NIIT Media Technologies LLC
Balance Sheet

Particulars	Notes	USD March 31, 2018	INR March 31, 2018	USD March 31, 2017	INR March 31, 2017
ASSETS					
Non-current assets					
Property, plant and equipment	2	1,96,526	1,28,01,693	4,28,849	2,86,14,510
Other Intangible assets	3	429	27,945	45,817	30,57,094
Total non-current assets		**1,96,955**	**1,28,29,638**	**4,74,666**	**3,16,71,604**
Current assets					
Financial assets					
(i) Trade receivables	4 (i)	16,74,936	10,91,05,349	22,03,728	14,70,41,570
(ii) Cash and cash equivalents	4 (ii)	57,31,487	37,33,49,050	44,67,379	29,80,81,364
Other current assets	4 (iii)	89,367	58,21,344	6,47,863	4,32,28,005
Total current assets		**74,95,790**	**48,82,75,743**	**73,18,970**	**48,83,50,939**
TOTAL ASSETS		**76,92,745**	**50,11,05,381**	**77,93,636**	**52,00,22,542**
EQUITY AND LIABILITIES					
Equity					
Equity share capital	5	53,66,671	34,95,84,949	53,66,671	35,80,85,756
Other equity					
Reserves and Surplus	6	13,29,154	8,65,81,071	18,59,750	12,40,89,936
Equity attributable to owners of NIIT Media Technologies LLC		**66,95,825**	**43,61,66,020**	**72,26,421**	**48,21,75,692**
Total equity		**66,95,825**	**43,61,66,020**	**72,26,421**	**48,21,75,692**
LIABILITIES					
Current liabilities					
Financial Liabilities					
Trade Payables	7	9,22,358	6,00,82,361	5,19,300	3,46,49,767
Other current liabilities	8	74,562	48,57,000	47,915	31,97,083
Total current liabilities		**9,96,920**	**6,49,39,361**	**5,67,215**	**3,78,46,850**
TOTAL EQUITY AND LIABILITIES		**76,92,745**	**50,11,05,381**	**77,93,636**	**52,00,22,542**

The accompany notes are integral part of financial statements. 1 0 1 0

As per our report of even date.

For S.R Batliboi & Associates LLP
Firm Registration Number: 101049/E300004
Chartered Accountants

For and on behalf of the
Board of Directors

Yogender Seth
Partner
Membership Number: 094254

Lalit Kumar Dhingra
Director

Arvind Thakur
Director

Place: Gurgaon
Date: May 04, 2018

Place: Atlanta, USA
Date: May 04, 2018

Place: Gurgaon
Date: May 04, 2018

NIIT Media Technologies LLC
Statement of Profit and Loss

Particulars	Notes	USD Year ended March 31, 2018	INR Year ended March 31, 2018	USD Year ended March 31, 2017	INR Year ended March 31, 2017
Revenue from operations	9	2,21,00,966	1,42,48,05,105	2,15,46,131	1,44,53,79,103
Other income	10	23,473	15,13,264	14,762	9,90,291
			-		-
Total income		**2,21,24,439**	**1,42,63,18,369**	**2,15,60,893**	**1,44,63,69,394**
Expenses					
Employee benefit expense	11	71,93,241	46,37,33,872	80,77,557	54,18,66,774
Depreciation and amortization expense	12	2,91,289	1,87,78,796	4,71,966	3,16,60,894
Other expenses	13	1,33,10,753	85,81,17,690	1,21,38,466	81,42,84,713
			-		-
Total expenses		**2,07,95,283**	**1,34,06,30,358**	**2,06,87,989**	**1,38,78,12,382**
			-		-
Profit before exceptional items and tax		**13,29,156**	**8,56,88,011**	**8,72,904**	**5,85,57,012**
Exceptional items		-	-	-	-
Profit for the period		**13,29,156**	**8,56,88,011**	**8,72,904**	**5,85,57,012**
Other comprehensive income					
Items that may be reclassified to Profit or Loss		-	-	-	-
Changes in fair value of FVOCI debt instruments		-	-	-	-
Items that will be not be reclassified to Profit or Loss					
Remeasurement of post - employment benefit obligations		-	-	-	-
Income tax relating to these items					
Other comprehensive income for the year, net of tax		**-**	**-**	**-**	**-**
Total comprehensive income for the year		**13,29,156**	**8,56,88,011**	**8,72,904**	**5,85,57,012**
Earnings per Unit for profit from continuing operations attributable to owners of NIIT Media Technologies LLC: [Nominal Value Per Unit: $ 53,666 (2017 : $ 53,666)]					
Basic earnings per unit and Diluted earnings per unit	20	13,292	8,56,880	8,729	5,85,570

The accompany notes are integral part of financial statements.

As per our report of even date.

For S.R Batliboi & Associates LLP
Firm Registration Number: 101049/E300004
Chartered Accountants

Yogender Seth
Partner
Membership Number: 094254

Place: Gurgaon
Date: May 04, 2018

For and on behalf of the
Board of Directors of NIIT Media Technologies LLC

Lalit Kumar Dhingra
Director

Place: Atlanta, USA
Date: May 04, 2018

Arvind Thakur
Director

Place: Gurgaon
Date: May 04, 2018

NIIT Media Technologies LLC
Statement of Changes in Equity

Share Capital

Particulars	Units	Amount in USD	Units	Amount in INR
As at April 1, 2016	**100**	**53,66,671**	**100**	**35,51,39,453**
Changes in share capital	-	-		
Currency translation reserves				29,46,302
As at March 31, 2017	**100**	**53,66,671**	**100**	**35,80,85,756**
Changes in share capital				
Currency translation reserves				**(85,00,807)**
As at March 31, 2018	**100**	**53,66,671**	**100**	**34,95,84,949**

Other Equity

Description	All Amount in USD Reserves and Surplus Retained Earnings	All Amount in INR Reserves and Surplus Retained Earnings
Balance at April 1, 2016	**9,86,846**	**6,53,04,534**
Profit for the year	8,72,904	5,85,57,012
Total Comprehensive Income for the year	**18,59,750**	**12,38,61,546**
Transactions with owners in their capacity as owners:		
Dividend paid	-	
Transactions with owners in their capacity as owners:	-	
Dividend paid	-	
Currency translation reserves		2,28,390
At March 31, 2017	**18,59,750**	**12,40,89,936**

Description	All Amount in USD Reserves and Surplus Retained Earnings	All Amount in INR Reserves and Surplus Retained Earnings
Balance at April 1, 2017	**18,59,750**	**12,40,89,936**
Profit for the year	13,29,156	8,56,88,011
Total Comprehensive Income for the year	**31,88,906**	**20,97,77,947**
Transactions with owners in their capacity as owners:		
Dividend paid	(18,59,752)	(11,98,94,494)
Currency translation reserves		(33,02,382)
At March 31, 2018	**13,29,154**	**8,65,81,071**

The accompany notes are integral part of financial statements.

As per our report of even date.

For S.R Batliboi & Associates LLP
Firm Registration Number: 101049/E300004
Chartered Accountants

For and on behalf of the
Board of Directors

Yogender Seth
Partner
Membership Number: 094254

Lalit Kumar Dhingra
Director

Arvind Thakur
Director

Place: Gurgaon
Date: May 04, 2018

Place: Atlanta, USA
Date: May 04, 2018

Place: Gurgaon
Date: May 04, 2018

NIIT Media Technologies LLC
CASH FLOW STATEMENT

		USD	INR	USD	INR
		Year ended March 31, 2018	**Year ended March 31, 2018**	**Year ended March 31, 2017**	**Year ended March 31, 2017**
			-		-
A.	**Cash flow from operating activities**				
	Profit before income tax from continuing operations	13,29,156	8,56,88,011	8,72,904	5,85,57,012
	Adjustment for				
	Depreciation and amortisation expenses	2,91,289	1,87,78,796	4,71,966	3,16,60,894
	Changes in operating assets and liabilities		-		-
	(Increase)/Decrease in trade receivables	5,28,792	3,44,45,516	(4,89,337)	(3,26,50,504)
	(Decrease)/Increase in trade payables	4,03,058	2,62,55,173	(2,76,358)	(1,84,39,685)
	Decrease/(Increase) in other financial assets	-	-	1,71,797	1,14,62,956
	Decrease/(Increase) in other current assets	5,58,496	3,63,80,446	7,31,622	4,88,16,734
	(Decrease)/Increase in other current liabilities	26,647	17,35,814	(1,61,934)	(1,08,04,861)
	Total	**31,37,438**	**20,32,83,756**	**13,20,660**	**8,86,02,546**
	Currency translation reserves		10,88,958		(4,82,808)
	Net cash inflow from operating activities (A)	**31,37,438**	**20,43,72,714**	**13,20,660**	**8,81,19,738**
B.	**Cash flow from investing activities**				
	Payment for property, plant and equipment	(13,578)	(8,84,447)	(46,682)	(31,14,808)
	Net cash outflow from investing activities (B)	**(13,578)**	**(8,84,447)**	**(46,682)**	**(31,14,808)**
C.	**Cash flow from financing activities**				
	Dividends paid to company's Unit holders	(18,59,752)	(11,98,94,494)	-	-
	Total	**(18,59,752)**	**(11,98,94,494)**	-	-
	Currency translation reserves		(12,49,753)		
	Net cash inflow (outflow) from financing activities (C)	**(18,59,752)**	**(12,11,44,247)**	-	-
	Net increase/(decrease) in cash and cash equivalents (A+B+C)	**12,64,108**	**8,23,44,019**	**12,73,978**	**8,50,04,929**
	Cash and cash equivalents at the beginning of the financial year	44,67,379	29,80,81,404	31,93,401	21,13,23,298
	Total	**57,31,487**	**38,04,25,424**	**44,67,379**	**29,63,28,227**
	Currency translation reserves		(70,76,329)		17,53,177
	Cash and cash equivalents at the end of the financial year	**57,31,487**	**37,33,49,095**	**44,67,379**	**29,80,81,404**
	Reconciliation of cash and cash equivalents as per the cash flow statement				
	Cash and cash equivalents as per above comprise of the following:				
	Balance with Bank	57,30,304	37,32,71,989	44,66,459	29,80,19,978
	Cheques in Hand	1,183	77,061	920	61,386
	Balance as per statement of cash flows	**57,31,487**	**37,33,49,050**	**44,67,379**	**29,80,81,364**
		1	46	1	41

The accompany notes are integral part of financial statements.

As per our report of even date.

For S.R Batliboi & Associates LLP
Firm Registration Number: 101049/E300004
Chartered Accountants

For and on behalf of the
Board of Directors

Yogender Seth
Partner
Membership Number: 094254

Lalit Kumar Dhingra
Director

Arvind Thakur
Director

Place: Gurgaon
Date: May 04, 2018

Place: Atlanta, USA
Date: May 04, 2018

Place: Gurgaon
Date: May 04, 2018

General Information

NIIT Media Technologies LLC (NMT) was formed on July 7, 2011, by contribution from Mstar Solutions LLC ("Morris") in the form of Assets for its 40% share wherein NIIT contributed in Cash for its 60% share in the company. NMT took over the existing Morris back office operations in Augusta, Georgia which provides Technology, Creative, Customer Care and Business process services to the Morris Group.

NMT based out of Augusta, Georgia USA, is currently providing Technology, Creative, Customer Care and Business process services to the various companies of the Morris Group and external customers as well.

1 STATEMENT ON SIGNIFICANT ACCOUNTING POLICIES

(a) Basis of preparation

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.

(i) Compliance with Ind AS

The special purpose financial statements ('financial statements") have been prepared for the express purpose of and use of management and the Board of Directors in their preparation of the consolidated financial statements of the Ultimate Parent Company. These financial statements are not the statutory financial statements of the company, and are not intended to, and do not, comply with the disclosure provisions applicable to statutory financial statements prepared under the Companies Act, 2013, as those are considered irrelevant by the management and the intended users of the financial statements for the purposes for which those have been prepared.

The financial statements comply in all material aspects with Indian Accounting Standards (Ind AS) notified under Section 133 of the Companies Act, 2013 (the Act) [Companies (Indian Accounting Standards) Rules, 2017]."

(ii) Historical cost convention

The financial statements have been prepared on a historical cost basis, except for certain financial assets and liabilities that are measured at fair value.

(b) Use of Estimates

The preparation of financial statements in conformity with Ind AS requires the management to make estimates and assumptions that affect the reported amounts of assets, liabilities, revenue, costs, expenses and other comprehensive income that are reported and disclosed in the financial statements and accompanying notes. These estimates are based on the management's best knowledge of current events, historical experience, actions that the company may undertake in the future and on various other assumptions that are believed to be reasonable under the circumstances. Significant estimates and assumptions are used, but not limited to accounting for costs expected to be incurred to complete performance under information technology service arrangements, allowance for uncollectible accounts receivables and unbilled revenue, the useful lives of property, equipment and intangible assets, impairment of property, equipment and intangibles, other contingencies and commitments. Changes in estimates are reflected in the financial statements in the period in which the changes are made. Actual results could differ from those estimates.

(c) Foreign currency translation

(i) **Functional and presentation currency**

Items included in the financial statements of the company is measured using the currency of the primary economic environment in which the company operates (the 'functional currency'). Financial statements of the company are presented in US dollar, which is the company's functional and presentation currency.

(ii) **Transactions and balances**

All foreign currency transactions are recorded by applying to the foreign currency amount the exchange rate between the functional currency and the foreign currency at the monthly rate. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at year end exchange rates are generally recognized in profit or loss.
During the year company has not done any transaction in any other currency other than its functional currency.

(d) Revenue recognition

Revenue is measured at the fair value of the consideration received or receivable. Amounts disclosed as revenue are net of discounts, taxes and amounts collected on behalf of third parties.

The company recognises revenue when the amount of revenue can be reliably measured, it is probable that future economic benefits will flow to the Company and specific criteria have been met for each of the company's activities as described below. The company bases its estimates on historical results, taking into consideration the type of customer, the type of transaction and the specifics of each arrangement.

(i) **Contracts involving provision of services**

Revenue is recognized when persuasive evidence of an arrangement exists, services have been rendered, the fee is determinable and collectability is reasonably assured.

(ii) **Sale of Service**

In contracts involving the rendering of services, revenue is measured using the completed service contract method. The company derives revenue from fixed price contracts where revenue is recognised based on proportionate completion method. Foreseeable loss, if any on completion of contracts is provided for.

(e) Leases

The determination of whether an arrangement is (or contains) a lease is based on the substance of the arrangement at the inception of the lease. The arrangement is, or contains, a lease if fulfilment of the arrangement is dependent on the use of a specific asset or assets and the arrangement conveys a right to use the asset or assets, even if that right is not explicitly specified in an arrangement.

Company as a lessee
A lease is classified at the inception date as a finance lease or an operating lease. A lease that transfers substantially all the risks and rewards incidental to the ownership to the company is classified as a finance lease, else classified as operating lease.

Operating lease payments are recognised as an expense in the statement of profit and loss on a straight-line basis over the lease term.

(f) Fixed assets
Intangible assets that have an indefinite useful life are not subject to amortization and are tested annually for impairment, or more frequently if events or changes in circumstances indicate that they might be impaired. Other assets are tested for impairment annually, or more frequently if events or changes in circumstances indicate that they might be impaired whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognized for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is higher of an asset's fair value less cost of disposal or value in use. For the purpose of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash inflows which are largely independent of the cash inflows from other assets or a group of assets (cash-generating units). Non-financial assets, other than goodwill, that suffer an impairment are reviewed for possible reversal of the impairment at the end of each reporting period.

(g) Cash and cash equivalents
For the purpose of presentation in the statement of cash flows, cash and cash equivalents include cash in hand, deposits held at call with financial institutions, other short-term highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.
Bank overdrafts are shown within borrowings in current liabilities in the balance sheet.

(h) Trade receivables
Trade receivables are recognized initially at fair value and subsequently measured at amortized cost using the effective interest method, less provision for impairment.

(i) Offsetting financial instruments
Financial assets and liabilities are offset and the net amount is reported in the balance sheet where there is a legally enforceable right to offset the recognized amounts and there is an intention to settle on a net basis or realize the asset and settle the liability simultaneously. The legally enforceable right must not be contingent on future events and must be enforceable in the normal course of business and in the event of default, insolvency or bankruptcy of the company or the counterparty.

(j) Property, plant and equipment
All items of property, plant and equipment are stated at historical cost less depreciation. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Subsequent costs are included in the asset's carrying amount or recognized 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. The carrying amount of any component accounted for as a separate asset is derecognized when replaced. All other repairs and maintenance are charged to profit or loss during the reporting period in which they are incurred.

Transition to Ind AS
On transition to Ind AS, the company has elected to continue with the carrying value of all of its property, plant and equipment recognized as at 1 April 2015 measured as per the previous GAAP and use that carrying value as the deemed cost of the property, plant and equipment

Depreciation methods, estimated useful lives and residual value
Depreciation is provided on a pro-rata basis on the straight-line method over the estimated useful lives of the assets. The estimates of useful lives of the assets are as follows:

Asset	**Useful life**
Plant and Machinery:	
Computers and peripherals	3-5 years
Office Equipment	5 years
Furniture and Fixtures	10 years

The useful lives have been determined based on technical evaluation done by the management's expert.
The asset's residual values and useful life are reviewed, and adjusted if appropriate, at the end of each reporting period.
The asset's carrying amount is written down immediately to it's recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Gains and losses on disposals are determined by comparing proceeds with carrying amount. These are included in profit or loss within other gains/(losses).

(k) Intangible assets
(i) **Computer software**
Intangible Assets are stated at acquisition cost, net of accumulated amortization and accumulated impairment losses, if any. Intangible assets are amortised on a straight line basis over their estimated useful lives. The amortisation period and the amortisation method are reviewed at least at each financial year end. If the expected useful life of the asset is significantly different from previous estimates, the amortisation period is changed accordingly.

Amortization periods

Intangible assets	**Useful life**
Computer software - external	3 years

(ii) **Transition to Ind AS**
On transition to Ind AS, the company has elected to continue with the carrying value of all of intangible assets recognized as at April 1, 2015 measured as per the previous GAAP and use that carrying value as the deemed cost of intangible assets.

(l) Trade and other payables

These amounts represent liabilities for goods and services provided to the company prior to the end of financial year which are unpaid. The amounts are unsecured and are usually paid as per the agreed terms. Trade and other payables are presented as current liabilities unless payment is not due within 12 months after the reporting period. They are recognized initially at their fair value and subsequently measured at amortized cost using the effective interest method.

(m) Provisions

Provisions are recognized when there is a present obligation as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and there is a reliable estimate of the amount of the obligation. Provisions are measured at the best estimate of the expenditure required to settle the present obligation at the Balance sheet date.

Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. A provision is recognized even if the likelihood of an outflow with respect to any one item included in the same class of obligations may be small.

Provisions are measured at the present value of management's best estimates of the expenditure incurred to settle the present obligation at the end of the reporting period. The discount rate used to determine the present value is a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The increase in the provision due to the passage of time is recognized as interest expense.

(n) Employee benefits

Short-term obligations

Liabilities for salaries, including non-monetary benefits that are expected to be settled wholly within 12 months after the end of the period in which the employees render the related service are recognized in respect of employees' services up to the end of the reporting period and are measured at the amounts expected to be paid when the liabilities are settled. The liabilities are presented as current employee benefit obligations in the balance sheet.

Defined contribution plan

The company makes defined contributions on a monthly basis towards retirement saving plan (401K) for the eligible employees, which is charged to the Statement of Profit and Loss. The company has no further obligations towards this plan.

(o) Earnings per share

Basic and Diluted earnings per share

Basic earnings per share is calculated by dividing:
- The profit attributable to owners of the company
- By the weighted average number of units outstanding during the financial year, adjusted for bonus elements in units issued during the year and excluding treasury shares, if any.

(p) Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker (CODM). The Chief Operating Officer of the ultimate parent company has been identified as the chief operating decision maker.

(q) Dividends

Provision is made for the amount of any dividend declared, being appropriately authorized and no longer at the discretion of the entity, on or before the end of the reporting period but not distributed at the end of the reporting period.

(r) Fair value measurement

The company measures financial instruments, such as investment in equity shares etc., at fair value at each balance sheet date. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either -

-In the principal market for the asset or liability, or

-In the absence of a principal market, in the most advantageous market for the asset or liability

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole.

Level 1 — Quoted (unadjusted) prices in active markets for identical assets or liabilities,

Level 2 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable, and

Level 3 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

At each reporting date, management analyses the movements in the values of assets and liabilities which are required to be remeasured or re-assessed as per the

(s) Investments and other financial assets

(i) 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.

(ii) 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 (FVTOCI)
► Debt instruments, derivatives and equity instruments at fair value through profit or loss (FVTPL)
► Equity instruments measured at fair value through other comprehensive income (FVTOCI)

Debt instruments

Subsequent measurement of debt instruments depends on the Company's business model for managing the asset and the cash flow characteristics of the asset. There are three measurement categories into which the Company classifies its debt instruments:

Amortized cost: A 'debt instrument' is measured at the amortised cost if both the following conditions are met:
a) The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows, and
b) 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.

This category is the most relevant to the Company. 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 finance income in the profit or loss. The losses arising from impairment are recognised in the profit or loss. This category generally applies to trade and other receivables.

Fair value through other comprehensive income (FVOCI): A 'debt instrument' is classified as at the FVTOCI if both of the following criteria are met:
a) The objective of the business model is achieved both by collecting contractual cash flows and selling the financial assets, and
b) The asset's contractual cash flows represent SPPI.
Debt instruments included within the FVTOCI category are measured initially as well as at each reporting date at fair value. Fair value movements are recognized in the other comprehensive income (OCI). However, the Company recognizes interest income, impairment losses & reversals and foreign exchange gain or loss in the Profit and loss. On derecognition of the asset, cumulative gain or loss previously recognised in OCI is reclassified from the equity to Profit and loss. Interest earned whilst holding FVTOCI debt instrument is reported as interest income using the EIR method.

Fair value through profit or loss: FVTPL is a residual category for debt instruments. Any debt instrument, which does not meet the criteria for categorization as at amortized cost or as FVTOCI, is classified as at FVTPL. In addition, the Company may elect to designate a debt instrument, which otherwise meets amortized cost or FVTOCI criteria, as at FVTPL. However, such election is allowed only if doing so reduces or eliminates a measurement or recognition inconsistency. Debt instruments included within the FVTPL category are measured at fair value with all changes recognized in the Profit and loss

Equity instruments
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 AS103 applies are classified as at FVTPL. 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 FVTOCI, then all fair value changes on the instrument, excluding dividends, are recognized in the OCI. There is no recycling of the amounts from OCI to 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 FVTPL category are measured at fair value with all changes recognized in the Profit and loss.

(iii) Derecognition
A financial asset (or, where applicable, a part of a financial asset or part of a Company of similar financial assets) is primarily derecognised (i.e. removed from the Company's consolidated balance sheet) when:
► The rights to receive cash flows from the asset have expired, or
► The Company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either (a) the Company has transferred substantially all the risks and rewards of the asset, or (b) the Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.
When the Company has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if and to what extent it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Company continues to recognise the transferred asset to the extent of the Company's continuing involvement. In that case, the Company also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Company has retained.
Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Company could be required to repay.

(iv) Impairment of financial assets
In accordance with Ind AS 109, the Company applies expected credit loss (ECL) model for measurement and recognition of impairment loss on the following financial assets and credit risk exposure:
a) Financial assets that are debt instruments, and are measured at amortised cost e.g., loans, debt securities, deposits, trade receivables and bank balance
b) Trade receivables or any contractual right to receive cash or another financial asset that result from transactions that are within the scope of Ind AS 18.
The Company follows 'simplified approach' for recognition of impairment loss allowance on:
► Trade receivables or contract revenue receivables; and
► All lease receivables resulting from transactions within the scope of Ind AS 17
The application of simplified approach does not require the Company to track changes in credit risk. Rather, it recognises impairment loss allowance based on lifetime ECLs at each reporting date, right from its initial recognition.

ECL is the difference between all contractual cash flows that are due to the Company in accordance with the contract and all the cash flows that the Company expects to receive (i.e., all cash shortfalls), discounted at the original EIR. When estimating the cash flows, an Company is required to consider:
► All contractual terms of the financial instrument (including prepayment, extension, call and similar options) over the expected life of the financial instrument. However, in rare cases when the expected life of the financial instrument cannot be estimated reliably, then the Company is required to use the remaining contractual term of the financial instrument
► Cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms

(t) 1. Recently issued accounting pronouncements

(i) IND AS 115, Revenue from contract with customers

Ind AS 115 was issued on 28 March 2018 and establishes a five-step model to account for revenue arising from contracts with customers. Under Ind AS 115, revenue is recognised at an amount that reflects the consideration to which an entity expects to be entitled in exchange for transferring goods or services to a customer.
The new revenue standard will supersede all current revenue recognition requirements under Ind AS. Either a full retrospective application or a modified retrospective application is required for annual periods beginning on or after 1 April 2018. The Company plans to adopt the new standard on the required effective date using the modified retrospective method.
The Company has evaluated the potential impacts of the new standard on financial statements. Based on such evaluation, the Company expects that the adoption of Ind AS 115 will not have a material impact on it's financial statements.

(ii) Amendments to Ind AS 12 Recognition of Deferred Tax Assets for Unrealised Losses

The amendments clarify that an entity needs to consider whether tax law restricts the sources of taxable profits against which it may make deductions on the reversal of that deductible temporary difference. Furthermore, the amendments provide guidance on how an entity should determine future taxable profits and explain the circumstances in which taxable profit may include the recovery of some assets for more than their carrying amount.
Entities are required to apply the amendments retrospectively. However, on initial application of the amendments, the change in the opening equity of the earliest comparative period may be recognised in opening retained earnings (or in another component of equity, as appropriate), without allocating the change between opening retained earnings and other components of equity. Entities applying this relief must disclose that fact.
These amendments are effective for annual periods beginning on or after 1 April 2018. These amendments are not expected to have any impact on the companmy as the comapany has no deductible temporary differences or assets that are in the scope of the amendments.

2. Critical estimates and judgments

The preparation of financial statements requires the use of accounting estimates which, by definition, will seldom equal the actual results. Management also needs to exercise judgment in applying the Company's accounting policies.

This note provides an overview of the areas that involved a higher degree of judgment or complexity, and of items which are more likely to be materially adjusted due to estimates and assumptions turning out to be different than those originally assessed. Detailed information about each of these estimates and judgments is included in relevant notes together with information about the basis of calculation for each affected line item in the financial statements.

Areas involving critical estimates and judgments are:
• Estimated goodwill impairment
• Estimated useful life of intangible asset
• Estimation of defined benefit obligation
• Estimation of provision for customer contracts
• Impairment of trade receivables

Estimates and judgments are continually evaluated. They are based on historical experience and other factors, including expectations of future events that may have a financial impact on the group and that are believed to be reasonable under the circumstances.

NIIT Media Technologies LLC
Notes annexed to and forming part of Balance Sheet

2 Property, plant and equipment

March 31, 2017	Computers (All Amount in USD)	Furniture and Fixtures (All Amount in USD)	Office Equipment (All Amount in USD)	Total (All Amount in USD)	Computers (All Amount in INR)	Furniture and Fixtures (All Amount in INR)	Office Equipment (All Amount in INR)	Total (All Amount in INR)
Year ended March 31, 2017								
Gross carrying amount								
Opening gross carrying amount	10,95,020	35,198	3,47,099	14,77,317	7,24,62,919	23,29,228	2,29,69,266	9,77,61,412
Additions	42,063	-	4,619	46,682	28,21,724		3,09,844	31,31,567
Disposals	-	-	-	-				
Currency translation reserves					5,86,065	19,324	1,88,899	7,94,288
Closing gross carrying amount	**11,37,083**	**35,198**	**3,51,718**	**15,23,999**	**7,58,70,707**	**23,48,551**	**2,34,68,008**	**10,16,87,267**
Accumulated depreciation								
Opening accumulated depreciation	4,83,651	9,983	1,91,338	6,84,972	3,20,05,575	6,60,625	1,26,61,792	4,53,27,992
Depreciation charge during the year	2,49,542	9,983	1,50,653	4,10,178	1,67,40,037	6,69,690	1,01,06,242	2,75,15,969
Disposals	-	-	-	-				
Currency translation reserves					1,75,939	1,897	50,960	2,28,795
Closing accumulated depreciation	**7,33,193**	**19,966**	**3,41,991**	**10,95,150**	**4,89,21,551**	**13,32,211**	**2,28,18,995**	**7,30,72,757**
Net carrying amount	**4,03,890**	**15,232**	**9,727**	**4,28,849**	**2,69,49,156**	**10,16,340**	**6,49,014**	**2,86,14,510**

March 31, 2018	Computers (All Amount in USD)	Furniture and Fixtures (All Amount in USD)	Office Equipment (All Amount in USD)	Total (All Amount in USD)	Computers (All Amount in INR)	Furniture and Fixtures (All Amount in INR)	Office Equipment (All Amount in INR)	Total (All Amount in INR)
Year ended March 31, 2018								
Gross carrying amount								
Opening gross carrying amount	11,37,083	35,198	3,51,718	15,23,999	7,58,70,707	23,48,551	10,16,87,301	17,99,06,559
Additions	13,578	-	-	13,578	8,75,323			8,75,323
Disposals	-	-	-	-				
Currency translation reserves					(17,92,005)	(55,754)	(7,87,76,413)	(8,06,24,172)
Closing gross carrying amount	**11,50,661**	**35,198**	**3,51,718**	**15,37,577**	**7,49,54,026**	**22,92,798**	**2,29,10,888**	**10,01,57,711**
Accumulated depreciation								
Opening accumulated depreciation	7,33,193	19,966	3,41,991	10,95,150	4,89,21,551	13,32,211	2,28,18,995	7,30,72,757
Depreciation charge during the year	2,29,615	9,983	6,303	2,45,901	1,48,02,797	6,43,584	4,06,342	1,58,52,722
Disposals	-	-	-	-				
Currency translation reserves					(10,07,066)	(24,918)	(5,37,478)	(15,69,462)
Closing accumulated depreciation	**9,62,808**	**29,949**	**3,48,294**	**13,41,049**	**6,27,17,281**	**19,50,878**	**2,26,87,859**	**8,73,56,018**
Net carrying amount	**1,87,853**	**5,249**	**3,424**	**1,96,526**	**1,22,36,744**	**3,41,920**	**2,23,029**	**1,28,01,693**

NIIT Media Technologies LLC
Notes annexed to and forming part of Balance Sheet

3 Intangible Assets

	All Amount in USD		All Amount in INR	
March 31, 2017	**Other Intangible Assets**		**Other Intangible Assets**	
	Software-External	**Total**	**Software-External**	**Total**
Year ended March 31, 2017				
Gross carrying amount				
Opening gross carrying amount	2,33,152	2,33,152	1,54,28,820	1,54,28,820
Additions	-	-		
Disposals	-	-		
Currency translation reserves			1,28,000	1,28,000
Closing gross carrying amount	**2,33,152**	**2,33,152**	**1,55,56,821**	**1,55,56,821**
Accumulated amortization and impairment				
Opening accumulated amortization	1,25,547	1,25,547	83,08,059	83,08,059
Amortization charge for the year	61,788	61,788	41,44,924	41,44,924
Disposals	-	-		
Currency translation reserves			46,743	46,743
Closing accumulated amortization	**1,87,335**	**1,87,335**	**1,24,99,727**	**1,24,99,727**
Closing net carrying amount	**45,817**	**45,817**	**30,57,094**	**30,57,094**

March 31, 2018	**Other Intangible Assets**		**Other Intangible Assets**	
	Software-External	**Total**	**Software-External**	**Total**
	USD	**USD**	**INR**	**INR**
Year ended March 31, 2018				
Gross carrying amount				
Opening gross carrying amount	2,33,152	2,33,152	1,55,56,821	1,55,56,821
Additions	-	-		
Disposals	-	-		
Currency translation reserves			(3,69,312)	(3,69,312)
Closing gross carrying amount	**2,33,152**	**2,33,152**	**1,51,87,508**	**1,51,87,508**
Accumulated amortization and impairment				
Opening accumulated amortization	1,87,335	1,87,335	1,24,99,727	1,24,99,727
Amortization charge for the year	45,388	45,388	29,26,074	29,26,074
Disposals	-	-		
Currency translation reserves			(2,66,238)	(2,66,238)
Closing accumulated amortization	**2,32,723**	**2,32,723**	**1,51,59,563**	**1,51,59,563**
Closing net carrying amount	**429**	**429**	**27,945**	**27,945**

NIIT Media Technologies LLC
Notes annexed to and forming part of Balance Sheet

4 (i) Trade receivables

Trade receivables	USD March 31, 2018 Current	USD March 31, 2018 Non- Current	INR March 31, 2018 Current	INR March 31, 2018 Non- Current	USD March 31, 2017 Current	USD March 31, 2017 Non- Current	INR March 31, 2017 Current	INR March 31, 2017 Non- Current
Trade receivables	16,71,902		10,89,07,703		21,98,670		14,67,04,050	
Receivables from related parties	3,034		1,97,646		5,058		3,37,520	
Less: Allowance for doubtful debts	-				-			
Total receivables	**16,74,936**		**10,91,05,349**		**22,03,728**		**14,70,41,570**	

Break-up of security details	USD March 31, 2018 Current	USD March 31, 2018 Non- Current	INR March 31, 2018 Current	INR March 31, 2018 Non- Current	USD March 31, 2017 Current	USD March 31, 2017 Non- Current	INR March 31, 2017 Current	INR March 31, 2017 Non- Current
Unsecured, considered good	16,74,936		10,91,05,349		22,03,728		14,70,41,571	
Total trade receivables	**16,74,936**	**-**	**10,91,05,349**		**22,03,728**	**-**	**14,70,41,571**	

4 (ii) Cash and cash equivalents

Cash and cash equivalents	USD March 31, 2018	INR March 31, 2018	USD March 31, 2017	INR March 31, 2017
Balances with Bank				
- in Current Account	57,30,304	37,32,71,989	44,66,459	29,80,19,978
Cash on Hand	1,183	77,061	920	61,386
Total cash and cash equivalents	**57,31,487**	**37,33,49,050**	**44,67,379**	**29,80,81,364**

There are no repatriation restrictions with regard to Cash and Cash equivalents as at the end of reporting period and prior periods.

4 (iii) Other current assets

Other current assets	USD March 31, 2018	INR March 31, 2018	USD March 31, 2017	INR March 31, 2017
Unsecured, considered good, unless otherwise stated				
Prepayments	84,426	54,99,482	6,22,686	4,15,48,069
Other advances	4,941	3,21,862	25,177	16,79,936
Total other current assets	**89,367**	**58,21,344**	**6,47,863**	**4,32,28,005**

NIIT Media Technologies LLC
Notes annexed to and forming part of Balance Sheet

5 Share Capital

(i) Authorized share capital

	Number of units	Amount in USD	Number of units	Amount in INR
As at March 31, 2017	**100**	**53,66,671**	**100**	**35,80,85,756**
Increase during the year	-	-		
As at March 31, 2018	**100**	**53,66,671**	**100**	**34,95,84,949**

(ii) Movements in share capital

	Number of units	Amount in USD	Number of units	Amount in INR
As at March 31, 2017	**100**	**53,66,671**	**100**	**35,80,85,756**
Increase during the year	-	-		
As at March 31, 2018	**100**	**53,66,671**	**100**	**34,95,84,949**

(iii) Terms and rights attached to equity Units

The company has one class of units with ownership rights, which have full voting rights on all matters submitted to the members of company for their consideration and approval. A member shall not dispose off or encumber all or any portion of its units except in accordance with the terms specified in "Limited Liability Company Agreement" of NIIT Media Technologies LLC. The Board of Directors shall make distributions of free cash flow to the members in proportion to their sharing ratios, at such times and in such amounts as may be determined by the Board of Directors.

In the event of dissolution , the company property shall be distributed among the members in proportion to their respective positive capital account balance, as determined after taking into account all capital account adjustment for year during which dissolution of the company occurs. All distributions in kind to the members shall be made subject to liability of each distribute for costs, expenses and liabilities thereto incurred for which the company has committed prior to date of distribution.

(iv) Units of the company held by the holding company

	March 31, 2018	March 31, 2017
NIIT Technologies Inc., USA	32,20,003	32,20,003

(v) Details of Unit holders holding more than 5% Units in the company

Name of Shareholder	Equity Shares			
	March 31, 2018		March 31, 2017	
	No. of Units held	% of Holding	No. of Units held	% of Holding
NIIT Technologies Inc., USA (a subsidiary of NIIT Technologies Limited, India)	60	60%	60	60%
M Star Solutions LLC	40	40%	40	40%

		March 31, 2018 USD	March 31, 2018 INR	March 31, 2017 USD	March 31, 2017 INR
6	**Reserves and Surplus**				
	Retained earnings	13,29,154	8,65,81,071	18,59,750	12,40,89,936
	Total reserve and surplus	**13,29,154**	**8,65,81,071**	**18,59,750**	**12,40,89,936**

Retained Earnings	March 31, 2018 USD	March 31, 2018 INR	March 31, 2017 USD	March 31, 2017 INR
Opening balance	18,59,750	12,40,89,936	9,86,846	6,53,04,518
Net profit for the period	13,29,156	8,56,88,011	8,72,904	5,85,57,012
Dividend Paid	(18,59,752)	(11,98,94,492)	-	
Currency translation reserves		(33,02,384)		2,28,406
Closing balance	**13,29,154**	**8,65,81,071**	**18,59,750**	**12,40,89,936**

		USD	INR	USD	INR
7	**Trade Payables**	**March 31, 2018**	**March 31, 2018**	**March 31, 2017**	**March 31, 2017**
	Current				
	Trade Payables	5,14,050	3,34,85,190	4,18,939	2,79,53,308
	Payables to related parties	4,08,308	2,65,97,171	1,00,361	66,96,459
	Total trade payables	**9,22,358**	**6,00,82,361**	**5,19,300**	**3,46,49,767**

		USD	INR	USD	INR
8	**Other current liabilities**	**March 31, 2018**	**March 31, 2018**	**March 31, 2017**	**March 31, 2017**
	Statutory Dues (including payroll tax and withholding tax)	3,862	2,51,584	5,306	3,54,064
	Employee Benefits Payable	70,700	46,05,416	42,609	28,43,020
	Total other current liabilities	**74,562**	**48,57,000**	**47,915**	**31,97,083**

9	Revenue from operations	USD For Year ended March 31, 2018	INR For Year ended March 31, 2018	USD For Year ended March 31, 2017	INR For Year ended March 31, 2017
	Sale of services	2,21,00,966	1,42,48,05,105	2,15,46,131	1,44,53,79,103
	Total revenue from continuing operations	**2,21,00,966**	**1,42,48,05,105**	**2,15,46,131**	**1,44,53,79,103**

10	Other income	For Year ended March 31, 2018	For Year ended March 31, 2018	All Amount in USD For Year ended March 31, 2017	All Amount in INR For Year ended March 31, 2017
	Miscellaneous income	23,473	15,13,264	14,762	9,90,291
	Total other income	**23,473**	**15,13,264**	**14,762**	**9,90,291**

11	Employee benefits expense	For Year ended March 31, 2018	For Year ended March 31, 2018	All Amount in USD For Year ended March 31, 2017	For Year ended March 31, 2017
	Salaries, wages and bonus	70,62,894	45,53,30,647	79,69,609	53,46,25,295
	Contribution to Retirement Saving Plan	15,784	10,17,572	20,961	14,06,115
	Staff welfare expenses	1,14,563	73,85,653	86,987	58,35,364
	Total employee benefit expense	**71,93,241**	**46,37,33,872**	**80,77,557**	**54,18,66,774**

Note(a): Employee benefits: Defined Contribution Plan

The company makes contribution to a Group Company towards retirement saving plan for eligible employees. During the year, the company has charged the following amount to Statement of Profit and Loss:

Contribution to Retirement Saving Plan	15,784	10,17,572	20,961	14,06,115

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12	Depreciation and amortization expense	For Year ended March 31, 2018 USD	For Year ended March 31, INR	For Year ended March 31, 2017 USD	For Year ended March 31,2018, INR
	Depreciation of property, plant and equipment (Refer Note 4)	2,45,901	1,58,52,722	4,10,178	2,75,15,969
	Amortization of intangible assets (Refer Note 5)	45,388	29,26,074	61,788	41,44,924
	Total depreciation and amortization expense	**2,91,289**	**1,87,78,796**	**4,71,966**	**3,16,60,894**

13	Other expenses	For Year ended March 31, 2018 USD	For Year ended march 31,2018 INR	For Year ended March 31, 2017 USD	For Year ended March 31,2017 INR
	Rental charges	6,87,707	4,43,35,117	7,91,758	5,31,13,476
	Rates and taxes	15,544	10,02,119	22,051	14,79,275
	Power and fuel	97,828	63,06,779	83,742	56,17,681
	Sub-contracting charges	55,63,897	35,86,93,338	59,58,885	39,97,39,863
	Telephone and communication charges	10,32,575	6,65,68,015	9,46,312	6,34,81,475
	Legal and consultancy	1,48,687	95,85,579	4,01,708	2,69,47,764
	Travelling and conveyance	1,73,582	1,11,90,499	1,24,351	83,41,833
	Insurance premium	90,292	58,20,927	35,599	23,88,060
	Repairs and maintenance		-		-
	Plant and machinery	5,500	3,54,574	5,000	3,35,415
	Others	15,03,945	9,69,56,324	28,46,693	19,09,64,725
	Payment to auditors [Refer note 14 (a) below]	20,555	13,25,140	24,063	16,14,218
	Bad-debts written off	-	-	33,533	22,49,493
	Other production expenses	84,611	54,54,725	17,218	11,55,056
	Professional charges	37,50,219	24,17,69,093	6,29,463	4,22,26,276
	Miscellaneous expenses	1,35,811	87,55,462	2,18,090	1,46,30,103
					-
	Total other expenses	**1,33,10,753**	**85,81,17,690**	**1,21,38,466**	**81,42,84,713**

13 (a)	Details of payments to auditors				
	Payments to auditors (excluding service tax)				
	As auditor:				
	Audit Fee	20,555	13,25,140	21,763	14,59,927
	Re-imbursement of expenses	-		2,300	1,54,291
	Total payments to auditors	**20,555**	**13,25,140**	**24,063**	**16,14,218**

14 Fair value measurements

Financial instruments by category

			USD			INR			USD			INR
	March 31, 2018			March 31, 2018			March 31, 2017			March 31, 2017		
	FVPL	FVTOCI	Amortized Cost	FVPL	FVTOCI	Amortized Cost	FVPL	FVTOCI	Amortized Cost	FVPL	FVTOCI	Amortized Cost
Financial assets												
Trade and other receivables	-	-	16,74,936			10,91,05,349	-	-	22,03,728			14,70,41,570
Cash and cash equivalents	-	-	57,31,487			37,33,49,050	-	-	44,67,379			29,80,81,364
Other financial assets	-	-	-				-	-	-			-
Total Financial assets	**-**	**-**	**74,06,423**			**48,24,54,399**	**-**	**-**	**66,71,107**			**44,51,22,934**
						-						-
Financial liabilities												
Trade payables	-	-	9,22,358			6,00,82,361	-	-	5,19,300			3,46,49,767
Total Financial liabilities	**-**	**-**	**9,22,358**			**6,00,82,361**	**-**	**-**	**5,19,300**			**3,46,49,767**

(i) Fair value of financial assets and liabilities measured at amortized cost
The carrying amounts of trade receivables, other financial assets (unbilled revenue), trade payables and cash and cash equivalents are considered to be the same as their fair values, due to their short-term nature.

15 Financial Risk Management

The Company’s principal financial liabilities comprise loans and borrowings, trade and other payables. The main purpose of these financial liabilities is to finance the Company’s operations and to provide guarantees to support its operations. The Company’s principal financial assets include loans, trade and other receivables, and cash and short-term deposits that derive directly from its operations. The Company also hold investments measured at fair value through profit or loss (FVTPL) and enters into derivative transactions.

The Company is exposed to market risk, credit risk and liquidity risk. The Company’s senior management oversees the management of these risks. The Company’s senior management is supported by a financial risk committee that advises on financial risks and the appropriate financial risk governance framework for the Company. The financial risk committee provides assurance to the Company’s senior management that the Company’s financial risk activities are governed by appropriate policies and procedures and that financial risks are identified, measured and managed in accordance with the Company’s policies and risk objectives. The Board of Directors reviews and agrees policies for managing each of these risks, which are summarised below:

This note explains the source of risk which the company is exposed to and how the company manages the risk.

(A) Credit risk

Credit risk is the risk that a customer or counter party to a financial instrument will fail to perform or pay amount due to the company causing financial loss.
Credit risk arises from cash and cash equivalents, trade receivables and other financial assets (unbilled revenue). For banking relationship, only high rated bank is accepted.
The company has significant revenue transactions with the company's affiliate entities and the remaining customer portfolio is also comprised of parties that has strong capacity to meet their respective obligations. The trade receivable balances are written off when there is no reasonable expectation of recovery, such as debtor declaring bankruptcy or failing to meet its obligation. Therefore, credit risk is considered to be low. The company has also evaluated expected credit loss under simplified approach and resultant impact was immaterial to the financial statements as at March 31, 2018 and March 31, 2017.

(B) Liquidity risk

(i) Financing arrangements
The company's principal sources of liquidity are cash and cash equivalents and the cash flow that is generated from operation. The company does not have any loans and working capital facilities. The company believes that the working capital is sufficient to meet its current requirements. Accordingly, no liquidity risk is perceived.

(ii) Maturities of financial liabilities
There are no non-current financial liabilities.

(C) Market risk

(i) Foreign currency risk
The company does not have any transaction other than its local currency i.e. USD. Therefore the company is not exposed to any foreign exchange risk arising from foreign currency transactions.

(ii) Cash flow and fair value interest rate risk
The company does not have any loans and working capital facilities.

(iii) Price risk
The company does not have any investment.

16 Capital Management

(a) Risk Management
NIIT Media Technologies LLC (NMT) is a company between NIIT Technologies Inc. USA (“NIIT”) and Mstar Solutions LLC (“Morris”). The objective of the company is to safeguard its ability to continue as a going concern, so that it can continue to provide returns for shareholders. In order to maintain or adjust the capital structure, the company may adjust the amount of dividends paid to the shareholders. The company does not have any debts.

(b) Dividends
The company has paid dividend for the year ended March 31, 2017. The directors have not recommended any dividend for the year ended March 31, 2018.

	USD	INR	USD	INR
Particulars	**For Year ended March 31, 2018**	**For Year ended March 31, 2018**	**For Year ended March 31, 2017**	**For Year ended March 31, 2017**
Units:				
Final dividend paid for the year ended March 31, 2017	18,59,752	11,98,94,492	-	

NIIT Media Technologies LLC
Notes annexed to and forming part of Financial Statement

17 Related party transactions as per Accounting Standard

A Related party relationship where control exists

Company (with 60% Stake):	**NIIT Technologies INC. USA**
Ultimate Holding Company:	**NIIT Technologies Limited, India**
Company (with 40% Stake):	**Mstar Solutions, LLC (through its affiliates):-**
	Morris Communications Company, LLC
	Morris Publishing Group, LLC

B Other related parties with whom the company has transacted:

Party to whom the companyr is a fellow subsidiary:

NIIT Technologies Philippines Inc.

C Details of transaction with related parties carried out on an arms length basis

D Transactions with related parties:

The following transactions occurred with related parties:

(Amount in USD) | (Amount in INR)

Nature of Transactions	Year Ended	companyr, NIIT Technologies Inc., USA (60% Share in JV)	Ultimate Holding Company NIIT Technologies Limited	Morris Communications Company, LLC	Morris Publishing Group, LLC	Fellow Subsidiaries of companyr	Total	companyr, NIIT Technologies Inc., USA (60% Share in JV)	Ultimate Holding Company NIIT Technologies Limited	Morris Communications Company, LLC	Morris Publishing Group, LLC	Fellow Subsidiaries of companyr	Total
Development Charges	March 31 2018		53,03,322	5,625		2,54,791	**55,63,738**		34,18,94,554	3,62,633		1,64,25,857	**35,86,83,043**
	March 31 2017	-	54,15,474	32,685	-	5,05,101	**59,53,260**		36,32,86,232	21,92,608		3,38,83,695	**39,93,62,535**
Sale of Services	March 31 2018	36,642	-	93,56,354	75,57,770	-	**1,69,50,766**	23,62,233		60,31,85,435	48,72,34,328		**1,09,27,81,996**
	March 31 2017	38,122	-	68,19,382	1,19,40,645	-	**1,87,98,149**	25,57,314		45,74,64,629	80,10,14,298		**1,26,10,36,241**
Payment of Dividend	March 31 2018	11,15,851	-	7,43,901	-	-	**18,59,752**	7,19,36,696		4,79,57,798			**11,98,94,494**
	March 31 2017	-	-	-	-	-	-						
Recovery of Expenses from the company	March 31 2018	21,17,778	26,132	7,34,599	-	-	**28,78,509**	13,65,28,939	16,84,670	4,73,58,124			**18,55,71,732**
	March 31 2017	9,39,287	26,431	1,54,259	-	-	**11,19,977**	6,30,10,160	17,73,071	1,03,48,151			**7,51,31,382**
Recovery of Expenses by the company	March 31 2018	-	-	-	-	-	-						
	March 31 2017	-	-	-	-	-	-						

D Details of balances with related parties as at year end:-

(Amount in USD) | (Amount in INR)

	Year Ended	companyr, NIIT Technologies Inc., USA (60% Share in JV)	Ultimate Holding Company NIIT Technologies Limited	Morris Communications Company, LLC	Morris Publishing Group, LLC	Fellow Subsidiaries of companyr	Total	companyr, NIIT Technologies Inc., USA (60% Share in JV)	Ultimate Holding Company NIIT Technologies Limited	Morris Communications Company, LLC	Morris Publishing Group, LLC	Fellow Subsidiaries of companyr	Total
Trade Receivables	As on March 31, 2018	918	2,117	8,32,864	16,026	-	**8,51,925**	59,774	1,37,872	5,42,52,731	10,43,915		**5,54,94,294**
	As on March 31, 2017	2,942	2,117	8,75,116	9,01,390	-	**17,81,565**	1,96,295	1,41,225	5,83,91,210	6,01,44,370		**11,88,73,102**
	As on March 31, 2016	2,225	2,117	1,70,637	11,84,189	-	**13,59,168**	1,47,239	1,40,063	1,12,91,896	7,83,63,732		**8,99,42,931**
Trade Payables	As on March 31, 2018	1,06,149	3,02,159	1,16,941	10,167		**5,35,416**	69,14,514	1,96,82,657	76,17,537	6,62,284		**3,48,76,995**
	As on March 31, 2017	71,499	28,861	1,26,243	10,167		**2,36,770**	47,70,707	19,25,751	84,23,431	6,78,389		**1,57,98,280**
	As on March 31, 2016	70,089	84,169	10,866	15,920	-	**1,81,044**	46,38,137	55,69,885	7,19,060	10,53,521		**1,19,80,604**
Other Current Assets Unbilled Revenue	As on March 31, 2018	-	-	-	-	-	**-**						
	As on March 31, 2017	-	-	-	-	-	**-**						
	As on March 31, 2016	-	-	1,71,796	-	-	**1,71,796**			1,13,68,600			**1,13,68,602**

18 Segment reporting
Primary Segment Information- business segment
The company operates in a single business segment- Software services and accordingly, no primary segment information is being given.
The dominant source of risk and returns of the enterprise is considered to be the business in which it operates viz – software solutions. Being a single business segment company, no primary segment information is being provided.

The Chief Operating Decision Maker ("CODM") has been designated at the group level (ultimate parent company and its subsidiaries) and the CODM reviews operating results at the group level. Therefore, no disclosures relating to segment reporting has been given in this special purpose financial statements.

Secondary Segment information:
The company operates in a single geographical segment- North America and accordingly, no secondary segment information is being given.

19 Commitments: Non-cancellable operating leases:

The company has non-cancellable operating leases for office premises and equipment, expiring within 1 to 5 years. The leases have varying terms, escalation clauses and renewal rights. On renewal, the terms of leases are negotiated.

Particulars	March 31, 2018	March 31, 2018	March 31, 2017	March 31, 2017
	USD	INR	USD	INR
Commitments for minimum lease payments in relation to non-cancellable operating leases are payable as follows:				
Within one year	3,41,018	2,22,13,919	6,70,283	4,47,23,985
Later than one year but not later than five years	-		-	
Later than five years	-		-	
	3,41,018	**2,22,13,919**	**6,70,283**	**4,47,23,984**

Rental expenses relating to operating leases

Particulars	March 31, 2018 USD	March 31, 2018 INR	March 31, 2017 USD	March 31, 2017 INR
Minimum Lease Payments	6,87,707	4,43,35,117	7,91,758	5,31,13,476
Lease payments recognised in the Statement of Profit and Loss during the year	6,87,707	4,43,35,117	7,91,758	5,31,13,476

20 Earnings per Unit

(a) Basic earnings per unit and Diluted earnings per unit	March 31, 2018 USD	March 31,2018,INR	March 31, 2017 USD	March 31,2017,INR
From continuing operations attributable to the unit holders of the company	13,292	8,56,880	8,729	5,85,570
From discontinued operation	-		-	
Total basic earnings per unit attributable to the unit holders of the company	**13,292**	**8,56,880**	**8,729**	**5,85,570**

(b) Reconciliations of earnings used in calculating earnings per unit	March 31, 2018 USD	March 31,2018 INR	March 31, 2017 USD	march 31, 2017 INR
Basic earnings per unit and Diluted earning per unit Profit attributable from continuing operations to the unit holders of the company used in calculating basic earnings per unit	13,29,156	8,56,88,011	8,72,904	5,85,57,012
Profit attributable to the units holders of the company used in calculating diluted earnings per unit	**13,29,156**	**8,56,88,011**	**8,72,904**	**5,85,57,012**

(c) Weighted average number of units used as the denominator	March 31, 2018 USD	March 31,2018 INR	March 31, 2017 USD	march 31, 2017 INR
Weighted average number of units used as the denominator in calculating basic earnings per unit	100	100	100	100
Adjustments for calculation of diluted earnings per unit:				
Options	-	-	-	-
Convertible bonds	-	-	-	-
Stock Options	-	-	-	-
Weighted average number of units and potential units used as the denominator in calculating diluted earnings per unit	**100**	**100**	**100**	**100**

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The Master Services Agreement ("MSA") dated July 7, 2011 executed between Morris Publishing Group LLC and Morris Communications Company LLC (collectively known as "Morris group/customer") and NIIT Media Technologies LLC, expired on July 6, 2016 as specified in said agreement.
☐ Initial Contract was signed for a period of 5 years to service Morris Group as a customer, the deal value was USD 85Mn.
☐ The extension for the contract with Morris was done in Oct 2016 for a period of 5 years after the expiry of initial term of agreement.
☐ Annual Revenue from Morris is approx. $18Mn
☐ During the last 7 years JV has added new customers such as COX, Tribune, Southern Community Newspapers LLC (SCNI), Pamplin Media, Advance Digital and Gatehouse Media with annual revenue of approx. $4.75Mn per year.
☐ Scope of work for the above customers include Ad Services, Call Center and IT services

Changes during the year
In October 2017, Morris sold its Newspaper business to Gatehouse Media pursuant to which all the SOW's under the extended MSA of Morris Group were terminated effective 31st Mar 2018. Due to this development, business from Morris group will decline from existing $18Mn (FY 18) to approx. $1.6Mn - $1.8Mn per year going forward.

a) The new contract for IT Dev Ops services of Morris Communications has been signed with NIIT Technologies Inc.,
b) The Morris Media Network business which is related to Ad Services production for Morris's Magazine business is continued with NIIT Media
c) The Call Center business of Morris has moved to Gatehouse Media and we have signed a New MSA with Gatehouse Media for this services.
d) Business from Morris will reduce from $18Mn in FY 18 to an estimated $1.6M-$1.8Mn per year from FY 19 onwards; however business from other customers will continue to grow and accordingly the budget for FY 19 for NIIT Media has been set at $9Mn. We expect the profitability for overall NMT operations to dip in FY 19 due to the above. However, the entity will continue to remain profitable.