</b>		<b>556.97</b>	<b>270.46</b>
<b>Total comprehensive income for the year</b>		<b>1,141.79</b>	<b>611.65</b>
<b>Earnings per unit (nominal value of unit USD 100 each)</b>			
- Basic and diluted (earnings per unit expressed in absolute amount in Indian Rupees)	25	879.43	513.07
Significant accounting policies	2		
Notes to financial statements	3.1-35		
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 : 19 May 2020

**MPS North America LLC**
**Cash Flows Statement for the year ended 31 March 2020**
**INR in Lacs**

Particulars	Year ended 31 March 2020	Year ended 31 March 2019
<b>A. Cash flows from operating activities</b>		
<b>Net Profit before tax</b>	<b>788.01</b>	<b>492.54</b>
Adjustments:		
Depreciation and amortisation expense	80.79	23.87
Finance costs	5.20	-
Liabilities/provisions no longer required written back	(34.92)	-
Allowances for expected credit loss	20.28	2.06
Bad debts written off/(reversal)	-	65.59
<b>Operating cash flows before working capital changes</b>	<b>859.36</b>	<b>584.06</b>
(Increase)/decrease in trade receivables	570.48	(627.76)
(Increase) in loans	(8.82)	(8.15)
Decrease in other financial assets	-	588.30
(Increase) in other current assets	(969.98)	(228.48)
(Decrease)/increase in trade payables	168.59	(64.40)
(Decrease) in other financial liabilities	(8.41)	(6.60)
(Decrease)/increase in other current liabilities	(25.38)	61.01
(Decrease) in short-term provisions	-	(0.18)
<b>Cash generated from operations</b>	<b>585.84</b>	<b>297.80</b>
Income tax paid (net of refund)	(56.58)	(158.48)
<b>Net cash generated from operating activities (A)</b>	<b>529.26</b>	<b>139.32</b>
<b>B. Cash flows from investing activities</b>		
Purchase of property, plant and equipment (including capital work-in-progress)	(3.96)	(2.86)
Purchase of other intangible assets	(0.17)	-
<b>Net cash used in investing activities (B)</b>	<b>(4.13)</b>	<b>(2.86)</b>
<b>C. Cash flows from financing activities</b>		
Repayment of lease liabilities	(68.56)	-
<b>Net cash used in financing activities (C)</b>	<b>(68.56)</b>	<b>-</b>
<b>Net increase/(decrease) in cash and cash equivalents (A+B+C)</b>	<b>456.55</b>	<b>136.46</b>
Impact on cash flow on account of foreign currency translation reserve	397.40	164.32
Cash and cash equivalents at the beginning of the year	2,317.60	2,016.82
<b>Cash and cash equivalents at the end of the year (see below)</b>	<b>3,171.55</b>	<b>2,317.60</b>
<b>Components of cash and cash equivalents:</b>		
<b>Cash on hand</b>	-	-
<b>Balances with banks</b>		
- Current accounts	3,171.55	2,317.60
	<b>3,171.55</b>	<b>2,317.60</b>

**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**

Manager

Place : Gurugram

Date : 19 May 2020

**MPS North America LLC**
**Statement of change in Equity for the year ended 31 March 2020**

<b>A. Equity share capital</b>			<b>INR in Lacs</b>
<b>Balance as at 1 April 2018</b>			<b>4,213.59</b>
Changes in equity share capital during the year			-
<b>Balance as at 31 March 2019</b>			<b>4,213.59</b>
Changes in equity share capital during the year			-
<b>Balance as at 31 March 2020</b>			<b>4,213.59</b>
<b>B. Other equity</b>			<b>INR in Lacs</b>
Particulars	Reserve and Surplus (refer note 1 below)	Other Comprehensive income (refer note 1 below)	Total
	Retained earnings	Foreign currency translation reserve	
<b>As at 1 April 2018</b>	<b>813.26</b>	<b>(120.83)</b>	<b>692.43</b>
Profit for the year	341.19	-	341.19
Other comprehensive income	-	270.46	270.46
<b>Total comprehensive income for the year</b>	<b>341.19</b>	<b>270.46</b>	<b>611.65</b>
Transfer to general reserve	-	-	-
<b>As at 31 March 2019</b>	<b>1,154.45</b>	<b>149.63</b>	<b>1,304.08</b>
<b>As at 1 April 2019</b>	<b>1,154.45</b>	<b>149.63</b>	<b>1,304.08</b>
Transition impact of Ind AS 116 (refer note 33 (iii))	(3.20)	-	(3.20)
<b>Restated balance as at 1 April 2019</b>	<b>1,151.25</b>	<b>149.63</b>	<b>1,300.88</b>
Profit for the year	584.82	-	584.82
Other comprehensive income	-	556.97	556.97
<b>Total comprehensive income for the year</b>	<b>584.82</b>	<b>556.97</b>	<b>1,141.79</b>
Transfer to general reserve	-	-	-
<b>As at 31 March 2020</b>	<b>1,736.07</b>	<b>706.60</b>	<b>2,442.67</b>

**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.

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 : 19 May 2020

## **MPS North America LLC**

### **Notes forming part of the Financial Statements**

*All amount in INR Lacs, unless otherwise stated*

#### **1. Corporate Information**

MPS North America LLC ("MPS NA LLC"/"Company") registered as a Limited Liability Company under the laws of the State of Florida in the United States of America and provides full service editorial, design and production services to the educational publishing market with expertise in developing turnkey solutions for print and online products. MPS NA LLC provides K-12 and Higher Education publishing market.

#### **2. Significant accounting policies**

This note provides a list of the significant accounting policies adopted in the preparation of these financial statements. These policies have been consistently applied to all the years presented, unless otherwise stated.

##### **2.1 Basis of preparation of financial statements**

###### **a) Statement of compliance**

These Ind AS Financial Statements ("financial statements") have been prepared in accordance with Indian Accounting Standards (Ind AS) as per the Companies (Indian accounting Standards) Rules, 2015 notified under Section 133 of Companies Act, 2013, ("the Act") and other relevant provisions of the Act.

The financial statements up to and for the year ended 31 March 2017 were prepared in accordance with the Companies (Accounting Standards) Rules, 2006 (previous GAAP), notified under Section 133 of the Act and other relevant provisions of the Act.

b) Effective 1 April 2016, the Company had transitioned to Ind AS while the financial statements were being prepared in accordance with the Companies (Accounting Standards) Rules, 2006 (previous GAAP) till 31 March 2017 and the transition was carried out in accordance of Ind AS 101 "First time adoption of Indian Accounting Standards". While carrying out transition, in addition to the mandatory exemptions, the Company had elected to certain exemption which are listed as below:

- The Company elected to continue with the carrying value for all of its property, plant and equipment, intangible assets and investment property 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.

The financial statements of the Company for the year ended 31 March 2020 were approved for issue in accordance with the resolution of the Board of Directors on 19<sup>th</sup> May 2020.

###### **c) Basis of measurement**

These financial statements have been prepared on a historical cost convention and on an accrual basis, except for the following material items which have been measured at fair value as required by relevant Ind AS.

- Financial instruments classified as fair value through other comprehensive income or fair value through profit or loss

## **MPS North America LLC**

### **Notes forming part of the Financial Statements**

*All amount in INR Lacs, unless otherwise stated*

#### **d) Critical estimates and judgements**

The preparation of Financial Statements requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected. In particular, information about significant areas of estimation uncertainty and critical judgments in applying accounting policies that have the most significant effect on the amounts recognised in the financial statements is included in the following notes.

- Assessment of useful life of property, plant and equipment and intangible asset – refer note 2.3
- Estimated impairment of financial assets and non-financial assets – refer note 2.5 and 2.6
- Recognition and estimation of tax expense including deferred tax – refer note 11
- Estimation of assets and obligations relating to employee benefits – refer note 26
- Measurement and likelihood of occurrence of provisions and contingencies – refer note 28
- Measurement of consideration and assets acquired as part of business combination
- The Company assessed the progress of project using percentage of completion method, measured on the basis of effort involved which is akin to output to customer.
- In assessing the recoverability of receivables including unbilled receivables, contract assets and contract costs, goodwill, intangible assets, and certain investments, the Company has considered internal and external information up to the date of approval of these financial statements including credit reports and economic forecasts considering emerging situations due to COVID-19. Based on current indicators of future economic conditions, the Company expects to recover the carrying amount of these assets. Due to the nature of the pandemic, the Company will continue to monitor developments to identify significant uncertainties in future periods.

#### **2.2 Current–non-current classification**

The Company presents assets and liabilities in the Balance Sheet based on current/ non-current classification.

##### **Assets**

An asset is classified as current when it satisfies any of the following criteria:

- it is expected to be realised in, or is intended for sale or consumption in, the company's normal operating cycle;
- it is held primarily for the purpose of being traded;
- it is cash or cash equivalent unless it is restricted from being exchanged or used to settle a liability for at least 12 months after the reporting date.

Current assets include the current portion of non-current financial assets. All other assets are classified as non-current.

##### **Liabilities**

A liability is classified as current when it satisfies any of the following criteria:

- it is expected to be settled in the company's normal operating cycle;
- it is held primarily for the purpose of being traded;
- the company does not have an unconditional right to defer settlement of the liability for at least 12 months after the reporting date. Terms of a liability that could, at the option of the

## **MPS North America LLC**

### **Notes forming part of the Financial Statements**

*All amount in INR Lacs, unless otherwise stated*

counterparty, result in its settlement by the issue of equity instruments do not affect its classification.

Current liabilities include current portion of non-current financial liabilities. All other liabilities are classified as non-current.

Deferred tax assets and liabilities are classified as non-current assets and liabilities respectively.

The operating cycle is the time between the acquisition of assets for processing and their realisation in cash and cash equivalents. The Company has identified twelve months as its operating cycle for the purpose of current-non current classification of assets and liabilities.

### **2.3 Property, plant and equipment (PPE) and intangible assets**

#### **a) Property, plant and equipment**

Property, plant and equipment are stated at acquisition cost net of accumulated depreciation and accumulated impairment losses, if any. The cost of property, plant and equipment comprises its purchase price net of any trade discounts and rebates, any import duties and other taxes (other than those subsequently recoverable from the tax authorities), any directly attributable expenditure on making the asset ready for its intended use, other incidental expenses and interest on borrowings attributable to acquisition of qualifying property, plant and equipment up to the date the asset is ready for its intended use. Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. All other repairs and maintenance are charged to the Statement of Profit and Loss during the period in which they are incurred.

Property, plant and equipment which are not ready for intended use as on the date of Balance Sheet are disclosed as "Capital work-in-progress".

#### **b) Intangible assets**

Separately purchased intangible assets are initially measured at cost. Intangible assets acquired in a business combination are recognised at fair value at the acquisition date. Subsequently, intangible assets are carried at cost less any accumulated amortisation and accumulated impairment losses, if any.

Goodwill is initially recognised based on the accounting policy for business combinations (refer note 2.4). Goodwill is not amortised but is tested for impairment annually.

#### **c) Depreciation and amortisation methods, estimated useful lives and residual value**

Depreciation on property, plant and equipment is provided on a pro-rata basis on the straight-line method based on useful life specified in Part C of Schedule II to the Companies Act.

Freehold land is not depreciated. Leasehold improvements are amortised on a straight line basis over the period of lease or their useful lives, whichever is shorter.

Intangible assets are amortised on a pro-rata basis on a straight-line basis over the period of their expected useful lives. Estimated useful lives by major class of intangible assets are as follows:

- Software – 2 to 5 years
- Customer relationship- 5 years
- Trademark- 10 years

## **MPS North America LLC**

### **Notes forming part of the Financial Statements**

*All amount in INR Lacs, unless otherwise stated*

The residual values, useful lives and method of depreciation/amortisation of property, plant and equipment, investment property and intangible assets are reviewed at each financial year end and adjusted prospectively, if appropriate.

#### **d) Derecognition**

A property, plant and equipment and intangible assets is derecognised on disposal or when no future economic benefits are expected from its use and disposal. Losses arising from retirement and gains or losses arising from disposal of a tangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the Statement of Profit and Loss.

#### **2.4 Business combination:**

Business combinations are accounted for using the acquisition accounting method as at the date of the acquisition, which is the date at which control is transferred to the Company. The consideration transferred in the acquisition and the identifiable assets acquired and liabilities assumed are recognised at fair values on their acquisition date. Goodwill is initially measured at cost, being the excess of the aggregate of the consideration transferred over the net identifiable assets acquired and liabilities assumed.

Transaction costs are expensed as incurred, other than those incurred in relation to the issue of debt or equity securities. Any contingent consideration payable is measured at fair value at the acquisition date. Subsequent changes in the fair value of contingent consideration are recognised in the Statement of Profit and Loss.

#### **2.5 Impairment of non-financial assets**

The Company's non-financial assets, other than deferred tax are reviewed at each reporting date to determine whether there is any such indication. If any such indication exists, then the asset's recoverable amount is estimated. Goodwill is tested annually for impairment.

For impairment testing, assets that do not generate independent cash inflows are grouped together into cash-generating units (CGUs). Each CGU represents the smallest group of assets that generates cash inflows that are largely independent of cash inflows of other assets or CGUs.

Goodwill arising from a business combination is allocated to CGUs or group of CGUs that are expected to benefit from synergies of the combination.

The recoverable amount of a CGU (or an individual asset) is the higher of its value in use and its fair value less costs to sell. Value in use is based on the estimated future cash flows, discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the CGU (or the asset).

An impairment loss is recognised if the carrying amount of an assets or CGU exceeds its estimated recoverable amount. Impairment losses are recognised in the statement of profit and loss. Impairment loss recognised in respect of a CGU is allocated first to reduce the carrying amount of any goodwill allocated to the CGU, and then to reduce the carrying amounts of the other assets of the CGU (or group of CGUs) on a *pro rata* basis.

An impairment loss in respect of goodwill is not subsequently reversed. In respect of other assets for which impairment loss has been recognised in prior periods, then Company reviews at each reporting date whether there is any indication that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. Such a reversal is made only to the extent that the asset's carrying amount does not exceeds the carrying amount that would have been determined, net of depreciation or amortization, if no impairment loss had been recognized.



## **MPS North America LLC**

### **Notes forming part of the Financial Statements**

*All amount in INR Lacs, unless otherwise stated*

#### **2.6 Financial instrument**

A Financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

##### **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. Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trades) are recognised on the trade date, i.e., the date that the Company commits to purchase or sell the asset.

##### **Subsequent measurement**

For purposes of subsequent measurement, financial assets are classified in four categories:

- Debt instruments at amortised cost
- Debt instruments at fair value through other comprehensive income (FVOCI)
- Debt instruments, derivatives and equity instruments at fair value through profit or loss (FVPL)
- Equity instruments measured at fair value through other comprehensive income (FVOCI)

##### **Debt instruments at amortised cost**

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

- i. The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows, and
- ii. Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) 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. The EIR amortisation is included in other income in the Statement of Profit and Loss. The losses arising from impairment are recognised in the Statement of Profit and Loss. This category generally applies to trade and other receivables.

##### **Debt instrument at FVOCI**

A 'debt instrument' is classified as at the FVOCI if both of the following criteria are met:

- i. The objective of the business model is achieved both by collecting contractual cash flows and selling the financial assets, and
- ii. The asset's contractual cash flows represent SPPI.

Debt instruments included within the FVOCI category are measured initially as well as at each reporting date at fair value. Fair value movements are recognised in the other comprehensive income (OCI). On derecognition of the asset, cumulative gain or loss previously recognised in OCI is reclassified to the Statement of Profit and Loss. Interest earned whilst holding FVTOCI debt instrument is reported as interest income using the EIR method.

## **MPS North America LLC**

### **Notes forming part of the Financial Statements**

*All amount in INR Lacs, unless otherwise stated*

#### **Debt instrument at FVPL**

FVPL is a residual category for debt instruments. Any debt instrument, which does not meet the criteria for categorisation as at amortised cost or as FVOCI, is classified as at FVPL.

In addition, the Company may elect to designate a debt instrument, which otherwise meets amortised cost or FVOCI criteria, as at FVPL. However, such election is allowed only if doing so reduces or eliminates a measurement or recognition inconsistency (referred to as 'accounting mismatch').

Debt instruments included within the FVPL category are measured at fair value with all changes recognised in the Statement of Profit and Loss.

#### **Equity investments**

All equity investments in scope of Ind AS 109 are measured at fair value. Equity instruments which are held for trading and contingent consideration recognised by an acquirer in a business combination to which Ind AS 103 applies are classified as at FVPL. For all other equity instruments, the Company may make an irrevocable election to present in other comprehensive income 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.

If the Company decides to classify an equity instrument as at FVOCI, then all fair value changes on the instrument, excluding dividends, are recognised in the OCI. There is no recycling of the amounts from OCI to the Statement of Profit and Loss, even on sale of investment. However, the Company may transfer the cumulative gain or loss within equity.

Equity instruments included within the FVPL category are measured at fair value with all changes recognised in the Statement of Profit and Loss.

#### **Investments in subsidiaries**

Investments in subsidiaries are carried at cost less accumulated impairment losses, if any. Where an indication of impairment exists, the carrying amount of the investment is assessed and written down immediately to its recoverable amount. On disposal of investments in subsidiaries, the difference between net disposal proceeds and the carrying amounts are recognised in the Statement of Profit and Loss.

#### **Impairment of financial assets**

The Company recognizes loss allowance using the expected credit loss (ECL) model for the financial assets which are not fair valued through profit or loss. Loss allowance for trade receivables with no significant financing component is measured at an amount equal to lifetime ECL. In determining the allowances for doubtful trade receivables, the Company has used a practical expedient by computing the expected credit loss allowance for trade receivables based on a provision matrix. The provision matrix takes into account historical credit loss experience and is adjusted for forward looking information. The expected credit loss allowance is based on the ageing of the receivables that are due and rates used in the provision matrix. For all financial assets with contractual cash flows other than trade receivable, ECLs are measured at an amount equal to the 12-month ECL, unless there has been a significant increase in credit risk from initial recognition in which case those are measured at lifetime ECL. The amount of ECLs (or reversal) that is required to adjust the loss allowance at the reporting date to the amount that is required to be recognised as an impairment gain or loss in the Statement of Profit and Loss.

## **MPS North America LLC**

### **Notes forming part of the Financial Statements**

*All amount in INR Lacs, unless otherwise stated*

#### **Derecognition**

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognized (i.e., removed from the Company's balance sheet) when:

- The rights to receive cash flows from the asset have expired, or
- The Company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement and either (a) the Company has transferred substantially all the risks and rewards of the asset, or (b) the Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Company has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if and to what extent it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Company continues to recognise the transferred asset to the extent of the Company's continuing involvement. In that case, the Company also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Company has retained.

#### **Financial liabilities**

Financial liabilities are classified as measured at amortised cost or FVPL. A financial liability is classified as at FVPL if it is classified as held-for-trading, or it is a derivative or it is designated as such on initial recognition.

Financial liabilities at FVPL are measured at fair value and net gains and losses, including any interest expense, are recognised in Statement of Profit and Loss. Other financial liabilities are subsequently measured at amortised cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognised in Statement of Profit and Loss. Any gain or loss on derecognition is also recognised in Statement of Profit and Loss.

#### **Derecognition**

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the Statement of Profit and Loss.

#### **Derivative financial instruments**

The Company uses derivative financial instruments primarily forward contract to hedge its currency risk. Such derivative financial instruments are initially recognised at fair value on the date on which a derivative contract is entered into and are subsequently re-measured at fair value. Derivatives are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative.

#### **Offsetting**

Financial assets and financial liabilities are offset and the net amount presented in the Balance Sheet when, and only when, the Company currently has a legally enforceable right to set off the amounts and it intends either to settle them on a net basis or to realise the asset and settle the liability simultaneously.

## **MPS North America LLC**

### **Notes forming part of the Financial Statements**

*All amount in INR Lacs, unless otherwise stated*

#### **2.7 Cash and cash equivalents**

Cash comprises cash on hand and demand deposits with banks. Cash equivalents are short-term balances (with an original maturity of three months or less from the date of acquisition) and highly liquid investments that are readily convertible into known amounts of cash and which are subject to insignificant risk of changes in value.

#### **2.8 Provisions and contingent liabilities**

##### **Provision**

A provision is recognised if, as a result of a past event, the Company has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation.

Provisions (excluding retirement benefits) are not discounted to their present value and the amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at reporting date, taking into account the risks and uncertainties surrounding the obligation. When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, the receivable is recognized as an asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.

##### **Contingent liabilities**

A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the Company or a present obligation that is not recognised because it is not probable that an outflow of resources will be required to settle the obligation. A contingent liability also arises in extremely rare cases, where there is a liability that cannot be recognised because it cannot be measured reliably. The Company does not recognize a contingent liability but discloses its existence in the financial statements unless the probability of outflow of resources is remote.

Provisions, contingent liabilities and commitments are reviewed at each balance sheet date.

#### **2.9 Revenue recognition**

The Company derives revenue primarily from content solutions, platform solutions and related services. Revenue is recognised upon transfer of control of promised products or services to customers in an amount that reflects the consideration which the Company expects to receive in exchange for those products or services.

- Revenue related to fixed-price contracts is recognised using percentage-of-completion method ('POC method') of accounting with efforts incurred in determining the degree of completion of the performance obligation.
- Revenue from time and material and job contracts is recognised on output basis measured by units delivered, efforts expended, number of transactions processed, etc.
- Revenue related to fixed price maintenance is recognized based on time elapsed mode and revenue is straight lined over the period of performance.

## **MPS North America LLC**

### **Notes forming part of the Financial Statements**

*All amount in INR Lacs, unless otherwise stated*

Revenue is measured based on the transaction price, which is the consideration, adjusted for volume discounts, service level credits, performance bonuses, price concessions and incentives, if any, as specified in the contract with the customer. Revenue also excludes taxes collected from customers.

Revenue from subsidiaries is recognised based on transaction price which is at arm's length.

Contract assets are recognised when there is excess of revenue earned over billings on contracts. Contract assets are classified as unbilled receivables (only act of invoicing is pending) when there is unconditional right to receive cash, and only passage of time is required, as per contractual terms.

Unearned and deferred revenue ("contract liability") is recognised when there is a billing in excess of revenues.

The billing schedules agreed with customers include periodic performance based payments and / or milestone based progress payments. Invoices are payable within contractually agreed credit period.

In accordance with Ind AS 37, the Company recognises an onerous contract provision when the unavoidable costs of meeting the obligations under a contract exceed the economic benefits to be received.

Contracts are subject to modification to account for changes in contract specification and requirements. The Company reviews modification to contract in conjunction with the original contract, basis which the transaction price could be allocated to a new performance obligation, or transaction price of an existing obligation could undergo a change. In the event transaction price is revised for existing obligation, a cumulative adjustment is accounted for.

The Company disaggregates revenue from contracts with customers geography and nature of services.

#### Use of significant judgements in revenue recognition

- The Company's contracts with customers could include promises to transfer multiple products and services to a customer. The Company assesses the products / services promised in a contract and identifies distinct performance obligations in the contract. Identification of distinct performance obligation involves judgement to determine the deliverables and the ability of the customer to benefit independently from such deliverables.
- Judgement is also required to determine the transaction price for the contract. The transaction price could be either a fixed amount of customer consideration or variable consideration with elements such as volume discounts, service level credits, performance bonuses, price concessions and incentives. The transaction price is also adjusted for the effects of the time value of money if the contract includes a significant financing component. Any consideration payable to the customer is adjusted to the transaction price, unless it is a payment for a distinct product or service from the customer. The estimated amount of variable consideration is adjusted in the transaction price only to the extent that it is highly probable that a significant reversal in the amount of cumulative revenue recognised will not occur and is reassessed at the end of each reporting period. The Company allocates the elements of variable considerations to all the performance obligations of the contract unless there is observable evidence that they pertain to one or more distinct performance obligations.
- The Company uses judgement to determine an appropriate standalone selling price for a performance obligation. The Company allocates the transaction price to each performance obligation on the basis of the relative standalone selling price of each distinct product or service promised in the contract. Where standalone selling price is not observable, the Company uses the expected cost plus margin approach to allocate the transaction price to each distinct performance obligation.

## **MPS North America LLC**

### **Notes forming part of the Financial Statements**

*All amount in INR Lacs, unless otherwise stated*

- The Company exercises judgement in determining whether the performance obligation is satisfied at a point in time or over a period of time. The Company considers indicators such as how customer consumes benefits as services are rendered or who controls the asset as it is being created or existence of enforceable right to payment for performance to date and alternate use of such product or service, transfer of significant risks and rewards to the customer, acceptance of delivery by the customer, etc.
- Revenue for fixed-price contract is recognised using percentage-of-completion method. The Company uses judgement to estimate the efforts incurred which is used to determine the degree of completion of the performance obligation.

#### **2.10 Employee benefits**

- a) **Short-term employee benefits:** All employee benefits falling due within twelve months of the end of the period in which the employees render the related services are classified as short term employee benefits, which include benefits like salaries, wages, short term compensated absences, performance incentives, etc. and are recognised as expenses in the period in which the employee renders the related service and measured accordingly.
- b) **Post-employment benefits:** Post employment benefit plans include 401(k) Plan (the “Plan”) and Social security plans to provide retirement benefits for its employee.
- **401(k) Plan:** 401(k) Plan is a tax qualified, defined contribution plan where an employee can make contributions either before or after-tax, depending on the options offered in the plan. The Company has certain defined contribution plan such as 401(k) plan for qualifying employees. Under the scheme, the Company is required specified percentage of payroll costs to fund the benefits.
  - **Social security plans:** For employees outside India, employees contributions payable to the social security plan, which is a defined contribution scheme, is charged to the statement of profit and loss in the period in which the employee renders services.

c) **Termination benefits:**

Termination benefits are recognised as an expense when, as a result of a past event, the Company has a present obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation.

#### **2.11 Tax expense**

Income tax expense comprises current and deferred tax. It is recognised in Statement of Profit and Loss except to the extent that it relates to a business combination, or items recognised directly in equity or in OCI.

a) **Current tax:**

Current tax is the amount of tax payable on the taxable income for the year as determined in accordance with the provisions of applicable foreign tax laws. Current tax comprises the expected tax payable or receivable on the taxable income or loss for the year. The amount of current tax payable or receivable is the best estimate of the tax amount expected to be paid or received after considering uncertainty related to income taxes, if any. It is measured using tax rates enacted or substantively enacted at the reporting date.

## **MPS North America LLC**

### **Notes forming part of the Financial Statements**

*All amount in INR Lacs, unless otherwise stated*

Current tax assets and liabilities are offset only if there is a legally enforceable right to set off the recognised amounts, and it is intended to realize the asset and settle the liability on a net basis or simultaneously. Any adjustment to the tax payable or receivable in respect of previous year is shown separately.

#### **b) Deferred tax:**

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is not recognised for:

- temporary differences arising on the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss at the time of the transaction;
- temporary differences related to freehold land and investments in subsidiaries, to the extent that the Company is able to control the timing of the reversal of the temporary differences and it is probable that they will not reverse in the foreseeable future; and
- taxable temporary differences arising on the initial recognition of goodwill.

Deferred tax assets are recognised for unused tax losses, unused tax credits and deductible temporary differences to the extent that it is probable that future taxable profits will be available against which they can be used. Unrecognised deferred tax assets are reassessed at each reporting date and recognised to the extent that it has become probable that future taxable profits will be available against which they can be used. Deferred tax is measured at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, based on the laws that have been enacted or substantively enacted by the reporting date. The measurement of deferred tax reflects the tax consequences that would follow from the manner in which the Company expects, at the reporting date, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax assets and liabilities are offset only if there is a legally enforceable right to set off the recognised amounts, and it is intended to realize the asset and settle the liability on a net basis or simultaneously.

## **2.12 Foreign currency transactions and translations**

#### **a) Functional and presentation currency**

The financial statements are presented in INR, the reporting currency and functional currency of the Company is in USD. Items included in the financial statements of the Company are recorded using the currency of the primary economic environment in which the Company operates (the 'functional currency'). All the amount have been rounded-off to the nearest lakhs, unless otherwise stated.

#### **b) Transactions and balances**

Foreign currency transactions are translated into the functional currency using exchange rates at the date of the transaction or at rates that closely approximate the rate at the date of the transaction. At the end of each reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at that date.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value is determined.

Foreign exchange gains and losses from settlement of these transactions and from translation of monetary assets and liabilities at the reporting date exchange rates are recognised in the Statement of Profit and Loss.

## **MPS North America LLC**

### **Notes forming part of the Financial Statements**

*All amount in INR Lacs, unless otherwise stated*

#### **2.13 Leases**

Effective 1 April 2019, the Company has applied Ind AS 116, 'Leases'. Ind AS 116 replaces Ind AS 17 – Leases and related interpretation and guidance. The standard sets out principles for recognition, measurement, presentation and disclosure of leases for both parties to a contract i.e., the lessee and the lessor. Ind AS 116 introduces a single lessee accounting model and requires a lessee to recognise assets and liabilities for all leases with a term of more than 12 months, unless the underlying asset is of low value. The Company has applied Ind AS 116 using the modified retrospective approach, under which the cumulative effect of initial application is recognised in retained earnings at 1 April 2019. As a result, the comparative information has not been restated. Refer note 2.13 – Significant accounting policies – Leases in the Annual report of the Company for the year ended 31 March 2019, for the leases policy as per Ind AS 17 and related interpretation and guidance. The impact of the adoption of the standard on the financial statements of the Company is insignificant. Refer note 33 for further details.

The Company's lease asset classes primarily consist of leases for offices. The Company, at the inception of a contract, assesses whether the contract is a lease or not lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a time in exchange for a consideration. This policy has been applied to contracts existing and entered into on or after 1 April 2019.

The Company recognises a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received.

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the end of the lease term.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the Company's incremental borrowing rate. It is remeasured when there is a change in future lease payments arising from a change in an index or rate, if there is a change in the Company's estimate of the amount expected to be payable under a residual value guarantee, or if the Company changes its assessment of whether it will exercise a purchase, extension or termination option. When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

The Company has elected not to recognise right-of-use assets and lease liabilities for short-term leases that have a lease term of 12 months or less and leases of low-value assets (assets of less than USD 5,000 in value). The Company recognises the lease payments associated with these leases as an expense over the lease term.

The Company has applied the practical expedient to grandfather the definition of a lease on transition. This means that it has applied Ind AS 116 to all the contracts entered into before 1 April 2019 and identified as leases in accordance with Ind AS 17.



## **MPS North America LLC**

### **Notes forming part of the Financial Statements**

*All amount in INR Lacs, unless otherwise stated*

#### **2.14 Earnings per share**

Basic earnings/ (loss) per share is calculated by dividing the net profit or loss for the year attributable to equity shareholders by the weighted average number of equity shares outstanding during the year. The weighted average number of equity shares outstanding during the period is adjusted for events such as bonus issue, bonus element in a rights issue, share split, and reverse share split (consolidation of shares) that have changed the number of equity shares outstanding, without a corresponding change in resources.

For the purpose of calculating diluted earnings/ (loss) per share, the net profit or loss for the year attributable to equity shareholders and the weighted average number of shares outstanding during the year are adjusted for the effects of all dilutive potential equity shares, except where the result would be anti-dilutive.

#### **2.15 Cash flows statement**

Cash flows are reported using the indirect method, whereby profit for the period is adjusted for the effects of transactions of a non-cash nature, any deferrals or accruals of past or future operating cash receipts or payments and item of income or expenses associated with investing or financing cash flows. The cash flows from operating, investing and financing activities of the Company are segregated.

#### **2.16 Measurement of fair values**

A number of the accounting policies and disclosures require measurement of fair values, for both financial and non-financial assets and liabilities.

Fair values are categorised into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows:

Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2: inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

The Company has an established control framework with respect to the measurement of fair values. This includes a finance team that has overall responsibility for overseeing all significant fair value measurements, including Level 3 fair values. The finance team regularly reviews significant unobservable inputs and valuation adjustments. If third party information is used to measure fair values, then the finance team assesses the evidence obtained from the third parties to support the conclusion that these valuations meet the requirements of Ind AS, including the level in the fair value hierarchy in which the valuations should be classified.

When measuring the fair value of an asset or a liability, the Company uses observable market data as far as possible. If the inputs used to measure the fair value of an asset or a liability fall into different levels of the fair value hierarchy, then the fair value measurement is categorised in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.

The Company recognises transfers between levels of the fair value hierarchy at the end of the reporting period during which the change has occurred. Further information about the assumptions made in measuring fair values used in preparing these financial statements is included in the respective notes.

#### **2.17 New standards and interpretations not yet adopted**

Ministry of Corporate Affairs (“MCA”) notifies new standard or amendments to the existing standards. There is no such notification which would have been applicable from 1 April 2020.

**MPS North America LLC**

**Notes forming part of Financial Statements for the year ended 31 March 2020**

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

**3.1 Property, plant and equipment**

	INR in Lacs			
Particulars	Plant and equipment	Furniture & fixtures	Leasehold improvements	Total
<b>Gross carrying value</b>				
<b>As at 1 April 2018</b>	115.70	18.26	9.81	143.77
Additions	2.86	-	-	2.86
Disposals/adjustments	-	-	-	-
Foreign currency translation reserve	11.36	1.33	0.59	13.28
<b>As at 31 March 2019</b>	<b>129.92</b>	<b>19.59</b>	<b>10.40</b>	<b>159.91</b>
Additions	3.59	-	-	3.59
Disposals/adjustments	-	-	-	-
Foreign currency translation reserve	18.18	2.18	0.99	21.35
<b>As at 31 March 2020</b>	<b>151.69</b>	<b>21.77</b>	<b>11.39</b>	<b>184.85</b>
<b>Accumulated depreciation</b>				
<b>As at 1 April 2018</b>	92.88	7.44	4.93	105.25
Depreciation charge for the year	12.23	1.90	3.47	17.60
Disposals/adjustments	-	-	-	-
Foreign currency translation reserve	14.21	0.03	(2.60)	11.64
<b>As at 31 March 2019</b>	<b>119.32</b>	<b>9.37</b>	<b>5.80</b>	<b>134.49</b>
Depreciation charge for the year	6.12	1.90	3.24	11.26
Disposals/adjustments	-	-	-	-
Foreign currency translation reserve	17.48	1.37	0.84	19.69
<b>As at 31 March 2020</b>	<b>142.92</b>	<b>12.64</b>	<b>9.88</b>	<b>165.44</b>
<b>Net carrying value</b>				
<b>As at 31 March 2019</b>	10.60	10.22	4.60	25.42
<b>As at 31 March 2020</b>	8.77	9.13	1.51	19.41

**MPS North America LLC****Notes forming part of Financial Statements for the year ended 31 March 2020****(INR in Lacs, except share and per share data, unless otherwise stated)**

<b>3.2 Right-of-use asset</b>			<b>INR in Lacs</b>
<b>Particulars</b>	<b>Buildings</b>	<b>Leasehold Improvement</b>	<b>Total</b>
<b>Gross carrying value</b>			
<b>As at 1 April 2019</b>	77.54	-	77.54
Additions	54.51	-	54.51
Disposals/adjustments	-	-	-
Depreciation charge for the year	63.17	-	63.17
Foreign currency translation reserve	3.26	-	3.26
<b>As at 31 March 2020</b>	<b>72.14</b>	<b>-</b>	<b>72.14</b>
<b>Net carrying value</b>			
	<b>Buildings</b>	<b>Leasehold Improvement</b>	<b>Total</b>
As at 31 March 2020	72.14	-	72.14

**MPS North America LLC**  
**Notes forming part of Financial Statements for the year ended 31 March 2020**  
**(INR in Lacs, except share and per share data, unless otherwise stated)**

<b>4. Intangible assets</b>				<b>INR in Lacs</b>
<b>Particulars</b>	<b>Goodwill</b>	<b>Computer software</b>	<b>Trademark</b>	<b>Total</b>
<b>Gross carrying value</b>				
<b>As at 1 April 2018</b>	1,705.62	7.19	35.34	1,748.15
Additions	-	-	-	-
Addition due to merger of wholly owned subsidiary	-	-	-	-
Foreign currency translation reserve	104.16	2.17	2.16	108.49
<b>As at 31 March 2019</b>	<b>1,809.78</b>	<b>9.36</b>	<b>37.50</b>	<b>1,856.64</b>
Additions	-	0.17	-	0.17
Foreign currency translation reserve	170.37	3.57	3.53	177.47
<b>As at 31 March 2020</b>	<b>1,980.15</b>	<b>13.10</b>	<b>41.03</b>	<b>2,034.28</b>
<b>Accumulated depreciation/amortisation</b>				
<b>As at 1 April 2018</b>	-	1.44	6.19	7.63
Addition due to merger of wholly owned subsidiary	-	-	-	-
Amortisation expense for the year	-	2.48	3.79	6.27
Foreign currency translation reserve	-	0.59	0.34	0.93
<b>As at 31 March 2019</b>	<b>-</b>	<b>4.51</b>	<b>10.32</b>	<b>14.83</b>
Amortisation expense for the year	-	2.51	3.85	6.36
Foreign currency translation reserve	-	3.29	1.24	4.53
<b>As at 31 March 2020</b>	<b>-</b>	<b>10.31</b>	<b>15.41</b>	<b>25.72</b>
<b>Net carrying value</b>	<b>Goodwill</b>	<b>Computer software</b>	<b>Trademark</b>	<b>Total</b>
As at 31 March 2019	1,809.78	4.85	27.18	1,841.81
As at 31 March 2020	1,980.15	2.79	25.62	2,008.56
<b>Net carrying value</b>	<b>As at 31 March 2020</b>	<b>As at 31 March 2019</b>		
Intangible assets	2,008.56	1,841.81		

**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:

<b>Particulars</b>	<b>INR in Lacs</b>	
	<b>As at 31 March 2020</b>	<b>As at 31 March 2019</b>
Content solutions	1,283.70	1,173.25
Platform solutions	696.45	636.53
	<b>1,980.15</b>	<b>1,809.78</b>

For the purpose of the impairment testing, goodwill is allocated to the Cash Generating Units (CGU) which represents the recoverable amount of the above CGU based on its value in use. The value in use of CGU is determined to be higher than the carrying amount post the sensitivity analysis towards change in the key assumptions including the cash flow projections consequent to the change in the estimated future economic conditions arising from the possible effects due to COVID-19. No probable scenario was identified where the CGU recoverable amount would fall below their carrying 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 2% for the year ended 31 March 2020 (31 March 2019: 2.34%) representing management view on the future long-term growth rate.
- Discount rate ranging from 13% to 15% for the year ended 31 March 2020 (31 March 2019: ranging from 13.90% to 15.90%) 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 2020**

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

<b>5 Trade receivables</b>	<b>INR in Lacs</b>	
<b>Particulars</b>	<b>As at 31 March 2020</b>	<b>As at 31 March 2019</b>
<b>Current</b>		
Trade receivables	1,397.37	1,988.14
	<b>1,397.37</b>	<b>1,988.14</b>
<b>Break-up for details:</b>		
<b>Trade receivables (Unsecured)</b>		
Considered good	1,397.37	1,988.14
Doubtful	51.02	26.25
Considered good	1,448.39	2,014.39
Less: Expected credit loss allowance (refer note 31)	51.02	26.25
<b>Total</b>	<b>1,397.37</b>	<b>1,988.14</b>
<b>6 Cash and cash equivalents</b>	<b>INR in Lacs</b>	
<b>Particulars</b>	<b>As at 31 March 2020</b>	<b>As at 31 March 2019</b>
Balances with banks		
-In current accounts	3,171.55	2,317.60
	<b>3,171.55</b>	<b>2,317.60</b>
<b>7 Loans</b>	<b>INR in Lacs</b>	
<b>Particulars</b>	<b>As at 31 March 2020</b>	<b>As at 31 March 2019</b>
<b>Current (Unsecured, considered good)</b>		
Security deposits carried at cost	29.56	20.74
	<b>29.56</b>	<b>20.74</b>
<b>8 Income taxes assets</b>	<b>INR in Lacs</b>	
<b>Particulars</b>	<b>As at 31 March 2020</b>	<b>As at 31 March 2019</b>
Advance income tax (net of provisions)	-	41.95
	<b>-</b>	<b>41.95</b>
<b>9 Other current assets</b>	<b>INR in Lacs</b>	
<b>Particulars</b>	<b>As at 31 March 2020</b>	<b>As at 31 March 2019</b>
<b>Other current assets (Unsecured, Considered Good)</b>		
Prepaid expenses	203.69	63.74
Others receivables	7.03	5.18
Contract assets	1,041.02	212.84
	<b>1,251.74</b>	<b>281.76</b>

**MPS North America LLC**
**Notes forming part of Financial Statements for the year ended 31 March 2020**
**(INR in Lacs, except share and per share data, unless otherwise stated)**

10	Share capital	INR in Lacs			
(i)	Particulars	As at 31 March 2020		As at 31 March 2019	
	<b>Issued, subscribed &amp; paid-Up</b>				
	66,500 units of USD 100 each fully paid up with voting rights (31 March 2019: 66,500 units of USD 100)		4,213.59		4,213.59
			<u>4,213.59</u>		<u>4,213.59</u>
(ii)	Reconciliation of the units outstanding at beginning and at end of the year				
	Particulars	As at 31 March 2020		As at 31 March 2019	
		Number	INR in Lacs	Number	INR in Lacs
	Units (with voting rights) outstanding at the beginning of the year	66,500	4,213.59	66,500	4,213.59
	Issued during the year	-	-	-	-
	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>
(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 2020		As at 31 March 2019	
		Number	INR in Lacs	Number	INR in Lacs
	<b>Units of USD 100 each fully paid up and held by</b>				
	MPS Limited, the holding company	66,500	4,213.59	66,500	4,213.59
(v)	Details of unit holders holding more than 5% units of the Company				
	Class of units / Name of unit holder	As at 31 March 2020		As at 31 March 2019	
		Number	% holding in that class of units	Number	% holding in that class of units
	<b>Units of USD 100 each fully paid up and held by</b>				
	MPS Limited, the holding company	66,500	100%	66,500	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.				

**MPS North America LLC**
**Notes forming part of Financial Statements for the year ended 31 March 2020**
**(INR in Lacs, except share and per share data, unless otherwise stated)**
**11 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:

<b>Deferred tax assets:</b>					<b>INR in Lacs</b>
	<b>Expected credit loss allowance</b>	<b>Expenses allowable for tax purposes when paid</b>	<b>Lease assets net of lease liabilities (refer note 33)</b>	<b>Others</b>	<b>Total</b>
<b>As at 1 April 2018</b>	6.94	-	-	-	6.94
(Charged)/credited					
- to statement of profit and loss	(0.84)	-	-	-	(0.84)
- to foreign currency translation reserve	0.57	-	-	-	0.57
<b>As at 31 March 2019</b>	<b>6.67</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>6.67</b>
(Charged)/credited					
- to reserve and surplus Ind AS 116	-	-	1.09	-	1.09
- to statement of profit and loss	5.14	-	(0.58)	-	4.56
- to foreign currency translation reserve	1.14	-	0.09	-	1.23
<b>As at 31 March 2020</b>	<b>12.95</b>	<b>-</b>	<b>0.60</b>	<b>-</b>	<b>13.55</b>

<b>Deferred tax liabilities:</b>					<b>INR in Lacs</b>
	<b>Difference between book balance and tax balance of property, plant and equipment/ intangible assets</b>	<b>Expenses allowable for tax purposes when paid</b>	<b>Lease assets net of lease liabilities (refer note 33)</b>	<b>Others</b>	<b>Total</b>
<b>As at 1 April 2018</b>	(91.57)	(9.67)	-	-	(101.24)
(Charged)/credited					
- to statement of profit and loss	(46.96)	(2.05)	-	(1.64)	(50.65)
- to foreign currency translation reserve	(4.84)	(0.43)	-	1.64	(3.63)
<b>As at 31 March 2019</b>	<b>(143.37)</b>	<b>(12.15)</b>	<b>-</b>	<b>-</b>	<b>(155.52)</b>
(Charged)/credited					
- to statement of profit and loss	(30.57)	(23.29)	-	-	(53.86)
- to foreign currency translation reserve	(14.79)	(3.20)	-	-	(17.99)
<b>As at 31 March 2020</b>	<b>(188.73)</b>	<b>(38.64)</b>	<b>-</b>	<b>-</b>	<b>(227.37)</b>

**Reflected in the Balance Sheet as follows:**

	<b>INR in Lacs</b>	
	<b>As at 31 March 2020</b>	<b>As at 31 March 2019</b>
Deferred tax assets	13.55	6.67
Deferred tax liabilities	(227.37)	(155.52)
<b>Deferred tax liabilities (net)</b>	<b>(213.82)</b>	<b>(148.85)</b>

**Reconciliation of deferred tax asset (net):**

	<b>INR in Lacs</b>	
	<b>Year ended 31 March 2020</b>	<b>Year ended 31 March 2019</b>
<b>Balance as at the commencement of the year</b>	(148.85)	(94.30)
Expense/(credit) during the year recognised in Statement of profit and loss	49.30	51.49
Recognised in Reserve and surplus Ind AS 116	(1.09)	-
Foreign currency translation reserve	16.76	3.06
<b>Balance as at the end of the year</b>	<b>(213.82)</b>	<b>(148.85)</b>

**MPS North America LLC**
**Notes forming part of Financial Statements for the year ended 31 March 2020**
**(INR in Lacs, except share and per share data, unless otherwise stated)**

<b>12 Lease liabilities</b>		<b>INR in Lacs</b>	
<b>Particulars</b>	<b>As at 31 March 2020</b>	<b>As at 31 March 2019</b>	
<b>(i) Non current</b>			
Lease liabilities	2.32	-	
	<b>2.32</b>	<b>-</b>	
<b>(ii) Current</b>			
Lease liabilities	72.19	-	
	<b>72.19</b>	<b>-</b>	
<b>(iii) Reconciliation of liabilities from financing activities</b>			
<b>Particulars</b>	<b>INR in Lacs</b>		
<b>Opening as on 1 April 2019</b>		-	
Impact of Ind AS 116		81.83	
Addition during the year		54.51	
Interest on lease liabilities		5.20	
Repayment of lease liabilities		(68.56)	
Exchange difference on lease liabilities		1.53	
<b>As at 31 March 2020</b>		<b>74.51</b>	
<b>13 Trade payables</b>			<b>INR in Lacs</b>
<b>Particulars</b>	<b>As at 31 March 2020</b>	<b>As at 31 March 2019</b>	
Trade payables	550.90	299.21	
Trade payables to related parties (refer note 34)	215.62	298.72	
	<b>766.52</b>	<b>597.93</b>	
<b>14 Other financial liabilities (current)</b>			<b>INR in Lacs</b>
<b>Particulars</b>	<b>As at 31 March 2020</b>	<b>As at 31 March 2019</b>	
Employee payable	73.32	116.65	
	<b>73.32</b>	<b>116.65</b>	
<b>15 Other current liabilities</b>			<b>INR in Lacs</b>
<b>Particulars</b>	<b>As at 31 March 2020</b>	<b>As at 31 March 2019</b>	
Income received in advance (contract liabilities)	42.24	60.39	
Payables on purchase of fixed assets (refer note 34)	-	0.37	
Statutory remittances*	64.06	70.92	
	<b>106.30</b>	<b>131.68</b>	
*(Includes 401(k) plan and sales tax etc.)			
<b>16 Provisions (current)</b>			<b>INR in Lacs</b>
<b>Particulars</b>	<b>As at 31 March 2020</b>	<b>As at 31 March 2019</b>	
Provision for compensated absences	4.61	4.65	
	<b>4.61</b>	<b>4.65</b>	
<b>17 Income tax liabilities</b>			<b>INR in Lacs</b>
<b>Particulars</b>	<b>As at 31 March 2020</b>	<b>As at 31 March 2019</b>	
Provision for tax (net of advances)	55.36	-	
	<b>55.36</b>	<b>-</b>	



**MPS North America LLC****Notes forming part of Financial Statements for the year ended 31 March 2020****(INR in Lacs, except share and per share data, unless otherwise stated)**

<b>18</b>	<b>Revenue from operations</b>	<b>INR in Lacs</b>	
	<b>Particulars</b>	<b>Year ended 31 March 2020</b>	<b>Year ended 31 March 2019</b>
	Income from services (refer note 35)	6,569.56	6,742.26
		<b>6,569.56</b>	<b>6,742.26</b>

<b>19</b>	<b>Other income</b>	<b>INR in Lacs</b>	
	<b>Particulars</b>	<b>Year ended 31 March 2020</b>	<b>Year ended 31 March 2019</b>
	Other non-operating income (refer note (i) below)	48.03	16.70
		<b>48.03</b>	<b>16.70</b>

<b>Note (i)</b>	<b>Other non-operating income comprises:</b>	<b>INR in Lacs</b>	
	<b>Particulars</b>	<b>Year ended 31 March 2020</b>	<b>Year ended 31 March 2019</b>
	Liabilities/provisions no longer required written back	34.92	-
	Bad debts and advances recovered	-	10.94
	Miscellaneous income	13.11	5.76
		<b>48.03</b>	<b>16.70</b>

**MPS North America LLC****Notes forming part of Financial Statements for the year ended 31 March 2020****(INR in Lacs, except share and per share data, unless otherwise stated)**

<b>20 Employee benefits expense</b>	<b>INR in Lacs</b>	
<b>Particulars</b>	<b>Year ended 31 March 2020</b>	<b>Year ended 31 March 2019</b>
Salaries and wages	1,931.66	2,264.25
Contribution to 401(k) plan (refer note 26)	26.79	36.11
Staff welfare expenses	7.35	10.35
	<b>1,965.80</b>	<b>2,310.71</b>
<b>21 Finance costs</b>	<b>INR in Lacs</b>	
<b>Particulars</b>	<b>Year ended 31 March 2020</b>	<b>Year ended 31 March 2019</b>
Interest on lease liabilities (refer note 12)	5.20	-
	<b>5.20</b>	<b>-</b>
<b>22 Depreciation and amortization expense</b>	<b>INR in Lacs</b>	
<b>Particulars</b>	<b>Year ended 31 March 2020</b>	<b>Year ended 31 March 2019</b>
Depreciation on property, plant and equipment (refer note 3.1)	11.26	17.60
Depreciation on right-of-use asset (refer note 3.2)	63.17	-
Amortization on intangible assets (refer note 4)	6.36	6.27
	<b>80.79</b>	<b>23.87</b>

**MPS North America LLC****Notes forming part of Financial Statements for the year ended 31 March 2020****(INR in Lacs, except share and per share data, unless otherwise stated)**

<b>23 Other expenses</b>		<b>INR in Lacs</b>	
<b>Particulars</b>	<b>Year ended 31 March 2020</b>	<b>Year ended 31 March 2019</b>	
Outsourcing cost	3,000.47	2,882.99	
Power and fuel	2.56	2.47	
Rent (refer note 27)	78.53	122.40	
Hire charges	1.06	0.96	
Repairs and maintenance - buildings	1.71	3.48	
Repairs and maintenance - plant and machinery	2.26	3.65	
Insurance	8.62	8.38	
Rates and taxes	1.02	0.82	
Communication	49.42	53.15	
Travelling and conveyance	132.21	118.52	
Legal and professional	29.73	33.65	
Bad debts written off	-	81.51	
Less: Allowances for expected credit loss utilised for the above	-	4.98	76.53
Net loss on foreign currency transactions	4.92	-	
Allowances for expected credit loss and doubtful advances	20.28	2.06	
Royalty	269.66	419.50	
Software expenses	27.61	28.75	
Sales and marketing expenses	122.20	129.60	
Miscellaneous expenses	25.53	44.93	
	<b>3,777.79</b>	<b>3,931.84</b>	

**MPS North America LLC****Notes forming part of Financial Statements for the year ended 31 March 2020****(INR in Lacs, except share and per share data, unless otherwise stated)****24 Income tax**

The major components of income tax expense for the year ended 31 March 2020 and 31 March 2019 are:

	<b>INR in Lacs</b>	
	<b>Year ended</b>	<b>Year ended</b>
	<b>31 March 2020</b>	<b>31 March 2019</b>
<b>Current income tax</b>		
Current income tax charge for the year	141.41	70.44
Adjustments in respect of current income tax of previous years	12.48	29.42
	<b>153.89</b>	<b>99.86</b>
<b>Deferred tax</b>		
Deferred tax on profits for the year	49.30	51.49
Adjustments in respect of deferred tax of previous years	-	-
	<b>49.30</b>	<b>51.49</b>
Income tax expense reported in the Statement of Profit and Loss	<b>203.19</b>	<b>151.35</b>

**25 Earnings per unit**

	<b>INR in Lacs</b>	
	<b>Year ended</b>	<b>Year ended</b>
	<b>31 March 2020</b>	<b>31 March 2019</b>
Profit for the year attributable to the owners of the company	584.82	341.19
Weighted average number of units outstanding	66,500	66,500
Face value per unit (USD)	100	100
<b>Earnings per unit-basic &amp; diluted (INR)</b>	<b>879.43</b>	<b>513.07</b>

**MPS North America LLC****Notes forming part of Financial Statements for the year ended 31 March 2020**

(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 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 2020	Year ended 31 March 2019
Employer's contribution to 401(k) plan	26.79	36.11
	<b>26.79</b>	<b>36.11</b>

**(B) Other long term benefits (compensated absences)**

Particulars	INR in Lacs	
	As at 31 March 2020	As at 31 March 2019
Present value of obligation at the end of the year	4.61	4.65

**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 2020	Year ended 31 March 2019
Lease rental	78.53	122.40
	<b>78.53</b>	<b>122.40</b>

**28 Contingent liabilities to the extent not provided for**

Particulars	INR in Lacs	
	As at 31 March 2020	As at 31 March 2019
Claims against company, disputed by the company, not acknowledged as debt	-	-
	<b>-</b>	<b>-</b>

**29** The Company publishes this financial statement along with the consolidated financial statements. In accordance with Ind AS 108, Operating Segments, the Company has disclosed the segment information in the consolidated financial statements.

**MPS North America LLC**

**Notes forming part of Financial Statements for the year ended 31 March 2020**

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

**30 Fair value measurements**

Particulars	Note	Level of hierarchy	INR in Lacs					
			As at 31 March 2020			As at 31 March 2019		
			FVPL	FVOCI	Amortised cost	FVPL	FVOCI	Amortised cost
<b>Financial assets</b>								
Trade receivables	(a)		-	-	1,397.37	-	-	1,988.14
Loans	(a, b)		-	-	29.56	-	-	20.74
Cash and cash equivalents	(a)		-	-	3,171.55	-	-	2,317.60
Other financial assets	(a, b)		-	-	-	-	-	-
<b>Total financial assets</b>			-	-	<b>4,598.48</b>	-	-	<b>4,326.48</b>
<b>Financial liabilities</b>								
Lease liabilities	(a)				74.51	-	-	-
Trade payables	(a)		-	-	766.52	-	-	597.93
Other financial liabilities	(a)		-	-	73.32	-	-	116.65
<b>Total financial liabilities</b>			-	-	<b>914.35</b>	-	-	<b>714.58</b>

**Note:**

- 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.
- Fair value of non-current financial assets has not been disclosed as there is no significant differences between carrying value and fair value.
- The fair value of the financial assets and liabilities is included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale. The fair-value of the financial-instruments factor the uncertainties arising out of COVID-19, where applicable.

**MPS North America LLC**

**Notes forming part of Financial Statements for the year ended 31 March 2020**

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

**31 Financial risk management**

**Risk management framework**

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

**i Market risk**

Market risk includes foreign exchange 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 and other financial assets**

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:

<b>Particulars</b>	<b>INR in Lacs</b>	
	<b>Year ended 31 March 2020</b>	<b>Year ended 31 March 2019</b>
Revenue from top 3 customers (previous year 4 customers) (more than 10% revenue individually)	4,091.31	4,281.15
Revenue from top 15 customers	5,826.80	5,777.52

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:**

Trade receivables of INR 1,397.37 Lacs as at 31 March 2020 forms a significant part of the financial assets carried at amortised cost, which is valued considering provision for allowance using expected credit loss method. In addition to the historical pattern of credit loss, we have considered the likelihood of increased credit risk and consequential default considering emerging situations due to COVID-19. This assessment is not based on any mathematical model but an assessment considering the nature of segment, impact immediately seen in the demand outlook of these segments and the financial strength of the customers in respect of whom amounts are receivable.

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:**

<b>Particulars</b>	<b>INR in Lacs</b>	
	<b>As at 31 March 2020</b>	<b>As at 31 March 2019</b>
Balance at the beginning of the year	26.25	27.35
Add: Due to merger	-	-
Add: Provided during the year (net of reversal)	20.28	2.06
Less: Amount written off	-	(4.98)
Add: Impact of foreign currency translation	4.49	1.82
<b>Balance at the end of the year</b>	<b>51.02</b>	<b>26.25</b>

**Expected credit loss on financial assets other than trade receivables:**

With regards to other 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 material provision for excepted 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 details of contractual maturities of financial liabilities at the reporting date.

Particulars	INR in Lacs					
	Contractual Cash flows					
	As at 31 March 2020			As at 31 March 2019		
	Carrying Amount	Within 1 year	More than 1 Year	Carrying Amount	Within 1 year	More than 1 Year
<b>Non-derivative financial liabilities</b>						
Lease liabilities	74.51	72.19	2.32	-	-	-
Trade payables	766.52	766.52	-	597.93	597.93	-
Other financial liabilities	73.32	73.32	-	116.65	116.65	-

**iv Interest rate risk**

The Company is not exposed to interest rate risk.

**32 Capital management**

The Company is equity financed which is evident from the capital structure (refer note 11). 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. The capital structure is as follows:

Particulars	INR in Lacs	
	As at 31 March 2020	As at 31 March 2019
Total equity attributable to the equity share holders of the Company	4,213.59	4,213.59
As percentage of total capital	100%	100%
Total lease liabilities	74.51	-
As a percentage of total capital	2%	-
<b>Total capital (lease liabilities and equity)</b>	<b>4,288.10</b>	<b>4,213.59</b>

**MPS North America LLC****Notes forming part of Financial Statements for the year ended 31 March 2020****(INR in Lacs, except share and per share data, unless otherwise stated)****33 Leases**

- (i) The Company has adopted Ind AS 116 'Leases' with the date of initial application being 1 April 2019. Ind AS 116 replaces Ind AS 17 Leases and related interpretation and guidance. The Company has applied Ind AS 116 using the modified retrospective approach, under which the cumulative effect of initial application is recognised in retained earnings at April 1, 2019. As a result, the comparative information has not been restated. In adopting Ind AS 116, the Company has applied the below practical expedients:

The Company has applied a single discount rate to a portfolio of leases with reasonably similar characteristics

The Company has treated the leases with remaining lease term of less than 12 months as if they were "short term leases"

The Company has not applied the requirements of Ind AS 116 for leases of low value assets (assets of less than USD 5,000 in value)

The Company has applied the practical expedient to grandfather the definition of a lease on transition. This means that it will apply Ind AS 116 to all contracts entered into before 1 April 2019 and identified as leases in accordance with Ind AS 17.

- (ii) The Company has discounted lease payments using the applicable incremental borrowing rate as at 1 April 2019, which is 5.38% for measuring the lease liability.

**(iii) Impact of adoption of Ind AS 116 on the retained earnings**

Particulars	INR in Lacs
	As at 1 April 2019
Right-of-use assets (refer note 3.2)	77.54
Lease liabilities (refer note 12)	(81.83)
Deferred tax (credit) (refer note 11)	1.09
<b>Impact on the retained earnings</b>	<b>(3.20)</b>

**(iv) Impact of adoption of Ind AS 116 on the statement of profit and loss**

Particulars	INR in Lacs
	Year ended 31 March 2020
Interest on lease liabilities (refer note 21)	5.20
Depreciation of right-of-use assets (refer note 22)	63.17
Deferred tax (credit) (refer note 11)	0.58
<b>Impact on the statement of profit and loss for the year</b>	<b>68.95</b>

**(v) Amount recognised in the statement of profit and loss**

Particulars	INR in Lacs
	Year ended 31 March 2020
Expense related to short-term leases	76.45
Expense related to leases of low value assets, excluding short term leases of low value	-
<b>Impact on the statement of profit and loss for the year</b>	<b>76.45</b>

**(vi) Amount recognised in the statement of cash flows**

Particulars	INR in Lacs
	Year ended 31 March 2020
Repayment of lease liabilities including interest expenses	68.56
<b>Impact on the statement of cash flows for the year</b>	<b>68.56</b>

- (vii) Refer note 31 (iii) for contractual maturities of lease liabilities.

- (viii) The Company does not foresee significant down-sizing of its employee base rendering the physical infrastructure redundant. The leases that the Company has entered with lessors towards properties used as offices and no changes in terms of those leases are expected due to the COVID-19.

**MPS North America LLC****Notes forming part of Financial Statements for the year ended 31 March 2020**

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

**34 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	Fellow subsidiaries	MPS Interactive Systems Limited (w.e.f 10 May 2018) TOPSIM GmbH (w.e.f 2 July 2018) MPS Europa AG (w.e.f 5 July 2018)
3	Key management personnel (KMP)	Ms. Yamini Tandon, Manager

**B Details of related party transactions during the year ended 31 March 2020 and balances outstanding as at 31 March 2020:**

Description of transactions:	Name of related party	Relationship	Year ended 31 March 2020	Year ended 31 March 2019
1 Outsourcing cost	MPS Limited MPS Interactive Systems Limited	Holding Company Fellow Subsidiary	1,198.25 7.32	1,077.09 5.66
2 Royalty paid	MPS Limited	Holding Company	269.66	419.50
3 Remunerations paid	Ms. Yamini Tandon	KMP	143.27	129.48
4 Purchase of property, plant and equipment	MPS Limited	Holding Company	-	0.37
5 Reimbursement of expenses-received	MPS Interactive Systems Limited MPS Limited	Fellow Subsidiary Holding Company	19.11 2.45	4.99 -

C Balances at the year end	Name of related party	Relationship	As at 31 March 2020	As at 31 March 2019
1 Trade payables	MPS Limited	Holding Company	208.14	298.72
2 Trade payables	MPS Interactive Systems Limited	Fellow Subsidiary	7.48	-
3 Other current liabilities	MPS Limited	Holding Company	-	0.37
4 Other current assets	MPS Limited	Holding Company	-	0.22
5 Other current assets	MPS Interactive Systems Limited	Fellow Subsidiary	-	4.96

## Notes:

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

**MPS Limited**

Notes forming part of Financial Statements for the year ended 31 March 2020

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

**35 Revenue from contracts with customers**

**(i) Revenue from contracts with customers**

Revenues for the year ended 31 March 2020 and 31 March 2019 are as follows:

Particulars	INR in Lacs	
	Year ended 31 March 2020	Year ended 31 March 2019
Content solutions	6,100.22	5,961.33
Platform solutions	469.34	780.93
	<b>6,569.56</b>	<b>6,742.26</b>

**(ii) Disaggregation of revenue from contracts with customers**

In the following table, revenue is disaggregated by primary geographical market, major products/service lines and timing of revenue recognition.

Revenue by geographical markets	Year ended 31 March 2020			Year ended 31 March 2019		
	Content solutions	Platform solutions	Total	Content solutions	Platform solutions	Total
Europe	707.20	82.11	789.32	-	96.03	96.03
USA (Country of domicile)	5,393.01	328.53	5,721.54	5,961.33	556.69	6,518.02
Rest of the World	0.00	58.70	58.70	-	128.21	128.21
<b>Total</b>	<b>6,100.21</b>	<b>469.34</b>	<b>6,569.56</b>	<b>5,961.33</b>	<b>780.93</b>	<b>6,742.26</b>

Refer note 32 (ii) on Financial risk management for information on revenue from top customers.

**(iii) Contract balances**

The following table provides information about receivables, contract assets and contract liabilities from contracts with customers

Particulars	INR in Lacs	
	As at 31 March 2020	As at 31 March 2019
Receivables, which are included in 'Trade and other receivables' (refer note 5)	1,397.37	1,988.14
Contract assets (refer note 9 )	1,041.02	212.84
Contract liabilities (refer note 15)	42.24	60.39

Trade receivables are non-interest bearing and are generally on terms of 0 to 60 days.

Changes in Contract assets and Contract Liabilities are as follows:

Particulars	INR in Lacs			
	Year ended 31 March 2020		Year ended 31 March 2019	
	Contract Assets	Contract Liabilities	Contract Assets	Contract Liabilities
<b>Balance as at beginning of the year</b>	<b>212.84</b>	<b>60.39</b>	<b>588.30</b>	<b>26.19</b>
Revenue recognised that was included in the unearned balance at the beginning of the year	-	(60.39)	-	(26.19)
Increases due to cash received, excluding amounts recognised as revenue during the year	-	42.24	-	60.39
Transfers from contract assets recognised at the beginning of the period to receivables	(212.84)	-	(588.30)	-
Increases as a result of changes in the measure of progress	1,041.02	-	212.84	-
<b>Balance at the end of the year</b>	<b>1,041.02</b>	<b>42.24</b>	<b>212.84</b>	<b>60.39</b>

**MPS Limited**

Notes forming part of Financial Statements for the year ended 31 March 2020

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

(v) Reconciliation of revenue recognized with the contracted price is as follows:	INR in Lacs	
	Year ended 31 March 2020	Year ended 31 March 2019
Contracted price	6,573.85	6,742.99
Reductions towards variable consideration components	(4.29)	(0.73)
<b>Revenue recognised</b>	<b>6,569.56</b>	<b>6,742.26</b>

The reduction towards variable consideration comprises of volume discounts, bulk discount and price discount, etc.

**(vi) Transaction price allocated to the remaining performance obligations**

The Company applies the practical expedient in paragraph 121 of Ind AS 115 and does not disclose information about remaining performance obligations that have original expected durations of one year or less.

- (vii) The Company has evaluated the impact of COVID-19 resulting from (i) the possibility of constraints to render services which may require revision of estimations of costs to complete the contract because of additional efforts (ii) onerous obligations (iii) penalties relating to breaches of service level agreements and (iv) termination or deferment of contracts by customers. The Company has concluded that the impact of COVID-19 is not material based on such evaluation. Due to the nature of the pandemic, the Company will continue to monitor developments to identify significant uncertainties relating to revenue in future periods.

For and on behalf of MPS North America LLC

**Yamini Tandon**

Manager

Place : Gurugram

Date : 19 May 2020