

**MPS North America LLC**  
**Balance Sheet as at 31 March 2022**

		INR in Lacs	INR in Lacs
	Note	As at 31 March 2022	As at 31 March 2021
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property, plant and equipment	3.1	15.08	17.79
Right-of-use assets	3.2	59.22	2.12
Goodwill	4	1,983.48	1,913.28
Other intangible assets	4	21.61	22.62
Financial assets			
Investments	5	757.93	731.10
Other financial assets	6(i)	3.62	-
Other non-current assets	7(i)	0.18	-
<b>Total non-current assets</b>		<b>2,841.12</b>	<b>2,686.91</b>
<b>Current assets</b>			
<b>Financial assets</b>			
Trade receivables	8	2,303.35	2,868.44
Cash and cash equivalents	9	4,178.44	2,313.89
Other financial assets	6(ii)	0.15	7.44
Income tax assets (net)	10	28.90	18.36
Other current assets	7(ii)	791.19	1,050.72
<b>Total current assets</b>		<b>7,302.03</b>	<b>6,258.85</b>
<b>TOTAL ASSETS</b>		<b>10,143.15</b>	<b>8,945.76</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
Equity share capital	11 (i)	4213.59	4,213.59
Other equity		3400.59	2,748.58
<b>Total equity</b>		<b>7,614.18</b>	<b>6,962.17</b>
<b>Liabilities</b>			
<b>Non-current liabilities</b>			
<b>Financial liabilities</b>			
Lease liabilities	13 (i)	37.06	-
Deferred tax liabilities (net)	12	313.28	263.01
<b>Total non-current liabilities</b>		<b>350.34</b>	<b>263.01</b>
<b>Current liabilities</b>			
<b>Financial liabilities</b>			
Lease liabilities	13 (ii)	27.37	2.24
Trade payables	14	1,059.25	914.72
Other financial liabilities	15	150.49	126.91
Other current liabilities	16	937.51	672.37
Provisions	17	4.01	4.34
<b>Total current liabilities</b>		<b>2,178.63</b>	<b>1,720.58</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>10,143.15</b>	<b>8,945.76</b>
Significant accounting policies	2		
Notes to financial statements	3-39		
The accompanying notes form an integral part of financial statements			

For and on behalf of MPS North America LLC

*Yamini Tandon*

**Yamini Tandon**  
Manager

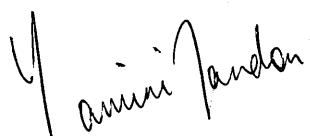
Place : Gurugram  
Date : 17 May 2022

## MPS North America LLC

## Statement of Profit &amp; Loss for the period ended 31 March 2022

		INR in Lacs	INR in Lacs
	Note	Year ended 31 March 2022	Year ended 31 March 2021
<b>Income</b>			
Revenue from operations	18	9,236.50	8,416.28
Other income	19	44.19	7.20
<b>Total income</b>		<b>9,280.69</b>	<b>8,423.48</b>
<b>Expenses</b>			
Employee benefits expense	20	2,449.33	2,234.15
Finance costs	21	3.18	3.92
Depreciation and amortization expense	22	36.98	82.03
Other expenses	23	6,226.71	5,378.28
<b>Total expenses</b>		<b>8,716.20</b>	<b>7,698.38</b>
<b>Profit before tax</b>		<b>564.49</b>	<b>725.10</b>
<b>Tax expense:</b>			
Current tax	24	116.80	132.60
Adjustment of tax relating to earlier years		17.13	0.35
Deferred tax	12	39.94	56.80
<b>Total tax expenses</b>		<b>173.87</b>	<b>189.75</b>
<b>Profit for the year</b>		<b>390.62</b>	<b>535.35</b>
<b>Other comprehensive income</b>			
Items that will be reclassified subsequently to profit or loss			
Exchange differences on translation of foreign operations		261.39	(229.44)
<b>Total other comprehensive income for the year , net of tax</b>		<b>261.39</b>	<b>(229.44)</b>
<b>Total comprehensive income for the year</b>		<b>652.01</b>	<b>305.91</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	587.40	805.03
Significant accounting policies	2		
Notes to financial statements	3-39		
The accompanying notes form an integral part of financial statements			

For and on behalf of MPS North America LLC


Yamini Tandon  
ManagerPlace : Gurugram  
Date : 17 May 2022

## MPS North America LLC

## Cash Flows Statement for the period ended 31 March 2022

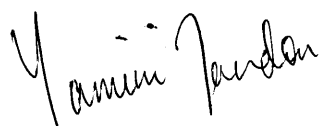
INR in Lacs

Particulars	Year ended 31 March 2022	Year ended 31 March 2021
<b>A. Cash flows from operating activities</b>		
Net Profit before tax	564.49	725.10
Adjustments:		
Depreciation and amortisation expense	36.98	82.03
Finance costs	3.18	3.92
Liabilities/provisions no longer required written back	(3.37)	(5.44)
Allowances for expected credit loss	-	22.28
Bad debts written off/(reversal)	(25.13)	16.89
<b>Operating cash flows before working capital changes</b>	<b>576.15</b>	<b>844.78</b>
(Increase)/decrease in trade receivables	590.22	(1,510.24)
Decrease in current and non current other financial assets	3.66	22.12
Decrease in other current assets	259.53	201.02
Increase in trade payables	144.53	148.20
Increase in other financial liabilities	26.96	59.02
Increase in other current liabilities	265.14	566.07
Increase in other non current asset	(0.18)	-
Decrease in short-term provisions	(0.34)	(0.27)
<b>Cash generated from operations</b>	<b>1,865.67</b>	<b>330.70</b>
Income tax paid (net of refund)	(144.46)	(206.67)
<b>Net cash generated from operating activities (A)</b>	<b>1,721.21</b>	<b>124.03</b>
<b>B. Cash flows from investing activities</b>		
Purchase of property, plant and equipment (including capital work-in-progress)	(3.24)	(6.35)
Purchase of other intangible assets	(2.79)	(0.52)
Investments in shares of subsidiary company	-	(731.10)
<b>Net cash used in investing activities (B)</b>	<b>(6.03)</b>	<b>(737.60)</b>
<b>C. Cash flows from financing activities</b>		
Repayment of lease liabilities	(24.06)	(73.61)
<b>Net cash used in financing activities (C)</b>	<b>(24.06)</b>	<b>(73.61)</b>
<b>Net increase/(decrease) in cash and cash equivalents (A+B+C)</b>	<b>1,691.12</b>	<b>(687.18)</b>
Impact on cash flow on account of foreign currency translation reserve	173.43	(170.48)
Cash and cash equivalents at the beginning of the year	2,313.89	3,171.55
<b>Cash and cash equivalents at the end of the year (see below)</b>	<b>4,178.44</b>	<b>2,313.89</b>
<b>Components of cash and cash equivalents:</b>		
Cash on hand	-	-
Balances with banks		
- Current accounts	4,178.44	2,313.89
	<b>4,178.44</b>	<b>2,313.89</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 : 17 May 2022

## MPS North America LLC

## Statement of change in Equity for the period ended 31 March 2022

A. Equity share capital	INR in Lacs
Balance as at 31 March 2020	4,213.59
Changes in equity share capital during the year	-
Balance as at 31 March 2021	4,213.59
Changes in equity share capital during the year	-
Balance as at 31 March 2022	4,213.59

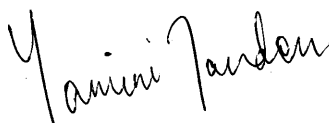
B. Other equity	INR in Lacs		
Particulars	Reserve and Surplus	Other Comprehensive income (refer note 1 below)	Total
	Retained earnings	Foreign currency translation reserve	
As at 31 March 2020	1,736.07	706.60	2,442.67
Profit for the year	535.35	-	535.35
Other comprehensive income	-	(229.44)	(229.44)
Total comprehensive income for the year	535.35	(229.44)	305.91
Transfer to general reserve	-	-	-
As at 31 March 2021	2,271.42	477.16	2,748.58
Profit for the year	390.62	-	390.62
Other comprehensive income	-	261.39	261.39
Total comprehensive income for the year	2,662.04	738.55	3,400.59
Transfer to general reserve	-	-	-
As at 31 March 2022	2,662.04	738.55	3,400.59

## 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.

For and on behalf of MPS North America LLC



**Yamini Tandon**  
Manager

Place : Gurugram  
Date : 17 May 2022

## **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 is addressing 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. On March 24, 2021, the ministry of Corporate Affairs (MCA) through a notification, amended Schedule III of the Companies Act, 2013 and the amendments are applicable for financial periods commencing from April 1, 2021. The Company has evaluated the effect of amendments on its financial statements and complied with the same.

The Financial statements of the company for the year ended 31<sup>st</sup> March 2022 were approved for issue in accordance with the resolution of the Board of directors on 17<sup>th</sup> May 2022.

###### **b) 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

###### **c) 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 12
- 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

## **MPS North America LLC**

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

*All amount in INR Lacs, unless otherwise stated*

- 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 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.

## **MPS North America LLC**

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

*All amount in INR Lacs, unless otherwise stated*

## **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

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.

## **MPS North America LLC**

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

*All amount in INR Lacs, unless otherwise stated*

#### **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.

#### **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



## **MPS North America LLC**

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

*All amount in INR Lacs, unless otherwise stated*

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.

#### **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.

## **MPS North America LLC**

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

*All amount in INR Lacs, unless otherwise stated*

#### **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.

#### **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.

## **MPS North America LLC**

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

*All amount in INR Lacs, unless otherwise stated*

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.

### **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.

## **MPS North America LLC**

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

*All amount in INR Lacs, unless otherwise stated*

#### **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 recognized 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.

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.

## **MPS North America LLC**

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

*All amount in INR Lacs, unless otherwise stated*

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.
- 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.

## **MPS North America LLC**

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

*All amount in INR Lacs, unless otherwise stated*

#### **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.
- o **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.
  - o **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.

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:

- o 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;

## **MPS North America LLC**

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

*All amount in INR Lacs, unless otherwise stated*

- 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.

#### **2.13 Leases**

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.

## **MPS North America LLC**

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

*All amount in INR Lacs, unless otherwise stated*

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.

#### **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



## **MPS North America LLC**

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

*All amount in INR Lacs, unless otherwise stated*

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 Recent Pronouncement**

Recent pronouncements Ministry of Corporate Affairs ("MCA") notifies new standard or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time. On March 23, 2022, MCA amended the Companies (Indian Accounting Standards) Amendment Rules, 2022, applicable from April 1, 2022, as below:

- a) Ind AS 103 – Reference to Conceptual Framework The amendments specify that to qualify for recognition as part of applying the acquisition method, the identifiable assets acquired and liabilities assumed must meet the definitions of assets and liabilities in the Conceptual Framework for Financial Reporting under Indian Accounting Standards (Conceptual Framework) issued by the Institute of Chartered Accountants of India at the acquisition date. These changes do not significantly change the requirements of Ind AS 103. The Company does not expect the amendment to have any significant impact in its financial statements.
- b) Ind AS 16 – Proceeds before intended use The amendments mainly prohibit an entity from deducting from the cost of property, plant and equipment amounts received from selling items produced while the company is preparing the asset for its intended use. Instead, an entity will recognise such sales proceeds and related cost in profit or loss. The Company does not expect the amendments to have any impact in its recognition of its property, plant and equipment in its financial statements.
- c) Ind AS 37 – Onerous Contracts - Costs of fulfilling a contract The amendments specify that that the 'cost of fulfilling' a contract comprises the 'costs that relate directly to the contract'. Costs that relate directly to a contract can either be incremental costs of fulfilling that contract (examples would be direct labour, materials) or an allocation of other costs that relate directly to fulfilling contracts. The amendment is essentially a clarification and the Company does not expect the amendment to have any significant impact in its financial statements.
- d) Ind AS 109 – Annual improvements to Ind AS (2021) The amendment clarifies which fees an entity includes when it applies the '10 percent' test of Ind AS 109 in assessing whether to derecognise a financial liability. The Company does not expect the amendment to have any significant impact in its financial statements.

**MPS North America LLC**

Notes forming part of Financial Statements for the period ended 31 March 2022

(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>				
As at 31 March 2020	151.69	21.77	11.39	184.85
Additions	6.35	-	-	6.35
Disposals/adjustments	-	-	-	-
Foreign currency translation reserve	(7.36)	(0.20)	(0.38)	(7.94)
As at 31 March 2021	150.68	21.57	11.01	183.26
Additions	3.24	-	-	3.24
Disposals/adjustments	-	-	-	-
Foreign currency translation reserve	7.95	0.91	0.40	9.26
As at 31 March 2022	161.87	22.48	11.41	195.76
<b>Accumulated depreciation</b>				
As at 31 March 2020	142.92	12.64	9.88	165.44
Depreciation charge for the year	5.67	2.00	0.33	8.00
Disposals/adjustments	-	-	-	-
Foreign currency translation reserve	(7.03)	(0.60)	(0.34)	(7.97)
As at 31 March 2021	141.56	14.04	9.87	165.47
Depreciation charge for the year	4.55	2.03	-	6.58
Disposals/adjustments	-	-	-	-
Foreign currency translation reserve	7.67	0.58	0.38	8.63
As at 31 March 2022	153.78	16.65	10.25	180.68
<b>Net carrying value</b>				
As at 31 March 2021	9.12	7.53	1.14	17.79
As at 31 March 2022	8.09	5.83	1.16	15.08

**MPS North America LLC**

**Notes forming part of Financial Statements for the period ended 31 March 2022**

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

3.2 Right-of-use asset		INR in Lacs	
Particulars	Buildings	Total	
<b>Gross carrying value</b>			
As at 31 March 2020	72.14	72.14	
Additions	-	-	
Disposals/adjustments	-	-	
Depreciation charge for the year	68.60	68.60	
Foreign currency translation reserve	(1.42)	(1.42)	
As at 31 March 2021	2.12	2.12	
Additions	80.75	80.75	
Disposals/adjustments	-	-	
Depreciation charge for the year	25.81	25.81	
Foreign currency translation reserve	2.16	2.16	
As at 31 March 2022	59.22	59.22	
<b>Net carrying value</b>			
	Buildings	Total	
As at 31 March 2021	2.12	2.12	
As at 31 March 2022	59.22	59.22	

**MPS North America LLC**

Notes forming part of Financial Statements for the period ended 31 March 2022

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

				INR in Lacs
4. Intangible assets				
Particulars	Goodwill	Computer software	Trademark	Total
<b>Gross carrying value</b>				
As at 31 March 2020	1,980.15	13.10	41.03	2,034.28
Additions	-	0.52	-	0.52
Foreign currency translation reserve	(66.87)	(1.41)	(1.39)	(69.66)
As at 31 March 2021	1,913.28	12.21	39.64	1,965.14
Additions	-	2.79	-	2.79
Foreign currency translation reserve	70.20	1.57	1.46	73.23
As at 31 March 2022	1,983.48	16.57	41.10	2,041.16
<b>Accumulated depreciation/amortisation</b>				
As at 31 March 2020	-	10.31	15.41	25.72
Amortisation expense for the year	-	1.41	4.02	5.43
Foreign currency translation reserve	-	(1.34)	(0.58)	(1.92)
As at 31 March 2021	-	10.38	18.85	29.23
Amortisation expense for the year	-	0.56	4.03	4.59
Foreign currency translation reserve	-	1.46	0.78	2.24
As at 31 March 2022	-	12.40	23.66	36.06
<b>Net carrying value</b>				
As at 31 March 2021	1,913.28	1.83	20.79	1,935.91
As at 31 March 2022	1,983.48	4.17	17.44	2,005.10
<b>Net carrying value</b>	<b>As at 31 March 2022</b>	<b>As at 31 March 2021</b>		
Intangible assets	2,005.10	1,935.91		

**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:

			INR in Lacs
Particulars	As at 31 March 2022	As at 31 March 2021	
Content solutions	1,285.86	1,240.35	
Platform solutions	697.62	672.93	
	<b>1,983.48</b>	<b>1,913.28</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 2022 (31 March 2021: 2%) representing management view on the future long-term growth rate.
- Discount rate ranging from 13.5% to 15.5% for the year ended 31 March 2022 (31 March 2021: ranging from 13.5% to 15.5%) 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 period ended 31 March 2022

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

5	Non-current investments	INR in Lacs	
	Particulars	As at 31 March 2022	As at 31 March 2021
	Investments carried at cost :		
	<i>Equity instruments of</i>		
	HighWire Press Limited	757.925	731.10
		<u>757.93</u>	<u>731.10</u>
6	Other Financial Assets	INR in Lacs	
	Particulars	As at 31 March 2022	As at 31 March 2021
	(i) Non Current Asset		
	Security Deposit	3.62	-
		<u>3.62</u>	<u>-</u>
	(ii) Current		
	Security Deposit	0.15	7.44
		<u>0.15</u>	<u>7.44</u>
7	Other Asset	INR in Lacs	
	Particulars	As at 31 March 2022	As at 31 March 2021
	(i) Other Non current asset	0.18	-
		<u>0.18</u>	<u>-</u>
	(ii) Other current assets		
	Prepaid expenses	279.65	237.95
	Contract assets	511.39	812.77
	Prepayment Rent	0.15	-
		<u>791.18</u>	<u>1,050.72</u>

MPS North America LLC

Notes forming part of Financial Statements for the period ended 31 March 2022  
(INR in Lacs, except share and per share data, unless otherwise stated)

8 Trade receivables	INR in Lacs	
	As at 31 March 2022	As at 31 March 2021
Particulars		
Current		
Trade receivables	2,303.35	2,868.44
	<b>2,303.35</b>	<b>2,868.44</b>
Break-up for details:		
Trade receivables (Unsecured)		
Considered good	2,303.35	2,868.44
Doubtful	10.33	48.95
Considered good	2,313.68	2,917.39
Less: Expected credit loss allowance (refer note 31)	10.33	48.95
<b>Total</b>	<b>2,303.35</b>	<b>2,868.44</b>

Trade Receivable ageing for year ended March 31, 2022

Particulars	Outstanding for following periods from due date of payment				
	Not Due	Less than 6 months	6 months - 1 year	1-2 years	2-3 years
(i) Undisputed Trade Receivable-considered good	2,105.23	205.57	2.88	-	-
					2,313.68

Trade Receivable ageing for year ended March 31, 2021

Particulars	Outstanding for following periods from due date of payment				
	Not Due	Less than 6 months	6 months - 1 year	1-2 years	2-3 years
(i) Undisputed Trade Receivable-considered good	349.58	2,389.77	158.07	19.97	-
					2,917.39

**MPS North America LLC**

Notes forming part of Financial Statements for the period ended 31 March 2022

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

9	Cash and cash equivalents	INR in Lacs	
	Particulars	As at 31 March 2022	As at 31 March 2021
	Balances with banks		
	-In current accounts	4,178.44	2,313.89
		<u>4,178.44</u>	<u>2,313.89</u>
10	Income taxes assets	INR in Lacs	
	Particulars	As at 31 March 2022	As at 31 March 2021
	Advance income tax (net of provisions)	28.90	18.36
		<u>28.90</u>	<u>18.36</u>

## MPS North America LLC

Notes forming part of Financial Statements for the period ended 31 March 2022

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

11 Share capital	INR in Lacs	
(i) Particulars	As at 31 March 2022	As at 31 March 2021
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 2021: 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 2022		As at 31 March 2021	
	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
Outstanding at the end of the year	66,500	4,213.59	66,500	4,213.59

## (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 2022		As at 31 March 2021	
	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 the promoters shareholders holding in the Company

Promoter Name	No. of Shares as at 31-03-2021	% of total shares	No. of Shares as at 31-03-2021	% of total shares	% change during the year	
					31-Mar-2022	31-Mar-2021
MPS Limited	66,500	100%	66,500	100%	-	-

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

Class of units / Name of unit holder	As at 31 March 2022		As at 31 March 2021	
	Number	% holding in that class of	Number	% holding in that class of
Units of USD 100 each fully paid up and held by MPS Limited, the holding company	66,500	100%	66,500	100%

## (vii) 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 period ended 31 March 2022**

**(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:

<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>Total</b>
<b>As at 31 March 2020</b>	<b>12.95</b>	<b>-</b>	<b>0.60</b>	<b>13.55</b>
(Charged)/credited				
- to statement of profit and loss	0.26		(0.57)	(0.31)
- to foreign currency translation reserve	(0.43)	-	-	(0.43)
<b>As at 31 March 2021</b>	<b>12.78</b>	<b>-</b>	<b>0.03</b>	<b>12.81</b>
- to statement of profit and loss	(10.25)		1.29	(8.96)
- to foreign currency translation reserve	0.18		(0.04)	0.14
<b>As at 31 March 2022</b>	<b>2.71</b>	<b>-</b>	<b>1.28</b>	<b>3.99</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>Total</b>
<b>As at 31 March 2020</b>	<b>(188.73)</b>	<b>(38.64)</b>	<b>-</b>	<b>(227.37)</b>
(Charged)/credited				
- to statement of profit and loss	(38.55)	(17.95)	-	(56.50)
- to foreign currency translation reserve	6.73	1.32	-	8.05
<b>As at 31 March 2021</b>	<b>(220.55)</b>	<b>(55.27)</b>	<b>-</b>	<b>(275.82)</b>
- to statement of profit and loss	(33.70)	2.72	-	(30.98)
- to reserve and surplus Ind AS 116	-	-	-	-
- to foreign currency translation reserve	(8.66)	(1.81)	-	(10.47)
<b>As at 31 March 2022</b>	<b>(262.91)</b>	<b>(54.36)</b>	<b>-</b>	<b>(317.27)</b>

<b>Reflected in the Balance Sheet as follows:</b>			<b>INR in Lacs</b>
	<b>As at 31 March 2022</b>	<b>As at 31 March 2021</b>	
Deferred tax assets	3.99	12.81	
Deferred tax liabilities	(317.27)	(275.82)	
<b>Deferred tax liabilities (net)</b>	<b>(313.28)</b>	<b>(263.01)</b>	

<b>Reconciliation of deferred tax asset (net):</b>			<b>INR in Lacs</b>
	<b>Year ended 31 March 2022</b>	<b>Year ended 31 March 2021</b>	
<b>Balance as at the commencement of the year</b>	<b>(263.01)</b>	<b>(213.82)</b>	
Expense/(credit) during the year recognised in Statement of profit and loss	39.94	56.81	
Foreign currency translation reserve	10.33	(7.62)	
<b>Balance as at the end of the year</b>	<b>(313.28)</b>	<b>(263.01)</b>	

**MPS North America LLC**

Notes forming part of Financial Statements for the period ended 31 March 2022

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

13	Lease liabilities	INR in Lacs	
	Particulars	As at 31 March 2022	As at 31 March 2021
(i)	Non current		
	Lease liabilities	37.06	-
		<u>37.06</u>	<u>-</u>
(ii)	Current		
	Lease liabilities	27.37	2.24
		<u>27.37</u>	<u>2.24</u>
(iii)	Reconciliation of liabilities from financing activities		
	Particulars	INR in Lacs	
	Opening as on 1 April 2021		2.24
	Impact of Ind AS 116		-
	Addition during the year		80.75
	Interest on lease liabilities		3.18
	Repayment of lease liabilities		-24.06
	Exchange difference on lease liabilities		2.32
	As at 31 March 2022		<u>64.43</u>

MPS North America LLC

Notes forming part of Financial Statements for the period ended 31 March 2022  
(INR in Lacs, except share and per share data, unless otherwise stated)

14 Trade payables	INR in Lacs		
	As at	As at	As at
Particulars	31 March 2022	31 March 2021	31 March 2020
Trade payables	572.58	680.90	
Trade payables to related parties (refer note 34)	486.67	233.82	
	1,059.25	914.72	

Trade Payable ageing for year ended March 31, 2022

Particulars	Outstanding for following periods from due date of payment				
	Not Due	Less than 6 months	6 months - 1 year	1-2 years	2-3 years
(i) MSME	-	-	-	-	-
(ii) Others	1,036.88	20.55	1.82	-	-
Total	1,036.88	20.55	1.82	-	-

Trade Payable ageing for year ended March 31, 2021

Particulars	Outstanding for following periods from due date of payment				
	Not Due	Less than 6 months	6 months - 1 year	1-2 years	2-3 years
(i) MSME	-	-	-	-	-
(ii) Others	899.64	20.47	(5.39)	-	-
Total	899.64	20.47	(5.39)	-	-

**MPS North America LLC****Notes forming part of Financial Statements for the period ended 31 March 2022****(INR in Lacs, except share and per share data, unless otherwise stated)**

<b>15</b>	<b>Other financial liabilities (current)</b>	<b>INR in Lacs</b>	
	<b>Particulars</b>	<b>As at 31 March 2022</b>	<b>As at 31 March 2021</b>
	Employee payable	150.49	126.91
		<b>150.49</b>	<b>126.91</b>

<b>16</b>	<b>Other current liabilities</b>	<b>INR in Lacs</b>	
	<b>Particulars</b>	<b>As at 31 March 2022</b>	<b>As at 31 March 2021</b>
	Income received in advance (contract liabilities)	861.32	621.08
	Advances from customers	11.91	-
	Statutory remittances*	64.28	51.29
		<b>937.51</b>	<b>672.37</b>

\*(Includes 401(k) plan and sales tax etc.)

<b>17</b>	<b>Provisions (current)</b>	<b>INR in Lacs</b>	
	<b>Particulars</b>	<b>As at 31 March 2022</b>	<b>As at 31 March 2021</b>
	Provision for compensated absences	4.01	4.34
		<b>4.01</b>	<b>4.34</b>

**MPS North America LLC**

**Notes forming part of Financial Statements for the period ended 31 March 2022**

**(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>INR in Lacs</b>
	<b>Particulars</b>	<b>Year ended</b>	<b>Year ended</b>
		<b>31 March 2022</b>	<b>31 March 2021</b>
	Income from services	9,236.50	8,416.28
		<b>9,236.50</b>	<b>8,416.28</b>

<b>19</b>	<b>Other income</b>	<b>INR in Lacs</b>	<b>INR in Lacs</b>
	<b>Particulars</b>	<b>Year ended</b>	<b>Year ended</b>
		<b>31 March 2022</b>	<b>31 March 2021</b>
	Other non-operating income (refer note (i) below)	44.19	7.20
		<b>44.19</b>	<b>7.20</b>

<b>Note (i)</b>	<b>Other non-operating income comprises:</b>	<b>INR in Lacs</b>	<b>INR in Lacs</b>
	<b>Particulars</b>	<b>Year ended</b>	<b>Year ended</b>
		<b>31 March 2022</b>	<b>31 March 2021</b>
	Liabilities/provisions no longer required written back	3.37	5.44
	Reversal of Allowances for expected credit loss and doubtful advances	39.48	-
	Miscellaneous income	1.34	1.76
		<b>44.19</b>	<b>7.20</b>

**MPS North America LLC**

Notes forming part of Financial Statements for the period ended 31 March 2022

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

<b>20 Employee benefits expense</b>	<b>INR in Lacs</b>	<b>INR in Lacs</b>
<b>Particulars</b>	<b>Year ended 31 March 2022</b>	<b>Year ended 31 March 2021</b>
Salaries and wages	2,403.35	2,196.27
Contribution to 401(k) plan (refer note 26)	36.45	31.38
Staff welfare expenses	9.53	6.50
	<b>2,449.33</b>	<b>2,234.15</b>

<b>21 Finance costs</b>	<b>INR in Lacs</b>
<b>Particulars</b>	<b>Year ended 31 March 2022</b>
Interest on lease liabilities (refer note 13)	3.18
	<b>3.18</b>

<b>22 Depreciation and amortization expense</b>	<b>INR in Lacs</b>
<b>Particulars</b>	<b>Year ended 31 March 2022</b>
Depreciation on property, plant and equipment (refer note 3.1)	6.58
Depreciation on right-of-use asset (refer note 3.2)	25.81
Amortization on intangible assets (refer note 4)	4.59
	<b>36.98</b>

**MPS North America LLC**

Notes forming part of Financial Statements for the period ended 31 March 2022

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

23 Other expenses	INR in Lacs	
Particulars	Year ended 31 March 2022	Year ended 31 March 2021
Outsourcing cost	5,716.11	4,872.33
Power and fuel	1.93	2.40
Rent (refer note 27)	7.93	32.88
Hire charges	0.37	0.52
Repairs and maintenance - buildings	3.98	4.07
Repairs and maintenance - plant and machinery	2.88	1.69
Insurance	7.88	8.82
Rates and taxes	0.45	0.32
Communication	38.83	45.41
Travelling and conveyance	4.96	8.44
Legal and professional	30.05	35.93
Bad debts written off	28.83	39.56
Less: Allowances for expected credit loss utilised for the above	<u>14.48</u>	<u>22.67</u>
Net loss on foreign currency transactions	13.46	24.94
Allowances for expected credit loss and doubtful advances	-	22.28
Royalty	323.84	232.22
Software expenses	34.48	31.97
Sales and marketing expenses	8.07	18.58
Miscellaneous expenses	17.14	18.59
	<u><u>6,226.71</u></u>	<u><u>5,378.28</u></u>

**MPS North America LLC**

Notes forming part of Financial Statements for the period ended 31 March 2022

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

**24 Income tax**

The major components of income tax expense for the period ended 31 March 2022 and 31 March 2021 are:

	INR in Lacs	
	Year ended 31 March 2022	Year ended 31 March 2021
<b>Current income tax</b>		
Current income tax charge for the year	116.80	132.60
Adjustments in respect of current income tax of previous years	17.13	0.35
	<b>133.92</b>	<b>132.95</b>
<b>Deferred tax</b>		
Deferred tax on profits for the year	39.94	56.80
Adjustments in respect of deferred tax of previous years	-	-
	<b>39.94</b>	<b>56.80</b>
Income tax expense reported in the Statement of Profit and Loss	<b>173.87</b>	<b>189.75</b>

**25 Earnings per unit**

	INR in Lacs	
	Year ended 31 March 2022	Year ended 31 March 2021
Profit for the year attributable to the owners of the company	390.62	535.35
Weighted average number of units outstanding	66,500	66,500
Face value per unit (USD)	100	100
Earnings per unit-basic & diluted (INR)	<b>587.40</b>	<b>805.03</b>



**MPS North America LLC**

Notes forming part of Financial Statements for the period ended 31 March 2022

(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 2022	Year ended 31 March 2021
Employer's contribution to 401(k) plan	36.45	31.38
	<u>36.45</u>	<u>31.38</u>

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

Particulars	INR in Lacs	
	As at 31 March 2022	As at 31 March 2021
Present value of obligation at the end of the year	4.01	4.34
	<u>4.01</u>	<u>4.34</u>

**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 2022	Year ended 31 March 2021
Lease rental	7.93	32.88
	<u>7.93</u>	<u>32.88</u>

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

Particulars	INR in Lacs	
	As at 31 March 2022	As at 31 March 2021
Claims against company, disputed by the company, not acknowledged as debt	-	-
	<u>-</u>	<u>-</u>

**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 period ended 31 March 2022

(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			As at		
			31 March 2022			31 March 2021		
			FVPL	FVOCI	Amortised cost	FVPL	FVOCI	Amortised cost
<b>Financial assets</b>								
Trade receivables	(a)		-	-	2,303.35	-	-	2,868.44
Cash and cash equivalents	(a)		-	-	4,178.44	-	-	2,313.89
Other financial assets	(a, b)		-	-	3.77	-	-	7.44
<b>Total financial assets</b>			-	-	<b>6,485.56</b>	-	-	<b>5,189.77</b>
<b>Financial liabilities</b>								
Lease liabilities	(a)				64.43	-	-	2.24
Trade payables	(a)		-	-	1,059.25	-	-	914.72
Other financial liabilities	(a)		-	-	150.49	-	-	126.91
<b>Total financial liabilities</b>			-	-	<b>1,274.17</b>	-	-	<b>1,043.87</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 period ended 31 March 2022

(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.

The Company follows a natural hedge driven currency risk mitigation policy to the extent possible. Any residual risk is evaluated and appropriate risk mitigating steps are taken, including but not limited to, entering into forward contract.

**Exposure to currency risk**

The summary quantitative data about the Company's exposure to currency risk as reported to the management of the Company is as follows:

	As at 31 March 2022			31 March 2021		
	USD	GBP	Other	USD	GBP	Other
Cash and cash equivalents	4,178.44	-	-	2,313.89	-	-
Trade receivables	2,303.35	-	-	2,868.44	-	-
Other financial assets	3.77	-	-	7.44	-	-
Trade payables	(974.72)	(84.08)	(0.45)	(845.13)	(69.59)	-
Other Financial Liabilities	(150.49)	-	-	(126.91)	-	-
<b>Net statement of financial position exposure</b>	<b>5,360.35</b>	<b>(84.08)</b>	<b>(0.45)</b>	<b>4,217.74</b>	<b>(69.59)</b>	<b>-</b>

**Sensitivity analysis**

A reasonably possible strengthening (weakening) of the EUR, USD, GBP and other against all other currencies at 31 March would have affected the measurement of financial exposure denominated in a foreign currency and affected equity and profit or loss by the amounts shown below. This analysis assumes that all other variables, in particular interest rates, remain constant and ignores any impact on forecast revenue and expenses.

	INR in Lacs			
	Year ended 31 March 2022		Year ended 31 March 2021	
	Profit or Loss (before tax)		Profit or Loss (before tax)	
	Strengthening	Weakening	Strengthening	Weakening
USD (1% movement)	53.60	(53.60)	42.18	(42.18)
GBP (1% movement)	(0.84)	0.84	(0.70)	0.70
Other (1% movement)	(0.00)	0.00	-	-

**(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 2022	Year ended 31 March 2021
Revenue from top 3 customers (more than 10% revenue individually)	5,220.14	4,768.32
Revenue from top 15 customers	7,960.66	7,454.76

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 2,303.35 Lacs as at 31 March 2022 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:**

Particulars	INR in Lacs	
	As at 31 March 2022	As at 31 March 2021
Balance at the beginning of the year	48.95	51.02
Add: Provided during the year (net of reversal)	(24.27)	22.28
Less: Amount written off	(14.35)	(22.67)
Add: Impact of foreign currency translation	-	(1.68)
<b>Balance at the end of the year</b>	<b>10.33</b>	<b>48.95</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 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					
	at 31 March 2022	As at 31 March 2021				
	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	64.43	27.37	37.06	2.24	2.24	-
Trade payables	1,059.25	1,059.25	-	914.72	914.72	-
Other financial liabilities	150.49	150.49	-	126.91	126.91	-

**(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 10). 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 2022	As at 31 March 2021
Total equity attributable to the equity share holders of the Company	4,213.59	4,213.59
Other Equity	3,400.59	2,748.58
As percentage of total capital	100%	100%
Total lease liabilities	64.43	2.24
As a percentage of total capital	2%	0%
<b>Total capital (lease liabilities and equity)</b>	<b>7,678.61</b>	<b>6,964.42</b>

**MPS North America LLC**

Notes forming part of Financial Statements for the quarter ended 31 March 22

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

**33 Leases**

(i) 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)

(ii) The Company has discounted lease payments using the applicable incremental borrowing rate as at 31st May 2022, which is 4% for measuring the lease liability.

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

Particulars	INR in Lacs	
	Year ended 31 March 2022	Year ended 31 March 2021
Interest on lease liabilities (refer note 21)	3.18	3.92
Depreciation of right-of-use assets (refer note 3.2)	25.81	68.60
Deferred tax (credit) (refer note 12)	1.25	0.57
Impact on the statement of profit and loss for the year	<u>30.24</u>	<u>73.09</u>

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

Particulars	INR in Lacs	
	Year ended 31 March 2022	Year ended 31 March 2021
Expense related to short-term leases	7.80	30.80
Impact on the statement of profit and loss for the year	<u>7.80</u>	<u>30.80</u>

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

Particulars	INR in Lacs	
	Year ended 31 March 2022	Year ended 31 March 2021
Repayment of lease liabilities including interest expenses	(24.06)	(73.61)
Impact on the statement of cash flows for the year	<u>(24.06)</u>	<u>(73.61)</u>

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

(vii) 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 period ended 31 March 2022**

**(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	Subsidiary company	HireWire Press Limited (w.e.f. 1st July, 2020)
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) HighWire North America LLC (dissolved w.e.f. 21 December 2021 )
4	Step down subsidiary	Semantico Limited (w.e.f. 1st July, 2020)
5	Company under common control	ADI Media Private Limited Birdcall Private Limited (w.e.f 14 July 2021)
5	Key management personnel (KMP)	Ms. Yamini Tandon, Manager

**B Details of related party transactions during the year ended 31 March 2022 and 31 March 2021:**

Description of transactions:	Name of related party	Relationship	Year ended 31 March 2022	Year ended 31 March 2021
1 Outsourcing cost	MPS Limited MPS Interactive Systems Limited	Holding Company Fellow Subsidiary	2,221.11	1,728.64
2 Royalty paid	MPS Limited	Holding Company	323.84	232.22
3 Remunerations paid	Ms. Yamini Tandon	KMP	156.93	152.60
4 Reimbursement of expenses- received	MPS Interactive Systems Limited MPS Limited	Fellow Subsidiary Holding Company	11.45 20.77	1.65 1.18
5 Reimbursement of expenses- paid	MPS Limited MPS Interactive Systems Limited	Holding Company Fellow Subsidiary	0.37 0.45	8.81
6 Investment in Subsidiary	HighWire Press Limited	Subsidiary Company	757.93	731.10
C Balances at the year end	Name of related party	Relationship	Year ended 31 March 2022	Year ended 31 March 2021
1 Trade payables	MPS Limited	Holding Company	486.67	233.82

**MPS North America LLC**

Notes forming part of Financial Statements for the period ended 31 March 2022

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

**35 Segment information**

**Operating Segments**

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

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

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

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

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

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

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

Particulars	INR in Lacs	
	Year ended 31 March 2022	Year ended 31 March 2021
<b>Segment revenue</b>		
Content solutions	8,865.98	8,075.27
Platform solutions	370.53	341.01
<b>Total revenue from operations</b>	<b>9,236.50</b>	<b>8,416.28</b>
<b>Segment results</b>		
Content solutions	535.23	686.94
Platform solutions	(11.75)	34.88
<b>Total</b>	<b>523.48</b>	<b>721.82</b>
Un-allocable expenditure (net of un-allocable income)	(44.19)	(7.20)
Interest income	-	-
Finance cost	3.18	3.92
<b>Profit before tax</b>	<b>564.49</b>	<b>725.10</b>
Tax expense	173.87	189.75
<b>Profit for the year</b>	<b>390.62</b>	<b>535.35</b>

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

**(c) Geographical informations:**

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

**(i) Revenue by geographical markets**

Particular	INR in Lacs	
	Year ended 31 March 2022	Year ended 31 March 2021
Europe	864.37	189.60
USA (Country of domicile)	8,163.68	8,135.61
Rest of the World	208.45	91.07
<b>Total</b>	<b>9,236.50</b>	<b>8,416.28</b>

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

Particular	INR in Lacs	
	As at 31 March 2022	As at 31 March 2021
USA (Country of domicile)	2,841.12	2,686.91
<b>Total</b>	<b>2,841.12</b>	<b>2,686.91</b>

**MPS North America LLC**

Notes forming part of Financial Statements for the year ended 31 March 2022

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

**36 Revenue from contracts with customers**

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

Revenues for the year ended 31 March 2022 and 31 March 2021 are as follows:

Particulars	INR in Lacs	
	Period ended 31 March 2022	Year ended 31 March 2021
<b>Segment revenue</b>		
Content solutions	8,865.98	8,075.27
Platform solutions	370.52	341.01
	<b>9,236.50</b>	<b>8,416.28</b>

**(ii) Revenue by Geographical Market**

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 2022			Year ended 31 March 2021		
	Content solutions	Platform solutions	Total	Content solutions	Platform solutions	Total
	INR in Lacs					
Europe	781.01	83.36	864.37	145.63	43.97	189.60
USA (Country of domicile)	7,922.02	241.66	8,163.68	7,875.46	260.15	8,135.61
Rest of the World	162.95	45.50	208.45	54.17	36.90	91.07
<b>Total</b>	<b>8,865.98</b>	<b>370.52</b>	<b>9,236.50</b>	<b>8,075.26</b>	<b>341.02</b>	<b>8,416.28</b>

Refer note 31 (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 2022	As at 31 March 2021
Receivables, which are included in 'Trade and other receivables' (refer note 8)	2,303.35	2,868.44
Contract assets (refer note 7)	511.39	812.77
Contract liabilities (refer note 16)	873.23	621.08

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 2022		Year ended 31 March 2021	
	Contract Assets	Contract Liabilities	Contract Assets	Contract Liabilities
Balance as at beginning of the year	812.77	621.08	1,041.02	42.24
Revenue recognised that was included in the unearned balance at the beginning of the year	-	(621.08)	-	(42.24)
Increases due to cash received, excluding amounts recognised as revenue during the year	-	873.23	-	621.08
Transfers from contract assets recognised at the beginning of the period to receivables	(812.77)	-	(1,041.02)	-
Increases as a result of changes in the measure of progress	511.39	-	812.77	-
<b>Balance at the end of the year</b>	<b>511.39</b>	<b>873.23</b>	<b>812.77</b>	<b>621.08</b>

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

	INR in Lacs	
	Period ended 31 March 2022	Year ended 31 March 2021
<b>Contracted price</b>	9,261.07	8,533.85
Reductions towards variable consideration components	(24.56)	(117.57)
<b>Revenue recognised</b>	<b>9,236.50</b>	<b>8,416.28</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.



**MPS NORTH AMERICA LLC**

Notes forming part of Financial Statements for the year ended 31 March 2022

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

**37 Ratios**

Ratios	Formulas for Computation	Measures (Times/Percentage)	March 31, 2022	March 31, 2021	Variation	Remarks
Current Ratio	Current Assets/Current Liabilities	Times	3.35	3.64	-8%	
Debt-Equity Ratio	Total Debts / Net Worth	Times	NA	NA	NA	There is no debt in the company.
Debt Service Coverage Ratio	EBITDA/Debt Service	Times	NA	NA	NA	There is no debt in the company.
Return on Equity Ratio	PAT/Net Worth	Percentage	5%	8%	-32%	
Inventory turnover Ratio	COGS/Average Inventory	Times	NA	NA	NA	Company is in service sector.
Trade Receivable turnover Ratio	Revenue from Operations/ Average Debtors	Times	3.53	3.86	-8%	
Trade Payable turnover Ratio	Other expenses net off non cash expenses and CSR/ Average accounts payable	Times	6.29	6.38	-1%	
Net Capital turnover Ratio	Revenue from Operations/ Average Working Capital ( i.e Total Current Assets Less Total Current Liabilities)	Times	1.91	1.81	6%	
Net Profit Ratio	PAT/ Revenue from Operations	Percentage	4%	6%	-34%	
Return on Capital Employed	EBIT/Capital Employed ((Net Worth +Lease Liabilities+Deferred Tax Liabilities)	Percentage	7%	10%	-30%	
Return on Investments	PBT/Total Assets	Percentage	6%	8%	-31%	

**38 Other statutory Information**

- (i) The Company do not have any Benami property, where any proceeding has been initiated or pending against the company for holding any Benami property.
- (ii) The Company is not in possession of any immovable property (other than property on lease) and investment property.
- (iii) The Company is registered as LLC under the laws of Florida in the United States of America, thus provision of Indian Companies Act not Applicable.
- (iv) No borrowing and security premium outstanding on the company
- (v) The Company have not any such transaction which is not recorded in the books of accounts that has been surrendered or disclosed as income during the year in the tax assessments.
- (vi) The Company do not have any transactions with companies struck off.
- (vii) The company has not advanced or loaned or invested fund to any other person(s) entity(ies), including foreign entities (intermediaries) with the understanding that the intermediary shall :
  - (a) Directly or indirectly lend or invest in other person or entities identified whatsoever by or on behalf of company
  - (b) Provide any guarantee, security or the like to or on behalf of the ultimate beneficiaries.
- (viii) The Company has not received any fund from any person(s) or entity(ies), including foreign entities (Funding party) with the understanding (whether recorded in writing or otherwise) that the group shall :
  - (a) Directly or indirectly lend or invest in other person or entities identified whatsoever by or on behalf of Funding party (Ultimate beneficiaries)
  - (b) Provide any guarantee, security or the like to or on behalf of the ultimate beneficiaries.
- (ix) The Company have not traded or invested in Crypto currency or Virtual Currency during the period/year.

- 39 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 : 17 May 2022

