

MediaAgility Inc.
Interim Condensed Balance Sheet
(All amounts are in INR Million, unless stated otherwise)

	Notes	As at December 31, 2023	As at December 31, 2022	As at March 31, 2023
ASSETS				
Non-current assets				
Property, plant and equipment	5	0.05	0.51	0.34
		0.05	0.51	0.34
Financial assets				
- Investments	6	108.30	109.04	108.30
- Other non current financial assets	7	-	0.64	0.30
Deferred tax assets (net)	8	12.83	6.48	4.16
	(A)	121.18	116.67	113.10
Current assets				
Financial assets				
- Trade receivables	9	285.90	709.11	495.75
- Cash and cash equivalents	10	290.97	610.24	249.98
- Other current financial assets	11	706.57	231.83	713.05
Other current assets	12	7.21	8.86	2.56
	(B)	1,290.65	1,560.04	1,461.34
TOTAL	(A) + (B)	1,411.83	1,676.71	1,574.44
EQUITY AND LIABILITIES				
EQUITY				
Equity share capital	13	23.27	23.27	23.27
Other equity		931.13	870.04	913.99
	(A)	954.40	893.31	937.26
LIABILITIES				
Current liabilities				
Financial liabilities				
- Trade payables	14	379.89	641.09	530.53
- Other financial liabilities	15	-	0.47	-
Other current liabilities	16	10.29	86.52	45.82
Provisions	17	-	5.16	-
Income tax liabilities (net)	18	67.25	50.16	60.83
	(B)	457.43	783.40	637.18
TOTAL	(A)+(B)	1,411.83	1,676.71	1,574.44

Summary of significant accounting policies 1-3
The accompanying notes form an integral part of the interim condensed financial statements 4-25

As per our report of even date attached

For Ahuja Valecha & Associates LLP
Chartered Accountants
Firm Reg. No.126791W/W100132

For and on behalf of the Board of Directors of
MediaAgility Inc.

Ankit Shah
Partner
Membership No.: 118976

Rajesh Abhyankar
Director

Place : Pune
Date : January 18, 2024

Place : USA
Date : January 18, 2024

MediaAgility Inc.

Interim Condensed Statement of Profit and Loss

(All amounts are in INR Million, unless stated otherwise, except earning per share)

	Notes	For the period October 01, 2023 to December 31, 2023	For the period October 01, 2022 to December 31, 2022	For the period April 01, 2023 to December 31, 2023	For the period May 05, 2022 to December 31, 2022	For the period May 05, 2022 to March 31, 2023
Income						
Revenue from operations (net)	19	134.46	535.48	428.27	1,402.84	1,628.00
Other income	20	8.53	0.54	23.82	0.56	5.54
Total income (A)		142.99	536.02	452.09	1,403.40	1,633.54
Expenses						
Employee benefit expenses	21.1	-	226.98	1.31	622.29	642.19
Cost of professionals	21.2	-	117.19	-	303.99	310.93
Depreciation and amortization expense		0.07	0.25	0.29	0.95	1.13
Other expenses	22	121.19	100.28	446.92	176.16	311.28
Total expenses (B)		121.26	444.70	448.52	1,103.39	1,265.53
Profit before tax (A - B)		21.73	91.32	3.57	300.00	368.01
Tax expense						
Current tax		2.71	19.52	5.44	70.99	83.47
Deferred tax charge/ (credit)		(1.95)	0.69	8.56	(6.12)	(4.08)
Total tax expense / (credit)		0.76	20.21	3.12	64.87	79.39
Net profit for the period	(C)	20.97	71.11	6.70	235.13	288.62
Other comprehensive income						
Items that will be reclassified to profit or loss						
- Exchange differences on translating the financial statements	(D)	1.78	16.17	10.44	60.59	51.08
		1.78	16.17	10.44	60.59	51.08
Total comprehensive income for the period (C) + (D)		22.75	87.28	17.14	295.72	339.70
Earnings per equity share [nominal value of Share \$0.00001]						
(Previous period \$0.00001)						
Basic (in ₹)	23	4.82	16.36	1.54	54.09	66.39
Diluted (in ₹)		4.82	16.36	1.54	54.09	66.39
Summary of significant accounting policies	1-3					
The accompanying notes form an integral part of the interim condensed financial statements	4-25					
As per our report of even date attached						
For Ahuja Valecha & Associates LLP Chartered Accountants Firm Reg. No.126791W/W100132		For and on behalf of the Board of Directors of MediaAgility Inc.				
Ankit Shah Partner Membership No.: 118976		Rajesh Abhyankar Director				
Place : Pune Date : January 18, 2024		Place : USA Date : January 18, 2024				

MediaAgility Inc.

Interim Condensed Statement of Cash Flow

(All amounts are in INR Million, unless stated otherwise)

Particulars	For the period ended	For the period ended	For the period ended
	October 01, 2023 to December 31, 2023	October 01, 2022 to December 31, 2022	May 05, 2022 to March 31, 2023
Cash flow from operating activities			
Profit before tax	21.73	91.32	368.01
Adjustments for:			
Exchange differences in translating the financial statements	1.78	16.17	51.08
Interest income	-	-	(5.54)
Depreciation and amortization	0.07	0.25	1.13
Provision for doubtful debts (net)	(65.53)	(0.74)	5.50
Operating (loss) / profit before working capital changes	(41.95)	107.00	420.19
Movements in working capital :			
Changes in in trade receivable	45.08	(90.30)	(123.99)
Changes in in other non current assets and other current assets	2.36	7.85	21.49
Changes in in other current financial assets	26.47	92.00	(635.65)
Changes in in other non current financial assets	-	(0.01)	0.29
Changes in in trade payables	(11.89)	(10.41)	263.50
Changes in in current liabilities	(10.32)	16.30	(38.21)
Changes in in provisions	-	(3.21)	(6.68)
Operating (loss) / profit after working capital changes	9.75	119.23	(92.68)
Direct taxes paid/(refund)- net	0.60	0.71	(1.77)
Net cash flow generated from / (used in) operating activities A	10.35	119.94	(94.45)
Cash flows from investing activities			
Payment on account of property, plant and equipment and intangible assets (net of sale proceeds)	-	0.00	-
Change in investments due to currency translation	-	(1.82)	(7.64)
Interest received	-	-	5.54
Net cash flow generated from (used in) investing activities B	-	(1.82)	(2.09)
Cash flows from financing activities			
Net cash flow from financing activities C	-	-	-
Net (decrease) / increase in cash and cash equivalents (A + B + C)	10.35	118.12	(96.54)
Cash and cash equivalents at the beginning of the period	280.62	492.12	346.54
Cash and cash equivalents at the end of the period	290.97	610.24	249.98
Cash on hand	-	-	-
Bank balances with banks	290.97	610.24	249.98
Cash and cash equivalents	290.97	610.24	249.98

Summary of significant accounting policies 1-3

The accompanying notes form an integral part of the interim condensed financial statements 4-25

As per our report of even date attached

For Ahuja Valecha & Associates LLP

Chartered Accountants

Firm Reg. No.126791W/W100132

Ankit Shah
Partner
Membership No.: 118976

Place : Pune
Date : January 18, 2024

For and on behalf of the Board of Directors of

MediaAgility Inc.

Rajesh Abhyankar
Director

Place : USA
Date : January 18, 2024

MediaAgility Inc.**Interim Condensed Statement of Changes in Equity***(All amounts are in INR Million, unless stated otherwise)***A. Equity share capital***(Refer Note: 13)*

Balance as at April 01, 2023	Changes in equity share capital during the period	Balance as at December 31, 2023
23.27	-	23.27

B. Other equity

Particulars	Retained earnings	Exchange differences on translating the financial statements of foreign items of other comprehensive income	Total
Balance as at May 05, 2022	474.17	-	474.17
Profit for the period	235.17	-	235.17
Foreign currency translation	-	60.59	60.59
Securities premium	100.11	-	100.11
Balance as at December 31, 2022	809.45	60.59	870.04
Profit for the period	53.46	-	53.50
Foreign currency translation	-	(9.51)	(9.50)
Securities premium	100.11	-	100.11
Balance as at March 31, 2023	862.91	51.08	913.99
Profit for the period	6.70	-	6.70
Share Application money pending allotment*	-	-	-
Foreign currency translation	(14.47)	24.91	10.44
Balance as at December 31, 2023	855.14	75.99	931.13

Summary of significant accounting policies

1-3

The accompanying notes form an integral part of the interim condensed financial statements

4-25

As per our report of even date attached

For Ahuja Valecha & Associates LLP

Chartered Accountants

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For and on behalf of the Board of Directors of

MediaAgility Inc.

Ankit Shah

Partner

Membership No.: 118976

Rajesh Abhyankar

Director

Place: Pune

Date : January 18, 2024

Place : USA

Date : January 18, 2024

MediaAgility Inc.

Notes to the Interim Condensed Financial Statements

1. Nature of operations

MediaAgility Inc. ("The Company") is a wholly owned subsidiary of Persistent Systems, Inc. ("The Holding Company"). The Company is specializing in software product, services and technology innovation.

2. Basis of preparation

The interim condensed financial statements for the period ended December 31, 2023 of the Company have been prepared solely for the purpose of consolidation with the Holding Company. The interim condensed financial statements of the Company have been prepared on an accrual basis and under the historical cost convention except for certain financial instruments which have been measured at fair value. Historical cost is generally based on the fair value of the consideration given in exchange of goods and services. The accounting policies are consistently applied by the Company during the year and are consistent with those used in the previous year except where a newly issued accounting standard is initially adopted or a revision to an existing accounting standard requires a change in the accounting policy hitherto in use.

The interim condensed financial statement has been prepared solely to enable the Company's management to provide information for the consolidation with the Holding Company and for their internal use.

While preparing these interim condensed financial statements, the Company has presented the following:

- a. Interim Condensed Balance Sheet as at December 31, 2023
- b. Interim Condensed Statement of Profit and Loss for the period October 01, 2023 to December 31, 2023
- c. Interim Condensed Statement of Cash Flow for the period October 01, 2023 to December 31, 2023.
- d. Interim Condensed Statement of Changes in Equity for the period October 01, 2023 to December 31, 2023.

The interim condensed financial statements for the period ended December 31, 2023 of the Company have been prepared solely for the purpose of consolidation with the Holding Company. These interim condensed financial statements have been prepared in accordance with the recognition and measurement principle of Ind AS 34, Interim Financial Reporting (Ind AS 34), as issued under Companies (Indian Accounting Standards) Rules 2015 as amended and notified under Section 133 of the Companies Act, 2013 ("the Act") except for presentation and disclosures requirement as required under the standard and the Act.

All amounts disclosed in the financial statements have been rounded off to the nearest millions (upto two decimals) as per the requirements of Schedule III unless otherwise stated.

2. Summary of significant accounting policies

A. Functional currency

The Company's functional currency is the U.S. Dollar. To facilitate consolidation in Parent Company, these Interim Condensed Financial Statements are presented in INR, which is the presentation currency. The results and balances are translated from functional currency to presentation currency using the following procedure:

- i. All assets and liabilities are translated at the closing rate as at the date of the balance sheet;
- ii. All Income and Expense items are converted at weighted average of Inter Bank Selling Rate for the period;
- iii. The equity share capital is translated on the date of transaction;
- iv. The exchange difference arising out of the year-end conversion is transferred to Currency Translation Reserve are recognized in Other Comprehensive Income and the said amount is shown under the head "Other Equity".

B. Use of estimates

(a) The preparation of the interim condensed financial statements in conformity with Ind AS requires the Management to make estimates, judgments and assumptions. These estimates, judgments and assumptions affect the application of accounting policies and the reported amounts of assets and liabilities, the disclosures of contingent assets and liabilities at the date of the interim condensed financial statements and reported amounts of revenues and expenses during the period. The application of accounting policies that require critical accounting estimates involving complex and subjective judgments and the use of assumptions in these interim condensed financial statements have been disclosed appropriately. Accounting estimates could change from period to period. Actual results could differ from those estimates. Appropriate changes in estimates are made as the Management becomes aware of changes in circumstances surrounding the estimates. Changes in estimates are reflected in the interim condensed financial statements in the period in which changes are made and, if material, their effects are disclosed in the notes to the interim condensed financial statements.

(a) Critical accounting estimates

i. Revenue recognition

The Company uses the percentage-of-completion method in accounting for its fixed-price contracts. Use of the percentage-of-completion method requires the Company to estimate the efforts or costs expended to date as a proportion of the total efforts or costs to be expended. Efforts or costs expended have been used to measure progress towards completion. Provisions for estimated losses, if any, on uncompleted contracts are recorded in the period in which such losses become probable based on the expected contract estimates at the reporting date.

Further, the Company uses significant judgement while determining the transaction price allocated to performance obligations using the expected cost-plus margin approach.

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ii. Income taxes

The Company's major tax jurisdiction is United States of America, Significant judgements are involved in determining the provision for income taxes.

Management evaluates if the deferred tax assets will be realised in future considering the historical taxable income, scheduled reversals of deferred tax liabilities, projected future taxable income and tax-planning strategies. While the Management believes that the company will realise the deferred tax assets, the amount of deferred tax asset realisable, could be reduced in the near term if estimates of future taxable income during the carry forward period are reduced.

iii. Property, plant and equipment

Property, plant and equipment represent a significant proportion of the asset base of the Company. The charge in respect of depreciation is derived after determining an estimate of an asset's expected useful life and the expected residual value at the end of its life. The useful lives and residual values of Company's assets are determined by management at the time the asset is acquired and reviewed periodically. The lives are based on historical experience with similar assets as well as anticipation of future events, which may impact their life, such as changes in technology.

iv. Internally generated Intangible assets

The management assesses the recoverability of the Company internally generated intangible assets including those under development. Based on the current revenue generated from these lines of business, expected future revenue and the basis of amortization followed, the management considers the carrying value of these intangible assets as recoverable.

C. Current versus non-current classification

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

An asset is current when it is:

- Expected to be realised or intended to be sold or consumed in the normal operating cycle;
- Held primarily for the purpose of trading;
- Expected to be realised within twelve months after the reporting period; or
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.
- All other assets are classified as non-current assets.

A liability is current when:

- It is expected to be settled in the normal operating cycle;
- It is held primarily for the purpose of trading;
- It is due to be settled within twelve months after the reporting period; or There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

All other liabilities as non-current liabilities.

E. Property, plant and equipment

Property, plant and equipment are stated at cost, less accumulated depreciation and accumulated impairment losses, if any. The cost comprises the purchase price and directly attributable costs of bringing the asset to its working condition for its intended use, cost of replacing part of the property, plant and equipment, cost of asset retirement obligations and borrowing costs for long term construction projects if the recognition criteria are met. Any trade discounts and rebates are deducted in arriving at the purchase price.

Subsequent expenditure related to an item of property, plant and equipment is added to its original cost only if it is probable that future economic benefits associated with the item will flow to the Company. All other expenses on existing property, plant and equipment, including day-to-day repair and maintenance expenditure and cost of replacing parts, are charged to the statement of profit and loss for the period during which such expenses are incurred.

Gains or losses arising from disposal of property, plant and equipment are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognized in the statement of profit and loss when the asset is disposed.

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F. Intangible assets

Intangible assets including software licenses of enduring nature and contractual rights acquired separately are measured on initial recognition at cost. Following initial recognition, intangible assets are carried at cost less accumulated amortization and accumulated impairment losses, if any. Cost comprises the purchase price and directly attributable cost of bringing the asset to its working condition for its intended use. Internally generated intangible assets, excluding capitalized development costs are reflected as expenditure in the statement of profit and loss in the reporting year in which these are incurred.

Gains or losses arising from disposal of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognized in the statement of profit and loss when the asset is derecognized.

Research and development cost

Research costs are expensed as incurred. Development expenditure incurred on an individual project is recognized as an intangible asset when The Company can demonstrate:

- technical feasibility of completing the intangible asset so that it will be available for use or sale;
- its intention to complete the asset and use or sell it;
- its ability to use or sell the asset;
- how the asset will generate probable future economic benefits;
- the availability of adequate resources to complete the development and to use or sell the asset; and
- the ability to measure reliably the expenditure attributable to the intangible asset during development.

Such development expenditure, until capitalization, is reflected as intangible assets under development.

Following the initial recognition, internally generated intangible assets are carried at cost less accumulated amortization and accumulated impairment losses, if any. Amortization of internally generated intangible asset begins when the development is complete and the asset is available for use.

G. Depreciation and amortization

Depreciation on property, plant and equipment is provided using the Straight Line Method ('SLM') over the useful lives of the assets estimated by the management.

The management estimates the useful lives for the property, plant and equipment as follows:

Assets	Useful lives
Computers	2 years
Office equipment	3 years
Furniture and fixtures*	3 years

* For these classes of assets, based on a technical evaluation, the management believes that the useful lives as given above best represent the period over which the management expects to use these assets.

Intangible assets are amortized on a straight-line basis over their estimated useful lives ranging from 3 to 7 years from the day the asset is made available for use.

Where cost of a part of the asset ("asset component") is significant to total cost of the asset and useful life of that part is different from the useful life of the remaining asset, useful life of that significant part is determined separately and such asset component is depreciated over its separate useful life.

Depreciation methods, useful lives and residual values are reviewed periodically.

H. Financial instruments

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.

Initial recognition and measurement

The Company recognizes financial assets and financial liabilities when it becomes a party to the contractual provisions of the instrument. All financial assets and liabilities are recognized at fair value on initial recognition, except for trade receivables which are initially measured at transaction price. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities, which are not at fair value through profit or loss, are added to the fair value on initial recognition.

The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the Company's business model for managing them. The Company's business model refers to how it manages its financial assets to generate cash flows. The business model determines whether the cash flows will result from collecting contractual cash flows, selling the financial assets, or both.

Non-derivative financial instruments subsequent measurement

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Financial assets

Financial assets at amortized cost

Financial assets that are held within a business model whose objective is to hold assets for collecting contractual cash flows and whose contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding are subsequently measured at amortized cost using the effective interest rate method. The change in measurements is recognized as finance income in the statement of profit and loss.

Financial assets at fair value through other comprehensive income (FVTOCI)

Financial assets that are held within a business model whose objective is achieved both by collecting contractual cash flows and selling the financial assets and the assets' contractual cash flows represent solely payments of principal and interest on the principal amount outstanding are subsequently measured at fair value. Fair value movements are recognized in other comprehensive income.

Financial assets at fair value through profit or loss (FVTPL)

Any financial asset which does not meet the criteria for categorization as financial asset at amortized cost or at FVTOCI, is classified as financial asset at FVTPL. Financial assets except derivative contracts included within the FVTPL category are subsequently measured at fair value with all changes recognized in the statement of profit and loss.

Financial liabilities at amortised cost

Financial liabilities are subsequently carried at amortized cost using the effective interest method, except for contingent consideration recognized in a business combination which is subsequently measured at fair value through profit or loss. For trade and other payables maturing within one year from the Balance Sheet date, the carrying amounts approximately.

Financial liabilities at fair value through profit or loss (FVTPL)

Financial liabilities include financial liabilities held for trading and financial liabilities designated upon initial recognition at fair value through profit or loss if the recognition criteria as per Ind AS 109 - "Financial Instruments" are satisfied. Gains or losses on liabilities held for trading are recognized in statement of profit and loss.

Fair value gains or losses on liabilities designated as FVTPL attributable to changes in own credit risk are recognized in other comprehensive income. All other changes in fair value of liabilities designated as FVTPL are recognized in the statement of profit and loss. The Company has not designated any financial liability as FVTPL.

Investments in subsidiaries

Investment in subsidiaries, associates and joint ventures are carried at cost.

Fair value of financial instruments

In determining the fair value of its financial instruments, the Company uses a variety of methods and assumptions that are based on market conditions and risks existing at each reporting date. The methods used to determine fair value include discounted cash flow analysis, available quoted market prices, dealer quotes.

For equity instruments of Unlisted Companies, in limited circumstances, insufficient more recent information is available to measure fair value, or if there are a wide range of possible fair value measurements and cost represents the best estimate of fair value within that range. The Company recognizes such equity instruments at cost, which is considered as appropriate estimate of fair value.

All methods of assessing fair value result in general approximation of value, and such value may never actually be realized. Refer to the table on financial instruments by category below for the disclosure on carrying value and fair value of financial assets and liabilities. For financial assets and liabilities maturing within one year from the Balance Sheet date and which are not carried at fair value, the carrying amounts approximate fair value due to the short maturity of these instruments.

Impairment of financial assets

The Company applies Expected Credit Loss (ECL) model for measurement and recognition of impairment loss on financial assets measured at amortized cost and financial assets that are debts instruments and are measured at fair value through other comprehensive income (FVTOCI). ECL is the difference between contractual cash flows that are due and the cash flows that the Company expects to receive, discounted at the original effective interest rate.

For trade receivables, the Company recognizes impairment loss allowance based on lifetime ECL at each reporting date, right from its initial recognition. For other financial assets, the Company determines whether there has been a significant increase in the credit risk since initial recognition. If credit risk has not increased significantly, 12 month ECL is used to provide for impairment loss. However, if credit risk has increased significantly, lifetime ECL is used.

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I. Revenue recognition

Revenues from customer contracts are considered for recognition and measurement when the contract has been approved by the parties to the contract, the parties to the contract are committed to perform their respective obligations under the contract, and the contract is legally enforceable. Revenue is recognized upon transfer of control of promised products or services ("performance obligations") to customers in an amount that reflects the consideration The Company has received or expects to receive in exchange for these products or services ("transaction price"). When there is uncertainty as to collectability, revenue recognition is postponed until such uncertainty is resolved. The Company assesses the services promised in a contract and identifies distinct performance obligations in the contract. The Company allocates the transaction price to each distinct performance obligation based on the relative standalone selling price. The price that is regularly charged for an item when sold separately is the best evidence of its standalone selling price. In the absence of such evidence, the primary method used to estimate standalone selling price is the expected cost plus a margin, under which The Company estimates the cost of satisfying the performance obligation and then adds an appropriate margin based on similar services. The Company's contracts may include variable consideration including rebates, volume discounts and penalties. The Company includes variable consideration as part of transaction price when there is a basis to reasonably estimate the amount of the variable consideration and when it is probable that a significant reversal of cumulative revenue recognized will not occur when the uncertainty associated with the variable consideration is resolved.

i. Income from software services

The Company derives revenues primarily from IT services comprising of software development and related services and from the licensing of software products. Revenue is recognized upon transfer of control of promised products or services to customers in an amount that reflects the consideration expected to receive in exchange for those products or services.

Arrangements with customers for software related services are either on a time-and-material or a fixed-price basis.

Revenue on time-and-material contracts are recognized as and when the related services are performed. Revenue from fixed-price contracts, where the performance obligations are satisfied over time and where there is no uncertainty as to measurement or collectability of consideration, is recognized as per the percentage-of-completion method. When there is uncertainty as to measurement or ultimate collectability, revenue recognition is postponed until such uncertainty is resolved.

Revenue from licenses where the customer obtains a "right to use" the licenses is recognized at the time the license is made available to the customer. Revenue from licenses where the customer obtains a "right to access" is recognized over the access period.

The Company has applied the principles of IND AS 115 to account for the revenues from these performance obligations.

When support services are provided in conjunction with the licensing arrangement and the license and the support services have been identified as two separate performance obligations, the transaction price for such contracts are allocated to each performance obligation of the contract based on their relative standalone selling prices. Maintenance revenue is recognized proportionately over the period in which the services are rendered.

In case of reselling agreements, the revenue is recognized on a net basis i.e amount paid to the vendor for reselling the products or services as reduced by amount collected from customer.

Unbilled revenue (Contract Asset) represents revenue recognized in relation to work done until the Balance Sheet date for which billing has not taken place.

Unearned revenue (Contract Liability) represents the billing in respect of contracts for which the revenue is not recognized.

ii. Interest

Income from interest is recognized on a time proportion basis taking into account the amount outstanding and the rate applicable. Interest income is included under the head "Other income" in the statement of profit and loss.

iii. Dividends

Dividend income is recognized when the Company's right to receive dividend is established. Dividend income is included under the head 'Other income' in the statement of profit and loss.

J. Contract balances

Contract assets

A contract asset is the right to consideration in exchange for services or products transferred to the customer. If the Company provides services or transfers products to the customer before the customer pays consideration or before the payment is due, a contract asset is recognised for the earned consideration that is conditional.

Contract liabilities

A contract liability is the obligation to provide services or transfer products to a customer for which the Company has received consideration (or an amount of consideration is due) from the consideration. If the Company receives the consideration from the customer before the Company provides services or transfers products to the customer, a contract liability is recognised for the received consideration that is conditional.

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K. Foreign currency transactions and balances

i. Initial recognition

Foreign currency transactions are recorded in the functional currency, i.e. USD, by applying to the foreign currency amount the exchange rate between the reporting currency and the foreign currency at the date of the transaction.

ii. Conversion

Foreign currency monetary items are converted using the exchange rate prevailing at the reporting date. Non-monetary items, which are measured in terms of historical cost denominated in a foreign currency are reported using the exchange rate at the date of the transaction. Non-monetary items which are carried at fair value or other similar valuation denominated in a foreign currency are reported using the exchange rates at the date when the values were determined.

iii. Settlement

Revenue, expenses denominated in foreign currencies are translated using the exchange rate in effect on the date of the transaction. Transaction gains or losses realized upon settlement of foreign currency transactions are included in determining net profit or loss for the year in which the transaction is settled.

L. Retirement and other employee benefits

Leave encashment

The expected cost of accumulating leave encashment is determined by actuarial valuation performed by an independent actuary at each Balance Sheet date using projected unit credit method on the additional amount expected to be paid / availed as a result of the unused entitlement that has accumulated at the Balance Sheet date. Expense on non-accumulating leave encashment is recognized in the period in which the absences occur.

M. Income taxes

Tax expense comprises of current and deferred tax. Current income tax is measured at the amount expected to be paid to the tax authorities in accordance with the tax laws prevailing in United States. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date. Current income tax relating to items recognized directly in equity is recognized in equity and not in statement of profit and loss.

Deferred income taxes reflect the impact of temporary differences between tax base of assets and liabilities and their carrying amounts. Deferred tax is measured based on the tax rates and the tax laws enacted or substantively enacted at the reporting date.

Deferred tax liabilities are recognized for all taxable temporary differences, except deferred tax liability arising from initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and, affects neither accounting nor taxable profit/ loss at the time of transaction. Deferred tax assets are recognized for all deductible temporary differences, the carry forward of unused tax credits and any unused tax losses, except deferred tax assets arising from initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and, affects neither accounting nor taxable profit/ loss at the time of transaction. Deferred tax assets are recognized only to the extent that sufficient future taxable income will be available against which such deferred tax assets can be realized.

The carrying amount of deferred tax asset is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available against which such deferred tax assets can be realized.

Deferred tax assets and deferred tax liabilities are offset, if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred tax assets and deferred tax liabilities relate to the same taxable entity and the same taxation authority.

Deferred tax relating to items recognized outside the statement of profit and loss is recognized in co-relation to the underlying transaction either in other comprehensive income or directly in equity.

N. Earnings per share (EPS)

Basic earnings per share are calculated by dividing the net profit 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 reporting period is adjusted for events such as bonus issue, bonus element in a rights issue, share split, and reverse share split (consolidation of shares), if any occurred during the reporting period, that have changed the number of equity shares outstanding, without a corresponding change in resources.

For the purpose of calculating diluted earnings per share, the net profit for the year attributable to the equity shareholders and the weighted average number of equity shares outstanding during the year, are adjusted for the effects of all dilutive potential equity shares.

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MediaAgility Inc.

Notes to the Interim Condensed Financial Statements

O. Provisions

A provision is recognized when the Company has a present obligation as a result of past event; it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, in respect of which a reliable estimate can be made. Provisions are determined based on the best estimate of the amount required to settle the obligation at the reporting date. If the effect of time value of money is material, provisions are discounted using a current pre-tax rate that reflects the risks specific to the liability. These estimates are reviewed at each balance sheet date and adjusted to reflect the current best estimates.

P. 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 recognized 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 recognized because it cannot be measured reliably.

The Company does not recognize a contingent liability but discloses its existence in the interim condensed financial statements.

Q. Equity

Ordinary shares are classified as equity share capital. Incremental costs directly attributable to the issuance of new ordinary shares, share options and buyback are recognized as a deduction from equity, net of any tax effects.

R. Dividend

Final dividend on shares are recorded as a liability on the date of approval by the shareholders and interim dividends are recorded as a liability on the date of declaration by The Company's Board of Directors.

S. Cash flow statement

Cash flows are reported using the indirect method, whereby profit / (loss) before extraordinary items and tax is adjusted for the effects of transactions of non-cash nature and any deferrals or accruals of past or future cash receipts or payments. The cash flows from operating, investing and financing activities of the Company are segregated based on the available information.

T. 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), highly liquid investments that are readily convertible into known amounts of cash and which are subject to insignificant risk of changes in value.

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MediaAgility Inc.

Notes to the Interim Condensed Financial Statements

(All amounts are in INR Million, unless stated otherwise, except earning per share)

5. Property, plant and equipment

Particulars	Office equipment	Computers	Furniture & fixtures	Total
Gross block				
As at May 05, 2022	1.28	8.31	1.01	10.60
Additions	-	-	-	-
Disposals	-	-	-	-
Effect of foreign currency translation from functional currency to reporting currency	0.10	0.68	0.09	0.87
Closing as at December 31, 2022	1.38	8.99	1.10	11.47
Additions	-	-	-	-
Disposals	-	-	-	-
Effect of foreign currency translation from functional currency to reporting currency	(0.00)	(0.06)	(0.02)	(0.08)
Closing as at March 31, 2023	1.38	8.93	1.08	11.39
Additions	-	-	-	-
Disposals	-	-	-	-
Effect of foreign currency translation from functional currency to reporting currency	0.02	0.09	0.02	0.13
Closing as at December 31, 2023	1.39	9.02	1.10	11.51
Accumulated depreciation				
As at May 05, 2022	1.16	7.18	0.90	9.24
Charge for the period	0.07	0.75	0.08	0.89
Disposals	-	-	-	-
Effect of foreign currency translation from functional currency to reporting currency	0.10	0.63	0.09	0.83
Closing as at December 31, 2022	1.33	8.56	1.07	10.96
Charge for the period	0.05	0.33	0.06	0.44
Disposals	-	-	-	-
Effect of foreign currency translation from functional currency to reporting currency	(0.04)	(0.26)	-	0.30
Closing as at March 31, 2023	1.34	8.63	1.08	11.05
Charge for the period	0.02	0.15	-	0.17
Disposals	-	-	-	-
Effect of foreign currency translation from functional currency to reporting currency	0.02	0.20	0.02	0.25
Closing as at December 31, 2023	1.38	8.98	1.10	11.46
Net block				
As at December 31, 2023	0.01	0.04	-	0.05
As at March 31, 2023	0.04	0.30	-	0.34
As at December 31, 2022	0.05	0.43	0.03	0.51

MediaAgility Inc.**Notes to the Interim Condensed Financial Statements***(All amounts are in INR Million, unless stated otherwise)***6. Non-current financial assets : Investments**

	As at December 31, 2023	As at December 31, 2022	As at March 31, 2023
Investments			
Unquoted investments			
Investments in equity instruments			
-In Wholly owned subsidiary companies			
Mediaagility Pte. Ltd.			
150 ordinary shares of SGD 1.4 par value	0.66	0.66	0.66
Digitalagility Mexico, S.A. de C. V			
10,000 ordinary shares of 2657.689 Pesos par value	107.64	108.38	107.64
Aggregate amount of unquoted investments	108.30	109.04	108.30

7. Other non-current financial assets

	As at December 31, 2023	As at December 31, 2022	As at March 31, 2023
Unsecured, considered good			
Security deposits	-	0.64	0.30
	-	0.64	0.30

8. Deferred tax asset (net)

	As at December 31, 2023	As at December 31, 2022	As at March 31, 2023
Deferred tax assets			
Others	12.83	6.48	4.16
	12.83	6.48	4.16

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MediaAgility Inc.

Notes to the Interim Condensed Financial Statements

(All amounts are in INR Million, unless stated otherwise)

9. Trade receivables

	As at December 31, 2023	As at December 31, 2022	As at March 31, 2023
Unsecured, considered good	285.90	709.11	495.75
Unsecured, credit impaired	57.00	6.75	11.53
	342.89	715.86	507.28
Less : Allowance for expected credit loss	(57.00)	(6.75)	(11.53)
	285.90	709.11	495.75

10. Cash and cash equivalents

	As at December 31, 2023	As at December 31, 2022	As at March 31, 2023
Balances with banks			
- On current accounts	290.97	610.24	249.98
	290.97	610.24	249.98

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MediaAgility Inc.**Notes to the Interim Condensed Financial Statements***(All amounts are in INR Million, unless stated otherwise)***11. Other current financial assets**

	As at December 31, 2023	As at December 31, 2022	As at March 31, 2023
Loans to related parties			
- Persistent System Inc.	561.78	1.89	535.24
- Digitalagility S. DE R.L. de C.V .	36.78	33.09	34.38
- Mediaagility Limited, UK	42.50	18.33	39.92
	641.06	53.31	609.54
Contract assets	65.51	178.52	103.51
	65.51	178.52	103.51
Total	706.57	231.83	713.05

Note:- The loan given to related parties is repayable on demand. The interest rate is Secured Overnight Financing Rate (SOFR) plus two point basis.

12. Other current assets

	As at December 31, 2023	As at December 31, 2022	As at March 31, 2023
Unsecured, considered good			
Advances recoverable in cash or kind or for value to be received	0.33	0.87	0.56
Prepaid expenses	6.88	7.99	2.00
	7.21	8.86	2.56

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MediaAgility Inc.

Notes to the Interim Condensed Financial Statements

(All amounts are in INR Million, unless stated otherwise)

13. Share capital

	As at December 31, 2023	As at December 31, 2022	As at March 31, 2023
Authorised (In USD)			
5,000,000 Common Shares of \$0.00001 each	\$ 50.00	\$ 50.00	\$ 50.00
	50.00	50.00	50.00
Issued, subscribed and paid-up			
4,347,275 common shares of \$5.35 each fully paid up. All shares are held by Holding Company i.e. Persistent Systems Inc. USA	23.27	23.27	23.27
	23.27	23.27	23.27

a) Reconciliation of the shares outstanding at the beginning and at the end of the reporting period:

	As at December 31, 2023		As at December 31, 2022		As at March 31, 2023	
	No. of Shares	Amount	No. of Shares	Amount	No. of Shares	Amount
No. of Shares at the beginning of the reporting period	43,47,275	23.27	43,47,275	23.27	43,47,275	23.27
Add : Additional Shares issued during the period	-	-	-	-	-	-
No. of Shares at the end of the reporting period	43,47,275	23.27	43,47,275	23.27	43,47,275	23.27

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MediaAgility Inc.**Notes to the Interim Condensed Financial Statements***(All amounts are in INR Million, unless stated otherwise)***14. Trade payables**

	As at December 31, 2023	As at December 31, 2022	As at March 31, 2023
Trade payables for goods and services	379.89	641.09	530.53
	379.89	641.09	530.53

15. Other current financial liabilities

	As at December 31, 2023	As at December 31, 2022	As at March 31, 2023
Accrued employee liabilities	-	0.47	-
	-	0.47	-

16. Other current liabilities

	As at December 31, 2023	As at December 31, 2022	As at March 31, 2023
Contract liabilities	-	43.32	-
Advance from related parties			
Persistent Systems Limited	-	-	32.08
Other payables			
- Statutory liabilities	-	5.90	0.08
VAT payable (net)	8.45	6.24	9.14
Advance from customers	1.84	31.06	4.52
	10.29	86.52	45.82

17. Provisions

	As at December 31, 2023	As at December 31, 2022	As at March 31, 2023
Provision for employee benefits			
- Compensated absences	-	5.16	-
	-	5.16	-

18. Income tax liability

	As at December 31, 2023	As at December 31, 2022	As at March 31, 2023
Income tax liability (Net of advance tax)	67.25	50.16	60.83
	67.25	50.16	60.83

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MediaAgility Inc.**Notes to the Interim Condensed Financial Statements***(All amounts are in INR Million, unless stated otherwise)***19. Revenue from operations (net)**

	For the period October 01, 2023 to December 31, 2023	For the period October 01, 2022 to December 31, 2022	For the period April 01, 2023 to December 31, 2023	For the period May 05, 2022 to December 31, 2022	For the period May 05, 2022 to March 31, 2023
Software services	93.50	431.30	315.99	1,195.15	1,364.50
Software licenses(net)	40.96	104.18	112.29	207.69	263.50
	134.46	535.48	428.27	1,402.84	1,628.00

20. Other income

	For the period October 01, 2023 to December 31, 2023	For the period October 01, 2022 to December 31, 2022	For the period April 01, 2023 to December 31, 2023	For the period May 05, 2022 to December 31, 2022	For the period May 05, 2022 to March 31, 2023
Interest income	8.53	0.52	23.74	0.53	4.26
Miscellaneous income	-	0.02	0.08	0.03	1.28
	8.53	0.54	23.82	0.56	5.54

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MediaAgility Inc.**Notes to the Interim Condensed Financial Statements***(All amounts are in INR Million, unless stated otherwise)***21. Personnel expenses**

	For the period October 01, 2023 to December 31, 2023	For the period October 01, 2022 to December 31, 2022	For the period April 01, 2023 to December 31, 2023	For the period May 05, 2022 to December 31, 2022	For the period May 05, 2022 to March 31, 2023
21.1 Employee benefits expense					
Salaries, wages and bonus	-	244.09	1.31	618.36	640.32
Leave encashment	-	1.22	-	2.11	-
Staff welfare and benefits	-	0.70	-	1.82	1.87
	-	246.01	1.31	622.29	642.19
21.2 Cost of professionals					
- Related parties	-	119.79	-	303.99	310.93
	-	119.79	-	303.99	310.93
	-	365.80	1.31	926.28	953.12

22. Other expenses

	For the period October 01, 2023 to December 31, 2023	For the period October 01, 2022 to December 31, 2022	For the period April 01, 2023 to December 31, 2023	For the period May 05, 2022 to December 31, 2022	For the period May 05, 2022 to March 31, 2023
Legal and professional fees	112.66	22.97	387.91	123.61	243.38
Books, memberships, subscriptions	0.48	9.98	9.32	17.16	35.67
Rent expenses	-	0.98	-	2.63	2.86
Travelling and conveyance	-	5.49	-	8.56	8.70
Allowance for credit loss (net)	5.95	1.49	45.05	0.74	5.50
Audit fees	0.19	-	0.57	-	0.70
Foreign exchange gain/ (loss) (net)	1.00	0.39	1.14	1.06	1.36
Insurance	0.08	0.07	0.36	9.60	-
Miscellaneous expenses	0.84	5.95	2.57	12.79	13.12
	121.19	47.32	446.92	176.16	311.28

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MediaAgility Inc.

Notes to the Interim Condensed Financial Statements

(All amounts are in INR Million, unless stated otherwise, except earning per share)

23. Earnings per share

Particulars		For the period	For the period	For the period	For the period	For the period
		October 01, 2023 to December 31, 2023	October 01, 2022 to December 31, 2022	April 01, 2023 to December 31, 2023	May 05, 2022 to December 31, 2022	May 05, 2022 to March 31, 2023
Basic earnings per share						
<u>Numerator</u>						
Net profit after tax	A	20.97	71.11	6.70	235.13	288.62
<u>Denominator for Basis EPS</u>						
Weighted average number of equity share	B	43,47,275	43,47,275	43,47,275	43,47,275	43,47,275
<u>Denominator for Diluted EPS</u>						
Weighted average number of equity shares	C	43,47,275	43,47,275	43,47,275	43,47,275	43,47,275
Basic earnings per share (Face value of US \$ 0.00001 each)	A / B	4.82	16.36	1.54	54.09	66.39
Diluted earnings per share (Face value of US \$ 0.00001 each)	A / C	4.82	16.36	1.54	54.09	66.39

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MediaAgility Inc.

Notes to the Interim Condensed Financial Statements

24. Contingent Liabilities

The Company does not have any contingent liability as on December 31, 2023 (Previous periods: Nil).

25. The Comparative period's figures have been regrouped where necessary to confirm to this period's classification.

As per our report of even date attached

For Ahuja Valecha & Associates LLP

Chartered Accountants

Firm Reg. No.126791W/W100132

For and on behalf of the Board of Directors of

MediaAgility Inc.

Ankit Shah

Partner

Membership No.: 118976

Rajesh Abhyankar

Director

Place : Pune

Date : January 18, 2024

Place : USA

Date : January 18, 2024