

MPS North America LLC
Balance Sheet as at 31 March 2019

		INR in Lacs	
	Note	As at 31 March 2019	As at 31 March 2018
ASSETS			
Non-current assets			
Property, plant and equipment	3	25.42	38.52
Goodwill	4	1,809.78	1,705.62
Other Intangible assets	4	32.04	34.91
Total non-current assets		1,867.24	1,779.05
Current Assets			
Financial assets			
Trade receivables	5	1,988.14	1,428.03
Cash and cash equivalents	6	2,317.60	2,016.82
Loans	7	20.74	12.59
Other financial assets	8	-	588.30
Income tax assets (net)	9	41.95	-
Other current assets	10	281.76	53.28
Total current assets		4,650.19	4,099.02
TOTAL ASSETS		6,517.43	5,878.07
EQUITY AND LIABILITIES			
Equity			
Equity share capital	11	4,213.59	4,213.59
Other equity		1,304.08	692.43
Total equity		5,517.67	4,906.02
Liabilities			
Non-current liabilities			
Deferred tax liabilities (net)	12	148.85	94.30
Total non-current liabilities		148.85	94.30
Current liabilities			
Financial liabilities			
Trade payables	13	597.93	662.33
Other financial liabilities	14	116.65	123.25
Other current liabilities	15	131.68	70.67
Provisions	16	4.65	4.83
Income tax liabilities (net)	17	-	16.67
Total current liabilities		850.91	877.75
TOTAL EQUITY AND LIABILITIES		6,517.43	5,878.07
Significant accounting policies	2		
Notes to financial statements	3-33		
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 : 17 May 2019

MPS North America LLC
Statement of Profit & Loss for the year ended 31 March 2019
INR in Lacs

	Note	Year ended 31 March 2019	Year ended 31 March 2018
Income			
Revenue from operations	18	6,742.26	6,600.47
Other income	19	16.70	1.62
Total income		6,758.96	6,602.09
Expenses			
Employee benefits expense	20	2,310.71	1,942.00
Depreciation and amortization expense	21	23.87	29.17
Other expenses	22	3,931.84	4,135.64
Total expenses		6,266.42	6,106.81
Profit before tax		492.54	495.28
Tax expense:			
Current tax	23	70.44	95.21
Adjustment of tax relating to earlier years		29.42	-
Deferred tax	12	51.49	(4.83)
Total tax expenses		151.35	90.38
Profit for the year		341.19	404.90
Other comprehensive income			
Items that will be reclassified subsequently to profit or loss			
Exchange differences on translation of foreign operations		270.46	46.98
Total other comprehensive income for the year , net of tax		270.46	46.98
Total comprehensive income for the year		611.65	451.88
Earnings per unit (nominal value of unit USD 100 each)			
- Basic and diluted (earnings per unit expressed in absolute amount in Indian Rupees)	24	513.07	608.88
Significant accounting policies	2		
Notes to financial statements	3-33		
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 : 17 May 2019

MPS North America LLC

Statement of change in Equity for the year ended 31 March 2019

A. Equity share capital		INR in Laacs	
Balance as at 1 April 2017		4,213.59	
Changes in equity share capital during the year		-	
Balance as at 31 March 2018		4,213.59	
Changes in equity share capital during the year		-	
Balance as at 31 March 2019		4,213.59	
B. Other equity		INR in Laacs	
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 2017	663.20	(146.68)	516.52
Profit for the year	404.90	-	404.90
Addition due to merger of wholly owned subsidiary	(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
As at 1 April 2018	813.26	(120.83)	692.43
Profit for the year	341.19	-	341.19
Other comprehensive income	-	270.46	270.46
Total comprehensive income for the year	341.19	270.46	611.65
Transfer to general reserve	-	-	-
As at 31 March 2019	1,154.45	149.63	1,304.08

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 : 17 May 2019

MPS North America LLC
Cash Flow Statement for the year ended 31 March 2019
INR in Lacs

Particulars	Year ended 31 March 2019	Year ended 31 March 2018
A. Cash flow from operating activities		
Net Profit before tax	492.54	495.28
Adjustments:		
Depreciation and amortisation expense	23.87	29.17
Liabilities/provisions no longer required written back	-	-
Allowances for expected credit loss	2.06	83.66
Bad debts written off/(reversal)	65.59	43.15
Operating cash flows before working capital changes	584.06	651.26
(Increase)/decrease in trade receivables	(627.76)	610.01
(Increase) in loans	(8.15)	(0.34)
Decrease/(Increase) in other financial assets	588.30	(516.48)
(Increase) in other current assets	(228.48)	26.65
(Decrease)/increase in trade payables	(64.40)	110.33
(Decrease) in other financial liabilities	(6.60)	15.56
(Increase) in other current liabilities	61.01	(56.00)
(Decrease) in short-term provisions	(0.18)	0.07
Cash generated from operations	297.80	841.06
Income tax paid (net of refund)	(158.48)	(58.49)
Net cash generated from operating activities (A)	139.32	782.57
B. Cash flow from investing activities		
Purchase of property, plant and equipment (including capital work-in-progress)	(2.86)	(10.09)
Purchase of other intangible assets	-	(6.90)
Merger of subsidiary company	-	361.54
Net cash used in investing activities (B)	(2.86)	344.55
C. Cash flow from financing activities		
Proceeds from issue of share capital	-	-
Net cash used in financing activities (C)	-	-
Net increase/(decrease) in cash and cash equivalents (A+B+C)	136.46	1,127.12
Impact on cash flow on account of foreign currency translation reserve	164.32	11.68
Cash and cash equivalents at the beginning of the year	2,016.82	878.02
Cash and cash equivalents at the end of the year (see below)	2,317.60	2,016.82
Components of cash and cash equivalents:		
Cash on hand	-	-
Balances with banks		
- Current accounts	2,317.60	2,016.82
	2,317.60	2,016.82

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 : 17 May 2019

MPS North America LLC

Notes forming part of Financial Statements for the year ended 31 March 2019

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

3. Property, plant and equipment

Particulars	INR in Lacs			
	Plant and equipment	Furniture & Fixtures	Leasehold improvements	Total
Gross carrying value				
As at 1 April 2017	34.32	18.16	3.21	55.69
Additions	3.51	-	6.58	10.09
Addition due to merger of wholly owned subsidiary	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
Additions	2.86	-	-	2.86
Disposals/adjustments	-	-	-	-
Foreign currency translation reserve	11.36	1.33	0.59	13.28
As at 31 March 2019	129.92	19.59	10.40	159.91
Accumulated depreciation				
As at 1 April 2017	19.10	0.79	0.29	20.18
Addition due to merger of wholly owned subsidiary	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
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
As at 31 March 2019	119.32	9.37	5.80	134.49
Net carrying value				
As at 31 March 2018	22.82	10.82	4.88	38.52
As at 31 March 2019	10.60	10.22	4.60	25.42

MPS North America LLC

Notes forming part of Financial Statements for the year ended 31 March 2019

(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 2017	1,100.21	0.20	-	1,100.41
Additions	-	6.90	-	6.90
Addition due to merger of wholly owned subsidiary	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
Additions	-	-	-	-
Foreign currency translation reserve	104.16	2.17	2.16	108.49
As at 31 March 2019	1,809.78	9.36	37.50	1,856.65
Accumulated depreciation/amortisation				
As at 1 April 2017	-	0.20	-	0.20
Addition due to merger of wholly owned subsidiary	-	-	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
Amortisation expense for the year	-	2.48	3.79	6.27
Foreign currency translation reserve	-	0.59	0.34	0.93
As at 31 March 2019	-	4.51	10.32	14.83
Net carrying value	Goodwill	Computer software	Trademark	Total
As at 31 March 2018	1,705.62	5.75	29.16	1,740.53
As at 31 March 2019	1,809.78	4.85	27.19	1,841.82
Net carrying value	As at 31 March 2019	As at 31 March 2018		
Intangible assets	1,841.82	1,740.53		

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	INR in Lacs	
	As at	As at
	31 March 2019	31 March 2018
Content solutions	1,173.25	1,105.72
Platform solutions	636.53	599.89
	1,809.78	1,705.62

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 2.34 % for the year ended 31 March 2019 (31 March 2018: 1%) representing management view on the future long-term growth rate.
- Discount rate ranging from 13.90% to 15.90% for the year ended 31 March 2019 (31 March 2018: ranging from 9% to 11.90%) 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 2019

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

5 Trade receivables		INR in Lacs	
Particulars	As at	As at	
	31 March 2019	31 March 2018	
Current			
Trade receivables	1,988.14	1,428.03	
	1,988.14	1,428.03	
Break-up for details:			
Trade receivables (Unsecured)			
Considered good	2,014.39	1,455.38	
Less: Expected credit loss allowance (refer note 30)	26.25	27.35	
Total	1,988.14	1,428.03	
6 Cash and cash equivalents		INR in Lacs	
Particulars	As at	As at	
	31 March 2019	31 March 2018	
Balances with banks			
-In Current accounts	2,317.60	2,016.82	
	2,317.60	2,016.82	
7 Loans		INR in Lacs	
Particulars	As at	As at	
	31 March 2019	31 March 2018	
Current (Unsecured, considered good)			
Security deposits carried at cost	20.74	12.59	
	20.74	12.59	
8 Other financial assets		INR in Lacs	
Particulars	As at	As at	
	31 March 2019	31 March 2018	
Unbilled revenue	-	588.30	
	-	588.30	
9 Income taxes assets		INR in Lacs	
Particulars	As at	As at	
	31 March 2019	31 March 2018	
Advance income tax (net of provisions)	41.95	-	
	41.95	-	
10 Other current assets		INR in Lacs	
Particulars	As at	As at	
	31 March 2019	31 March 2018	
Other current assets (Unsecured, Considered Good)			
Prepaid expenses	63.74	53.28	
Balances with government authorities			
-VAT credit receivable	-	-	
Others receivables (refer note 32)	5.18	-	
Contract Assets	212.84	-	
	281.76	53.28	

MPS North America LLC

Notes forming part of Financial Statements for the year ended 31 March 2019
(INR in Lacs, except share and per share data, unless otherwise stated)

11 Share capital	INR in Lacs	
(i) Particulars	As at 31 March 2019	As at 31 March 2018
Issued, Subscribed & Paid-Up		
66,500 units of USD 100 each fully paid up with voting rights	4,213.59	4,213.59
(31 March 2018: 66,500 units of USD 100)	<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 2019		As at 31 March 2018	
	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 2019		As at 31 March 2018	
	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

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

Class of units / Name of unit holder	As at 31 March 2019		As at 31 March 2018	
	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%

(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 2019

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

12 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 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
(Charged)/credited				
- to statement of profit and Loss	(0.84)	-	-	(0.84)
- to other comprehensive income	-	-	-	-
- to foreign currency translation reserve	0.57			0.57
As at 31 March 2019	6.67	-	-	6.67

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 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)
(Charged)/credited				
- to statement of profit and Loss	(46.96)	(2.05)	(1.64)	(50.65)
- to other comprehensive income	-	-	-	-
- to foreign currency translation reserve	(4.84)	(0.43)	1.64	(3.63)
As at 31 March 2019	(143.36)	(12.15)	-	(155.52)

Reflected in the Balance Sheet as follows:			INR in Lacs
	As at 31 March 2019	As at 31 March 2018	
Deferred tax assets	6.67	6.94	
Deferred tax liabilities	(155.52)	(101.24)	
Deferred tax liabilities (net)	(148.85)	(94.30)	

Reconciliation of deferred tax asset (net):			INR in Lacs
	Year ended 31 March 2019	Year ended 31 March 2018	
Balance as at the commencement of the year	(94.30)	(98.75)	
Expense/(credit) during the year recognised in Statement of profit and loss	51.49	(4.83)	
Foreign currency translation reserve	3.06	0.38	
Balance as at the end of the year	(148.85)	(94.30)	

MPS North America LLC**Notes forming part of Financial Statements for the year ended 31 March 2019****(INR in Lacs, except share and per share data, unless otherwise stated)**

13 Trade payables		INR in Lacs	
Particulars	As at	As at	
	31 March 2019	31 March 2018	
Trade payables	299.21	238.05	
Trade payables to related parties (refer note 32)	298.72	424.28	
	597.93	662.33	

14 Other financial liabilities (Current)		INR in Lacs	
Particulars	As at	As at	
	31 March 2019	31 March 2018	
Employee payable	116.65	123.25	
	116.65	123.25	

15 Other current liabilities		INR in Lacs	
Particulars	As at	As at	
	31 March 2019	31 March 2018	
Income received in advance (Unearned revenue)	60.39	26.19	
Payables on purchase of fixed assets (refer note 32)	0.37	-	
Statutory remittances*	70.92	44.48	
	131.68	70.67	

*(includes 401(k) plan and Sales tax etc.)

16 Provisions (Current)		INR in Lacs	
Particulars	As at	As at	
	31 March 2019	31 March 2018	
Provision for compensated absences	4.65	4.83	
	4.65	4.83	

17 Income tax liabilities		INR in Lacs	
Particulars	As at	As at	
	31 March 2019	31 March 2018	
Provision for tax	-	16.67	
	-	16.67	

MPS North America LLC**Notes forming part of Financial Statements for the year ended 31 March 2019****(INR in Lacs, except share and per share data, unless otherwise stated)**

18	Revenue from operations	INR in Lacs	
	Particulars	Year ended 31 March 2019	Year ended 31 March 2018
	Income from services (refer note 33)	6,742.26	6,600.47
		6,742.26	6,600.47

19	Other income	INR in Lacs	
	Particulars	Year ended 31 March 2019	Year ended 31 March 2018
	Other non-operating income (Refer note (i) below)	16.70	1.62
		16.70	1.62

Note (i)	Other non-operating income comprises:	INR in Lacs	
	Particulars	Year ended 31 March 2019	Year ended 31 March 2018
	Bad debts and advances recovered	10.94	-
	Miscellaneous income	5.76	1.62
		16.70	1.62

MPS North America LLC**Notes forming part of Financial Statements for the year ended 31 March 2019****(INR in Lacs, except share and per share data, unless otherwise stated)**

20 Employee benefits expense		INR in Lacs	
Particulars	Year ended	Year ended	
	31 March 2019	31 March 2018	
Salaries and wages	2,264.25	1,810.08	
Contribution to 401(k) plan (refer note 25)	36.11	124.04	
Staff welfare expenses	10.35	7.88	
	2,310.71	1,942.00	

21 Depreciation and amortization expense		INR in Lacs	
Particulars	Year ended	Year ended	
	31 March 2019	31 March 2018	
Depreciation on property, plant and equipment (refer note 3)	17.60	25.80	
Amortization on intangible assets (refer note 4)	6.27	3.37	
	23.87	29.17	

MPS North America LLC

Notes forming part of Financial Statements for the year ended 31 March 2019

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

22 Other expenses		INR in Lacs	
Particulars	Year ended 31 March 2019	Year ended 31 March 2018	
Outsourcing cost	2,882.99	3,042.98	
Power and fuel	2.47	2.53	
Rent (refer note 26)	122.40	112.76	
Hire charges	0.96	1.09	
Repairs and maintenance - buildings	3.48	4.43	
Repairs and maintenance - plant and machinery	3.65	7.88	
Insurance	8.38	7.02	
Rates and taxes	0.82	0.73	
Communication	53.15	48.27	
Travelling and conveyance	118.52	94.53	
Legal and professional	33.65	40.36	
Bad debts written off	81.51	-	156.26
Less: Allowances for expected credit loss utilised for the above	<u>4.98</u>	<u>76.53</u>	<u>113.11</u>
Allowances for expected credit loss and doubtful advances		2.06	83.66
Royalty	419.50	499.20	
Software expenses	28.75	62.29	
Sales and marketing expenses	129.60	42.75	
Miscellaneous expenses	44.93	42.01	
	<u>3,931.84</u>	<u>4,135.64</u>	

MPS North America LLC**Notes forming part of Financial Statements for the year ended 31 March 2019****(INR in Lacs, except share and per share data, unless otherwise stated)****23 Income tax**

The major components of income tax expense for the years ended 31 March 2019 and 31 March 2018 are:

	INR in Lacs	
	Year ended	Year ended
	31 March 2019	31 March 2018
Current income tax		
Current income tax charge for the year	70.44	95.21
Adjustments in respect of current income tax of previous years	29.42	-
	99.86	95.21
Deferred tax		
Deferred tax on profits for the year	51.49	(4.83)
Adjustments in respect of deferred tax of previous years	-	-
	51.49	(4.83)
Income tax expense reported in the Statement of Profit and Loss	151.35	90.38

24 Earnings per unit

	INR in Lacs	
	Year ended	Year ended
	31 March 2019	31 March 2018
Profit for the year attributable to the owners of the Company	341.19	404.90
Weighted average number of units outstanding	66,500	66,500
Face value per unit (USD)	100	100
Earnings per unit-Basic & Diluted (INR)	513.07	608.88

MPS North America LLC**Notes forming part of Financial Statements for the year ended 31 March 2019**

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

25 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 2019	Year ended 31 March 2018
Employer's contribution to 401(k) plan	36.11	124.04
	36.11	124.04

(B) Other long term benefits (compensated absences)

Particulars	INR in Lacs	
	As at 31 March 2019	As at 31 March 2018
Present value of obligation at the end of the year	4.65	4.83

26 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 2019	Year ended 31 March 2018
Lease rental	122.40	112.76
	122.40	112.76

27 Contingent liabilities to the extent not provided for

Particulars	INR in Lacs	
	As at 31 March 2019	As at 31 March 2018
Claims against Company, disputed by the Company, not acknowledged as debt	-	-
	-	-

28 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 2019
(INR in Lacs, except share and per share data, unless otherwise stated)

29 Fair value measurements

Fair value measurements					INR in Lacs				
Particulars	Note	Level of hierarchy	As at 31 March 2019		As at 31 March 2018				
			FVPL	FVOCI	Amortised cost	FVPL	FVOCI	Amortised cost	
Financial assets									
Trade receivables	(a)		-	-	1,988.14	-	-	-	1,428.03
Loans	(a, b)		-	-	20.74	-	-	-	12.59
Cash and cash equivalents	(a)		-	-	2,317.60	-	-	-	2,016.82
Other financial assets	(a, b)		-	-	-	-	-	-	588.30
Total financial assets			-	-	4,326.48	-	-	-	4,045.74
Financial liabilities									
Trade payables	(a)		-	-	597.93	-	-	-	662.33
Other financial liabilities	(a)		-	-	116.65	-	-	-	123.25
Total financial liabilities			-	-	714.58	-	-	-	785.58

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 2019
(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, 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:

Particulars	INR in Lacs	
	Year ended 31 March 2019	Year ended 31 March 2018
Revenue from top 4 customers (Previous year 4 customers) (more than 10% revenue individually)	4,281.15	4,209.44
Revenue from top 15 customers	5,777.52	5,718.98

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 2019	As at 31 March 2018
Balance at the beginning of the year	27.35	10.93
Add: Due to merger	-	44.91
Add: Provided during the year (net of reversal)	2.06	83.66
Less: Amount written off	(4.98)	(113.11)
Add: Impact of foreign currency translation	1.82	0.96
Balance at the end of the year	26.25	27.35

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 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 details of contractual maturities of financial liabilities at the reporting date.

Particulars	INR in Lacs				
	Contractual Cash flows			As at 31 March 2018	
	As at 31 March 2019 Carrying Amount	Within 1 year	More than 1 year	Carrying Amount	More than 1 year
Non-derivative financial liabilities	597.93	597.93	-	662.33	-
Trade payables	116.65	116.65	-	123.25	-
Other financial liabilities	-	-	-	-	-

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 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.

MPS North America LLC

Notes forming part of Financial Statements for the year ended 31 March 2019

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

32 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	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)
4	Key management personnel (KMP)	Ms. Yamini Tandon, Manager

B Details of related party transactions during the year ended 31 March 2019 and balances outstanding as at 31 March 2019:

Description of transactions:	Name of related party	Relationship	Year ended 31 March 2019	Year ended 31 March 2018
1 Outsourcing Cost	MPS Limited MPS Interactive Systems Limited	Holding Company Fellow Subsidiary	1,077.09 5.66	1,541.09 -
2 Royalty paid	MPS Limited	Holding Company	419.50	499.20
3 Remunerations paid	Ms. Yamini Tandon	KMP	129.48	119.75
4 Purchase of Property, Plant and Equipment	MPS Limited	Holding Company	0.37	-
5 Reimbursement of expenses-received	MPS Interactive Systems Limited	Fellow Subsidiary	4.99	-

C Balances at the year end	Name of related party	Relationship	As at 31 March 2019	As at 31 March 2018
1 Trade payables	MPS Limited	Holding Company	298.72	424.28
2 Other current liabilities	MPS Limited	Holding Company	0.37	-
3 Other current assets	MPS Limited	Holding Company	0.22	-
4 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 2019

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

33 Revenue from contracts with customers

(i) Revenue from contracts with customers

Revenues for the year ended 31 March 2019 and 31 March 2018 are as follows:

Particulars	INR in Lacs	
	Year ended 31 March 2019	Year ended 31 March 2018
Content solutions	5,961.33	5,768.48
Platform solutions	780.93	831.99
	6,742.26	6,600.47

(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 2019			Year ended 31 March 2018		
	Content solutions	Platform solutions	Total	Content solutions	Platform solutions	Total
Europe	-	96.03	96.03	-	138.64	138.64
USA (Country of domicile)	5,961.33	556.69	6,518.02	5,768.63	505.96	6,274.59
Rest of the World	-	128.21	128.21	-	187.24	187.24
Total	5,961.33	780.93	6,742.26	5,768.63	831.84	6,600.47

Refer note 30 (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 2019
Receivables, which are included in 'Trade and other receivables' (refer note 10)	1,988.14
Unbilled revenue (refer note 8)	-
Contract assets (refer note 10)	212.84
Contract liabilities (refer note 16)	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 2019	
	Contract Assets	Contract Liabilities
Balance on the date of transition (1 April 2018)	588.30	26.19
Revenue recognised that was included in the unearned balance at the beginning of the year	-	(26.19)
Increases due to cash received, excluding amounts recognised as revenue during the year	-	60.39
Transfers from contract assets recognised at the beginning of the period to receivables	(588.30)	-
Increases as a result of changes in the measure of progress	212.84	-
Balance at the end of the year	212.84	60.39

(iv) Reconciliation of revenue recognized with the contracted price is as follows:

	INR in Lacs	
	Year ended 31 March 2019	Year ended 31 March 2018
Contracted price	6,741.52	6,600.47
Reductions towards variable consideration components	(0.73)	-
Revenue recognised	6,742.26	6,600.47

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

(v) 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.

For and on behalf of MPS North America LLC



Yamini Tandon
Manager

Place : Gurugram

Date : 17 May 2019