**INDEPENDENT AUDITOR'S REPORT**

To the Members of NIIT Learning Systems Limited (Formerly known as Mindchampion Learning Systems Limited

**Report on the Audit of the Ind AS Financial Statements**

**Opinion**

We have audited the accompanying Ind AS financial statements of NIIT Learning System Limited (Formerly known as Mindchampion Learning Systems Limited) ("the Company"), which comprise the Balance sheet as at March 31 2022, the Statement of Profit and Loss, including the statement of Other Comprehensive Income, the Cash Flow Statement and the Statement of Changes in Equity for the year then ended, and notes to the Ind AS financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Ind-AS financial statements give the information required by the Companies Act, 2013, as amended ("the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2022, its loss including other comprehensive gain, its cash flows and the changes in equity for the year ended on that date.

**Basis for Opinion**

We conducted our audit of the Ind-AS financial statements in accordance with the Standards on Auditing (SAs), as specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the 'Auditor's Responsibilities for the Audit of the Ind AS Financial Statements' section of our report. We are independent of the Company in accordance with the 'Code of Ethics' issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Ind AS financial statements.

**Information Other than the Financial Statements and Auditor's Report Thereon**

The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Annual report, but does not include the Ind AS financial statements and our auditor's report thereon.

Our opinion on the Ind AS financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the Ind AS financial statements, our responsibility is to read the other information and, in doing so, consider whether such other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

**Responsibility of Management for the Ind AS Financial Statements**

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these Ind AS financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the Ind AS financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those Board of Directors are also responsible for overseeing the Company's financial reporting process.

**Auditor's Responsibilities for the Audit of the Ind AS Financial Statements**

Our objectives are to obtain reasonable assurance about whether the Ind AS financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these Ind AS financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the Ind AS financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the Ind-AS financial statements, including the disclosures, and whether the Ind-AS financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

**Report on Other Legal and Regulatory Requirements**

1. As required by the Companies (Auditor's Report) Order, 2020 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the "Annexure 1" a statement on the matters specified in paragraphs 3 and 4 of the Order.

2. As required by Section 143(3) of the Act, we report that:

   (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;

   (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;

   (c) The Balance Sheet, the Statement of Profit and Loss including the Statement of Other Comprehensive Income, the Cash Flow Statement and Statement of Changes in Equity dealt with by this Report are in agreement with the books of account ;

   (d) In our opinion, the aforesaid Ind AS financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Companies (Indian Accounting Standards) Rules, 2015, as amended;

   (e) On the basis of the written representations received from the directors as on March 31, 2022 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2022 from being appointed as a director in terms of Section 164 (2) of the Act;

   (f) With respect to the adequacy of the internal financial controls with reference to these Ind AS financial statements and the operating effectiveness of such controls, refer to our separate Report in "Annexure 2" to this report;

   (g) In our opinion, the managerial remuneration for the year ended March 31, 2022 has been paid / provided by the Company to its directors in accordance with the provisions of section 197 read with Schedule V to the Act;

   (h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended in our opinion and to the best of our information and according to the explanations given to us:

      i. The Company has disclosed the impact of pending litigations on its financial position in its Ind AS financial statements – Refer Note 29 to the Ind-AS financial statements;

ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses;

iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company;

iv. a) The management has represented that, to the best of its knowledge and belief, other than as disclosed in the note 33 (i) to the Ind-AS financial statements, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the company to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;

b) The management has represented that, to the best of its knowledge and belief, other than as disclosed in the note 33 (ii) to the Ind-AS financial statements, no funds have been received by the company from any person(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries; and

c) Based on such audit procedures that were considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (a) and (b) contain any material misstatement.

v. No dividend has been declared or paid during the year by the Company.

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

**Sd/-**

**per Sanjay Bachchani**
Partner
Membership Number: 400419

UDIN: 22400419AIZQCE3856
Place of Signature: Gurugram
Date: May 14, 2022

**Annexure 1 referred to in paragraph under heading "Report on other legal and regulatory requirements" of our report of even date**

**Re: NIIT Learning Systems Limited (Formerly known as Mindchampion Learning Systems Limited) ("The Company")**

i. (a) (A) The Company has maintained proper records showing full particulars, including quantitative details and situation of Property, Plant and Equipment.

(a) (B) The Company has maintained proper records showing full particulars of intangibles assets.

(b) The property, plant and equipment are physically verified by the management according to a phased programme designed to cover all the items over a period of two years which, in our opinion, is reasonable having regards to the size of the Company and nature of its assets. Pursuant to the programme, a portion of property, plant and equipment has been physically verified by the Management during the year and no material discrepancies have been noted on such verification.

(c) There is no immovable property held by the Company and accordingly, the requirement to report on clause 3(i)(c) of the Order is not applicable to the Company.

(d) The Company has not revalued its Property, Plant and Equipment (including Right of use assets) or intangible assets during the year ended March 31, 2022.

(e) There are no proceedings initiated or are pending against the Company for holding any benami property under the Prohibition of Benami Property Transactions Act, 1988 and rules made thereunder.

ii. (a) The management has conducted physical verification of inventory at reasonable intervals during the year. In our opinion the coverage and the procedure of such verification by the management is appropriate. No discrepancies of 10% or more in aggregate for each class of inventory were noticed on such physical verification. There was no inventory lying with third parties.

(b) The Company has not been sanctioned working capital limits in excess of Rs. five crores in aggregate from banks or financial institutions during any point of time of the year on the basis of security of current assets. Accordingly, the requirement to report on clause 3(ii)(b) of the Order is not applicable to the Company.

iii. (a) During the year the Company has not provided loans, advances in the nature of loans, stood guarantee or provided security to companies, firms, Limited Liability Partnerships or any other parties. Accordingly, the requirement to report on clause 3(iii)(a) of the Order is not applicable to the Company.

(b) During the year the Company has not made investments, provided guarantees, provided security and granted loans and advances in the nature of loans to companies, firms, Limited Liability Partnerships or any other parties. Accordingly, the requirement to report on clause 3(iii)(b) of the Order is not applicable to the Company.

(c) The Company has not granted loans and advances in the nature of loans to companies, firms, Limited Liability Partnerships or any other parties. Accordingly, the requirement to report on clause 3(iii)(c) of the Order is not applicable to the Company.

(d) The Company has not granted loans or advances in the nature of loans to companies, firms, Limited Liability Partnerships or any other parties. Accordingly, the requirement to report on clause 3(iii)(d) of the Order is not applicable to the Company.

(e) There were no loans or advance in the nature of loan granted to companies, firms, Limited Liability Partnerships or any other parties. Accordingly, the requirement to report on clause 3(iii)(e) of the Order is not applicable to the Company.

(f) The Company has not granted any loans or advances in the nature of loans, either repayable on demand or without specifying any terms or period of repayment to companies, firms, Limited Liability Partnerships or any other parties. Accordingly, the requirement to report on clause 3(iii)(f) of the Order is not applicable to the Company.

iv. There are no loans, investments, guarantees, and security in respect of which provisions of sections 185 and 186 of the Act are applicable and accordingly, the requirement to report on clause 3(iv) of the Order is not applicable to the Company.

v. The Company has neither accepted any deposits from the public nor accepted any amounts which are deemed to be deposits within the meaning of sections 73 to 76 of the Act and the rules made thereunder, to the extent applicable. Accordingly, the requirement to report on clause 3(v) of the Order is not applicable to the Company.

vi. The Central Government has not specified the maintenance of cost records under section 148(1) of the Act for the products of the Company.

vii. (a) The Company is regular in depositing with appropriate authorities undisputed statutory dues including goods and services tax, provident fund, employees' state insurance, income-tax, sales-tax, value added tax, cess and other statutory dues applicable to it. The provisions relating to duty of customs, duty of excise and service tax are not applicable to the Company. According to the information and explanations given to us and based on audit procedures performed by us, no undisputed amounts payable in respect of these statutory dues were outstanding, at the year end, for a period of more than six months from the date they became payable.

(b) The dues of value added tax and sales tax have not been deposited on account of any dispute, are as follows:

| **Name of the statute** | **Nature of the dues** | **Amount (Rs. in thousands)** | **Period to which the amount relates** | **Forum where the dispute is pending** |
|---|---|---|---|---|
| Haryana Value Added Tax Act 2003 | Value added tax and sales tax | 19,423 | 2016-17 | Joint Commissioner excise and taxation |

viii. The Company has not surrendered or disclosed any transaction, previously unrecorded in the books of account, in the tax assessments under the Income Tax Act, 1961 as income during the year. Accordingly, the requirement to report on clause 3(viii) of the Order is not applicable to the Company.

ix. (a) The Company did not have any outstanding loans or borrowings or interest thereon due to any lender during the year. Accordingly, the requirement to report on clause ix(a) of the Order is not applicable to the Company.

(b) The Company has not been declared wilful defaulter by any bank or financial institution or government or any government authority.

(c) The Company did not have any term loans outstanding during the year hence, the requirement to report on clause (ix)(c) of the Order is not applicable to the Company.

(d) The Company did not raise any funds during the year hence, the requirement to report on clause (ix)(d) of the Order is not applicable to the Company.

(e) The Company does not have any subsidiary, associate or joint venture. Accordingly, the requirement to report on clause 3(ix)(e) of the Order is not applicable to the Company.

(f) The Company does not have any subsidiary, associate or joint venture. Accordingly, the requirement to report on Clause 3(ix)(f) of the Order is not applicable to the Company.

x. (a) The Company has not raised any money during the year by way of initial public offer / further public offer (including debt instruments) hence, the requirement to report on clause 3(x)(a) of the Order is not applicable to the Company.

(b) The Company has not made any preferential allotment or private placement of shares /fully or partially or optionally convertible debentures during the year under audit and hence, the requirement to report on clause 3(x)(b) of the Order is not applicable to the Company.

xi. (a) No fraud by the Company or no fraud on the Company has been noticed or reported during the year.

(b) During the year, no report under sub-section (12) of section 143 of the Act has been filed by secretarial auditor and by us in Form ADT – 4 as prescribed under Rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government. The requirement to appoint cost auditor is not applicable to the Company.

(c) As represented to us by the management, there are no whistle blower complaints received by the Company during the year.

xii. (a) The Company is not a nidhi Company as per the provisions of the Act. Therefore, the requirement to report on clause 3(xii)(a) of the Order is not applicable to the Company.

(b) The Company is not a nidhi company as per the provisions of the Act. Therefore, the requirement to report on clause 3(xii)(b) of the Order is not applicable to the Company.

(c) The Company is not a nidhi company as per the provisions of the Act. Therefore, the requirement to report on clause 3(xii)(c) of the Order is not applicable to the Company.

xiii. Transactions with the related parties are in compliance with sections 177 and 188 of the Act where applicable and the details have been disclosed in the notes to the financial statements, as required by the applicable accounting standards.

xiv. (a) The Company has an internal audit system commensurate with the size and nature of its business.

(b) The internal audit reports of the Company issued till the date of the audit report, for the period under audit have been considered by us.

xv. The Company has not entered into any non-cash transactions with its directors or persons connected with its directors and hence requirement to report on clause 3(xv) of the Order is not applicable to the Company.

xvi. (a) The provisions of section 45-IA of the Reserve Bank of India Act, 1934 (2 of 1934) are not applicable to the Company. Accordingly, the requirement to report on clause (xvi)(a) of the Order is not applicable to the Company.

(b) The Company has not conducted any Non-Banking Financial or Housing Finance activities without obtaining a valid Certificate of Registration (CoR) from the Reserve Bank of India as per the Reserve Bank of India Act, 1934.

(c) The Company is not a Core Investment Company as defined in the regulations made by Reserve Bank of India. Accordingly, the requirement to report on clause 3(xvi)(c) of the Order is not applicable to the Company.

(d) There are no other Companies part of the Group, hence, the requirement to report on clause 3(xvi)(d) of the Order is not applicable to the Company.

xvii. The Company has incurred cash losses amounting to Rs. 13,412 thousand in the current year and amounting to Rs. 90,792 thousand in the immediately preceding financial year respectively.

xviii. There has been no resignation of the statutory auditors during the year and accordingly requirement to report on Clause 3(xviii) of the Order is not applicable to the Company.

xix. On the basis of the financial ratios disclosed in note 33 to the financial statements, the ageing and expected dates of realization of financial assets and payment of financial liabilities, other information accompanying the financial statements, our knowledge of the Board of Directors and management plans and based on our examination of the evidence supporting the assumptions and considering the Company's current liabilities exceeds the current assets by Rs. 18,464 thousand, the Company has obtained the letter of financial support from the Holding Company, nothing has come to our attention, which causes us to believe that Company is not capable of meeting its liabilities, existing at the date of balance sheet, as and when they fall due within a period of one year from the balance sheet date. We, further state that this is not an assurance as to the future viability of the Company and our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.

xx. The provisions of Section 135 of the Act are not applicable to the Company and accordingly, the requirement to report on clause xx(a) and xx(b) of the Order are not applicable to the Company.

**For S.R. Batliboi & Associates LLP**
Chartered Accountants
ICAI Firm registration number: 101049W/E300004

Sd/-
**per Sanjay Bachchani**
Partner
Membership Number: 400419

UDIN: 22400419AIZQCE3856
Place of Signature: Gurugram
Date: May 14, 2022

**ANNEXURE 2 TO THE INDEPENDENT AUDITOR'S REPORT OF EVEN DATE ON THE IND AS FINANCIAL STATEMENTS OF NIIT LEARNING SYSTEMS LIMITED (FORMERLY KNOWN AS MINDCHAMPIION LEARNING SYSTEMS Limited)**

**Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")**

We have audited the internal financial controls with reference to Ind AS financial statements of NIIT Learning Systems Limited (Formerly known as Mindchampion Learning Systems Limited) ("the Company") as of March 31, 2022 in conjunction with our audit of the Ind AS financial statements of the Company for the year ended on that date.

**Management's Responsibility for Internal Financial Controls**

The Company's Management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India ("ICAI"). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

**Auditor's Responsibility**

Our responsibility is to express an opinion on the Company's internal financial controls with reference to these Ind AS financial statements based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing, as specified under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls, both issued by ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to these Ind AS financial statements was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls with reference to these Ind AS financial statements and their operating effectiveness. Our audit of internal financial controls with reference to Ind AS financial statements included obtaining an understanding of internal financial controls with reference to these Ind AS financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls with reference to these Ind AS financial statements.

**Meaning of Internal Financial Controls With Reference to these Ind AS Financial Statements**

A company's internal financial controls with reference to Ind AS financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial controls with reference to Ind AS financial statements includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

**Inherent Limitations of Internal Financial Controls With Reference to Ind AS Financial Statements**

Because of the inherent limitations of internal financial controls with reference to Ind AS financial statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls with reference to Ind AS financial statements to future periods are subject to the risk that the internal financial control with reference to Ind AS financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

**Opinion**

In our opinion, the Company has, in all material respects, adequate internal financial controls with reference to Ind AS financial statements and such internal financial controls with reference to Ind AS financial statements were operating effectively as at March 31, 2022, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note issued by the ICAI.

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

**Sd/-**
**per Sanjay Bachchani**
Partner
Membership Number: 400419

UDIN: 22400419AIZQCE3856
Place of Signature: Gurugram
Date: May 14, 2022

**NIIT LEARNING SYSTEMS LIMITED**
**(Formerly Known as Mindchampion Learning Systems Limited)**
**CIN: U72200HR2001PLC099478**
**Balance Sheet as at March 31, 2022**

(All amounts in Rs. thousands, unless stated otherwise)

| | Notes | As at March 31, 2022 | As at March 31, 2021 |
|---|---|---|---|
| **ASSETS** | | | |
| **Non-current assets** | | | |
| Property, plant and equipment | **3** | 54.37 | 321.83 |
| Intangible assets | **4** | - | 0.04 |
| Right-of-use assets | **5(ii)** | 316.77 | 177.53 |
| Financial assets | | | |
| Trade receivables | **7(ii)** | - | 68.75 |
| Other financial assets | **7(iii)** | 20,321.80 | - |
| Income Tax Assets (net) | **8** | 21,072.04 | 20,898.56 |
| **Total non-current assets** | | **41,764.98** | **21,466.71** |
| **Current assets** | | | |
| Inventories | **9** | 5,418.35 | 17,195.13 |
| Financial assets | | | |
| Investments | **7(i)** | 68,820.08 | 46,929.05 |
| Trade receivables | **7(ii)** | 35,025.01 | 59,214.11 |
| Cash and cash equivalents | **7(iv)** | 1,322.48 | 16,451.26 |
| Bank balances other than above | **7(v)** | - | 7,000.00 |
| Other financial assets | **7(iii)** | 1,289.70 | 1,562.28 |
| Other current assets | **10** | 7,410.70 | 10,231.66 |
| **Total current assets** | | **119,286.32** | **158,583.49** |
| **TOTAL ASSETS** | | **161,051.30** | **180,050.20** |
| **EQUITY AND LIABILITIES** | | | |
| **EQUITY** | | | |
| Equity share capital | **11** | 1,155,640.72 | 1,155,640.72 |
| Other equity | | | |
| Reserves and surplus | **12(i)** | (1,275,056.86) | (1,270,654.27) |
| Other reserves | **12(ii)** | 142,717.18 | 142,717.18 |
| **TOTAL EQUITY** | | **23,301.04** | **27,703.63** |
| **LIABILITIES** | | | |
| **Non-current liabilities** | | | |
| Other non-current liabilities | **15** | - | 5.21 |
| **Total non-current liabilities** | | **-** | **5.21** |
| **Current liabilities** | | | |
| Financial liabilities | | | |
| Lease Liabilities | **5(ii)** | 317.97 | 183.69 |
| Trade payables | **13(i)** | | |
| (a) Total outstanding dues of micro enterprises and small enterprises | | 87.64 | - |
| (b) Total outstanding dues of Creditors other than Micro enterprises & small enterprises | | 105,195.90 | 108,582.63 |
| Other financial liabilities | **13(ii)** | 8,696.75 | 11,624.31 |
| Provisions | **14** | 6,567.51 | 10,135.71 |
| Other current liabilities | **15** | 16,884.49 | 21,815.02 |
| **Total current liabilities** | | **137,750.26** | **152,341.36** |
| **TOTAL LIABILITIES** | | **137,750.26** | **152,346.57** |
| **TOTAL EQUITY AND LIABILITIES** | | **161,051.30** | **180,050.20** |

The accompanying notes form an integral part of these financial statements.
As per our report of even date.

**For S.R. Batliboi & Associates LLP**
Chartered Accountants
Firm Registration No: 101049W/E300004

**For and on behalf of the Board of Directors of**
**NIIT Learning Systems Limited**
**(Formerly Known as Mindchampion Learning Systems Limited)**

**Sanjay Bachchani**
Partner
Membership No. 400419

**P Rajendran**
Director
DIN - 00042531

**Vijay K Thadani**
Director
DIN - 00042527

**Sanjay Kumar Jain**
Chief Financial Officer

**Siddharth Nath**
Company Secretary

Place: Gurugram
Date: May 14, 2022

Place: Gurugram
Date: May 14, 2022

**NIIT LEARNING SYSTEMS LIMITED**
**(Formerly Known as Mindchampion Learning Systems Limited)**
**CIN: U72200HR2001PLC099478**

**Statement of Profit and Loss for the year ended March 31, 2022**

(All amounts in Rs. thousands, unless stated otherwise)

| | Notes | Year ended March 31, 2022 | Year ended March 31, 2021 |
|---|---|---|---|
| **Income** | | | |
| Revenue from operations | **16** | 91,121.85 | 130,245.37 |
| Other income | **17** | 15,939.74 | 15,564.61 |
| **Total Income** | | **107,061.59** | **145,809.98** |
| **Expenses** | | | |
| Purchase of stock-in-trade | | 1,093.89 | 7,552.86 |
| Changes in inventories of stock-in-trade | **9** | 11,776.78 | 9,110.05 |
| Professional & technical outsourcing expenses | | 17,861.76 | 19,504.30 |
| Employee benefits expenses | **18** | 65,948.20 | 145,467.20 |
| Finance costs | **19** | 53.39 | 17,913.64 |
| Depreciation and amortisation expense | **3, 4 & 5 (ii)** | 432.84 | 8,105.61 |
| Other expenses | **20** | 14,150.30 | 56,861.26 |
| **Total Expenses** | | **111,317.16** | **264,514.92** |
| **Loss before exceptional items and tax** | | **(4,255.57)** | **(118,704.94)** |
| Exceptional items (net) | **22** | (295.00) | (41,764.94) |
| **Loss before Tax** | | **(4,550.57)** | **(160,469.88)** |
| **Income tax expense:** | **23** | | |
| Current tax | | 271.02 | 774.94 |
| **Total Tax Expenses** | | **271.02** | **774.94** |
| **Loss for the year** | | **(4,821.59)** | **(161,244.82)** |
| **Other comprehensive income** | | | |
| Items that will not be reclassified subsequently to profit or loss | | | |
| a) Remeasurement of the defined benefit obligation | **26** | 419.00 | 5,754.00 |
| b) Income tax effect | | - | - |
| **Total other comprehensive income for the year, net of tax** | | **419.00** | **5,754.00** |
| **Total comprehensive loss for the year** | | **(4,402.59)** | **(155,490.82)** |
| **Loss per equity share (Face Value Rs. 10/- each):** | **27** | | |
| -Basic | | (0.04) | (1.72) |
| -Diluted | | (0.04) | (1.72) |

The accompanying notes form an integral part of these financial statements.
As per our report of even date.

**For S.R. Batliboi & Associates LLP**
Chartered Accountants
Firm Registration No: 101049W/E300004

**Sanjay Bachchani**
Partner
Membership No. 400419

Place: Gurugram
Date: May 14, 2022

**For and on behalf of the Board of Directors of**
**NIIT Learning Systems Limited**
(Formerly Known as Mindchampion Learning Systems Limited)

**P Rajendran**
Director
DIN - 00042531

**Vijay K Thadani**
Director
DIN - 00042527

**Sanjay Kumar Jain**
Chief Financial Officer

**Siddharth Nath**
Company Secretary

Place: Gurugram
Date: May 14, 2022

**NIIT LEARNING SYSTEMS LIMITED**
**(Formerly Known as Mindchampion Learning Systems Limited)**
**CIN: U72200HR2001PLC099478**
**Statement of changes in equity for the year ended March 31, 2022**

(All amounts in Rs. thousands, unless stated otherwise)

**a) Equity Share Capital**

| **Particulars** | **Numbers** | **Amount** |
|---|---|---|
| Equity share of Rs. 10 each issued, subscribed and fully paid | | |
| **Balance at April 1, 2020** | **69,064,072** | **690,640.72** |
| Issue of equity share capital | 46,500,000 | 465,000.00 |
| **Balance at March 31, 2021** | **115,564,072** | **1,155,640.72** |
| **Balance at April 1, 2021** | **115,564,072** | **1,155,640.72** |
| Issue of equity share capital | - | - |
| **Balance at March 31, 2022** | **115,564,072** | **1,155,640.72** |

| **b) Other Equity** | **Reserves and surplus** | | **Other reserves** | **Total** |
|---|---|---|---|---|
| | **Securities premium** | **Retained earnings** | | |
| **Balance as at April 1, 2020** | 20,000.00 | (1,135,163.45) | 146,317.18 | (968,846.27) |
| Loss for the year | - | (161,244.82) | - | (161,244.82) |
| Other comprehensive income (net of tax) | - | 5,754.00 | - | 5,754.00 |
| Expenses for issue of equity share capital | - | - | (3,600.00) | (3,600.00) |
| **Total Comprehensive loss for the year** | - | (155,490.82) | (3,600.00) | (159,090.82) |
| **Balance as at March 31, 2021** | **20,000.00** | **(1,290,654.27)** | **142,717.18** | **(1,127,937.09)** |
| **Balance as at April 1, 2021** | 20,000.00 | (1,290,654.27) | 142,717.18 | (1,127,937.09) |
| Loss for the year | - | (4,821.59) | - | (4,821.59) |
| Other comprehensive income (net of tax) | - | 419.00 | - | 419.00 |
| **Total Comprehensive loss for the year** | - | (4,402.59) | - | (4,402.59) |
| **Balance as at March 31, 2022** | **20,000.00** | **(1,295,056.86)** | **142,717.18** | **(1,132,339.68)** |

The accompanying notes form an integral part of these financial statements.
As per our report of even date.

**For S.R. Batliboi & Associates LLP**
Chartered Accountants
Firm Registration No: 101049W/E300004

**Sanjay Bachchani**
Partner
Membership No. 400419

Place: Gurugram
Date: May 14, 2022

**For and on behalf of the Board of Directors of**
**NIIT Learning Systems Limited**
(Formerly Known as Mindchampion Learning Systems Limited)

**P Rajendran**
Director
DIN - 00042531

**Vijay K Thadani**
Director
DIN - 00042527

**Sanjay Kumar Jain**
Chief Financial Officer

**Siddharth Nath**
Company Secretary

Place: Gurugram
Date: May 14, 2022

**NIIT LEARNING SYSTEMS LIMITED**
**(Formerly Known as Mindchampion Learning Systems Limited)**
**CIN: U72200HR2001PLC099478**
**Statement of Cash Flow for the year ended March 31, 2022**

(All amounts in Rs. thousands, unless stated otherwise)

| | Year ended | |
|---|---|---|
| | **March 31, 2022** | **March 31, 2021** |
| **A. Cash Flow From Operating Activities:** | | |
| **Loss before exceptional items and tax** | **(4,255.57)** | **(118,704.94)** |
| **Adjustments to reconcile loss before tax to net cash flows:** | | |
| Depreciation and amortisation | 432.84 | 8,105.61 |
| Allowance for doubtful debts (net of reversal) | (7,814.70) | 24,121.90 |
| Allowance for doubtful advances and deposits | 49.59 | 27.20 |
| Provision / Other Liabilities written back | (2,424.10) | (5,710.89) |
| Provision for slow/Non- moving Inventory (Net) | 1,992.05 | 2,227.10 |
| Unrealised foreign exchange (gain)/ loss | (85.99) | 246.57 |
| Finance cost | 53.39 | 17,913.64 |
| Interest income | (2,105.07) | (5,591.63) |
| Gain on termination of Leases (Net) | - | (18.61) |
| Gain on sale of property, plant and equipment | (738.37) | (664.20) |
| Net gain on Investment carried at fair value through profit and loss | (1,894.34) | (431.83) |
| **Operating loss before working capital changes** | **(16,790.27)** | **(78,480.08)** |
| **Working Capital Adjustments:** | | |
| Decrease in trade payables | (3,521.33) | (84,785.49) |
| Decrease in short term provisions | (3,149.20) | (1,514.59) |
| Decrease in other current liabilities | (2,506.43) | (14,274.03) |
| Decrease in other non-current financial liabilities | - | (100.00) |
| Decrease in other non-current liabilities | (5.21) | (24.87) |
| Decrease in other current financial liabilities | (2,927.56) | (14,660.51) |
| Decrease in current trade receivables | 32,017.03 | 59,191.45 |
| Decrease in non current trade receivables | 68.75 | 966.47 |
| Decrease in inventories | 9,784.73 | 6,882.95 |
| (Increase)/Decrease in other current financial assets | (62.50) | 727.99 |
| Decrease in other Non- current financial assets | - | 30.00 |
| Decrease in other non-current assets | - | 37.32 |
| Decrease in other current assets | 2,771.37 | 5,937.64 |
| **Net Cash generated from / (used in) operations before tax** | **15,679.38** | **(120,065.75)** |
| Direct Tax- (paid including TDS) / refund received (Net) | (444.50) | 22,289.26 |
| **Net Cash flow generated from / (used in) operating activities (A)** | **15,234.88** | **(97,776.49)** |
| **B. Cash Flow From Investing Activities:** | | |
| Purchase of property, plant and equipment (including capital work-in-progress, internally generated intangibles and capital advances) | (9.38) | (686.60) |
| Proceeds from sale of Property, Plant and Equipment | 786.34 | 891.30 |
| Interest received | 1,898.46 | 5,496.21 |
| Encashment of bank deposits (net of placement) | (12,780.11) | (7,000.00) |
| Purchase of Mutual Funds | (66,496.69) | (55,497.22) |
| Proceeds from sale of Mutual Funds | 46,500.00 | 9,000.00 |
| **Net cash flow used in investing activities (B)** | **(30,101.38)** | **(47,796.31)** |

**NIIT LEARNING SYSTEMS LIMITED**
**(Formerly Known as Mindchampion Learning Systems Limited)**
**CIN: U72200HR2001PLC099478**
**Statement of Cash Flow for the year ended March 31, 2022**

(All amounts in Rs. thousands, unless stated otherwise)

| | | Year ended | |
|---|---|---|---|
| | | **March 31, 2022** | **March 31, 2021** |
| **C.** | **Cash Flow From Financing Activities:** | | |
| | Loan taken from Holding Company | - | 50,000.00 |
| | Repayments of borrowings | - | (350,000.00) |
| | Interest paid on cash credit, borrowings and others | (45.76) | (18,190.48) |
| | Payment of Lease Liabilities | (216.52) | (546.25) |
| | Issue of equity share capital | - | 465,000.00 |
| | Expense for issue of equity share capital | - | (3,600.00) |
| | **Net Cash flow (used in) /generated from financing activities ( C )** | **(262.28)** | **142,663.27** |
| | **Net Decrease in Cash & Cash Equivalents (A) + (B) + (C )** | **(15,128.78)** | **(2,909.53)** |
| | Cash and Cash Equivalents at the beginning of the financial year | 16,451.26 | 19,360.79 |
| | **Cash and Cash Equivalents as at the end of the financial year** | **1,322.48** | **16,451.26** |

**Reconciliation of cash and cash equivalents as per the cash flow statement**

| | | As at | |
|---|---|---|---|
| **1** | **Particulars** | **March 31, 2022** | **March 31, 2021** |
| | **Composition of Cash and cash equivalents included in the statement of cash flows comprise of the following balance sheet amounts:** | | |
| | Current accounts | 1,322.48 | 2,588.56 |
| | Deposits with original maturity of less than 3 months | - | 13,000.00 |
| | Cheques and drafts on hand | - | 862.70 |
| | **Total** | **1,322.48** | **16,451.26** |

**2** Figures in parenthesis indicate cash outflow.

**3** The cash flow statement has been prepared using the indirect method as set out in Ind-AS 7.

The accompanying notes form an integral part of these financial statements.
As per our report of even date.

**For S.R. Batliboi & Associates LLP**
Chartered Accountants
Firm Registration No: 101049W/E300004

**For and on behalf of the Board of Directors of**
**NIIT Learning Systems Limited**
(Formerly Known as Mindchampion Learning Systems Limited)

**Sanjay Bachchani**
Partner
Membership No. 400419

**P Rajendran**
Director
DIN - 00042531

**Vijay K Thadani**
Director
DIN - 00042527

**Sanjay Kumar Jain**
Chief Financial Officer

**Siddharth Nath**
Company Secretary

Place: Gurugram
Date: May 14, 2022

Place: Gurugram
Date: May 14, 2022

**NIIT LEARNING SYSTEMS LIMITED**
**(Formerly Known as Mindchampion Learning Systems Limited)**
**CIN: U72200HR2001PLC099478**
**Notes to the Financial Statements for the year ended March 31, 2022**

## 1 Company Information

NIIT Learning Systems Limited (Formerly known as Mindchampion Learning Systems Limited), (' the Company') was set up in 2001 and was involved in the research and development activities for the purpose of discovering the extent to which poor children in rural and slum areas in India can access and learn from web based curriculum using a purpose built 'Internet Kiosk'. Pursuant to a Scheme of Arrangement, the School Business Undertaking (SLS) of NIIT Limited was transferred to the Company w.e.f. May 23, 2015 from appointed date of April 1, 2014. Presently, the Company is primarily in the business of providing education services and other related solutions to schools across India. The current registered place of business of the Company is Plot No. 85, Sector - 32, Institutional Area, Gurugram - 122001 (Haryana) India.

During the year, the Company's registered office has been shifted to Plot No. 85, Sector - 32, Institutional Area, Gurugram - 122001 (Haryana) India, w.e.f. November 5, 2021, pursuant to the approval of Regional Director, Northern Region, Ministry of Corporate Affairs, New Delhi.

During the year, the name of the Company has been changed from “Mindchampion Learning Systems Limited” to “NIIT Learning Systems Limited” w.e.f. January 18, 2022 vide certificate of incorporation issued by Ministry of Corporate Affairs, Government of India.

## 2 Significant Accounting Policies

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

### a) Basis of preparation

### (i) Compliance with Ind AS

These financial statements (‘financial statements’) have been prepared in accordance with the Indian Accounting Standard (‘Ind AS’) notified under section 133 of the Companies Act, 2013, read with the Companies (Indian Accounting Standards) Rules as amended from time to time by the Ministry of Corporate Affairs (‘MCA’).

The financial statements are based on the classification provisions contained in Ind AS 1, ‘Presentation of Financial Statements’ and division II of schedule III of the Companies Act 2013. Further, for the purpose of clarity, various items are aggregated in the statement of profit and loss and balance sheet. Nonetheless, these items are dis-aggregated separately in the notes to the financial statements, where applicable or required. All the amounts included in the financial statements are reported in Indian Rupees (‘Rupees’ or ‘Rs.’) and are rounded to the nearest thousands, within two decimals, except per share data unless stated otherwise.

The net worth of the Company is Substantially eroded as at March 31, 2022. The holding company NIIT Limited has committed operational and financial support to the Company for it to be able to meet future liabilities. Accordingly Company's Financial Statements have been prepared on an going concern basis.

The financial statements were authorized for issue by the Board of Directors of the Company on May 14, 2022.

### (ii) Basis of measurement

The financial statements have been prepared on a historical cost basis, except for the following:
• Financial assets and liabilities (including derivative instruments) that are measured at fair value or amortised cost
• Defined benefit plans – plan assets measured at fair value
• Share-based payments (ESOP’s)

### b) Foreign currency translation

**i. Functional and presentation currency**

Items included in the financial statements are measured using the currency of the primary economic environment in which the entity operates (‘the functional currency’). The financial statements are presented in Indian rupee (Rs.), which is the Company’s functional and presentation currency.

**ii. Transactions and balances**

Foreign currency transactions are translated into the functional currency using the exchange rates at the dates of the transactions. 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 recognised in the statement of profit and loss.

**c) Current - non-current classification**

Assets and liabilities are classified into current and non-current as follows:

**Assets**

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

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

Current assets include the current portion of non-current financial assets. All other assets (including deferred tax assets) are classified as non-current.

**Liabilities**

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

- it is expected to be settled in the Company's normal operating cycle;
- it is held primarily for the purpose of being traded;
- it is due to be settled within 12 months after the reporting period; or
- the Company does not have an unconditional right to defer settlement of the liability for at least 12 months after the reporting period. Terms of a liability that could, at the option of the counterparty, result in its settlement by the issue of equity instruments do not affect its classification.

Current liabilities include the current portion of non-current financial liabilities. All other liabilities (including deferred tax liabilities) are classified as non-current.

**Operating cycle**

The operating cycle is the time between the acquisition of assets for processing and their realisation in cash or cash equivalents. Based on the nature of operations and the time between the acquisition of assets for processing and their realisation in cash and cash equivalents, the Company has ascertained its operating cycle being a period of 12 months for the purpose of classification of assets and liabilities as current and non-current.

**d) Revenue recognition**

Revenue is measured at the fair value of the consideration received or receivable. Amounts disclosed as revenue are net of returns, trade allowances, rebates, discounts and taxes.

When two or more revenue generating activities or deliverables are provided under a single arrangement, each deliverable that is considered to be a separate deliverable is accounted separately. Where the contracts include multiple performance obligations, the transaction price is allocated to each performance obligation based on the standalone selling prices in accordance with the principles given in Ind AS 115. Where the standalone selling prices are not directly observable, these are estimated based on expected cost plus margin or residual method to allocate the total transaction price. In cases of residual method, the standalone selling price is estimated by reference to the total transaction price less the sum of the observable standalone selling prices of other goods or services promised in the contract.

Services are provided under time and material contracts and fixed price contracts. Revenue from providing services is recognised over a period of time in the accounting period in which services are rendered. The revenue from time and material contracts is recognised at the amount to which the Company has right to invoice.

In respect of fixed price contracts, revenue is recognised based on the technical evaluation of utilization of services as per the proportionate completion method when no significant uncertainty exists regarding the amount of consideration that will be determined from rendering the service. The customer pays the fixed amount based on a payment schedule. If the services rendered by the Company exceed the payment, a contract asset is recognised. If the payment exceed the services rendered, a contract liability is recognised. Revenue from training is recognised over the period of delivery. The foreseeable losses on completion of contract, if any, are provided for. (i) Revenue in respect of sale of courseware is recognised when the significant risks and rewards of ownership in it are transferred to the buyer as per the terms of the contracts.

Estimates of revenues, costs or extent of progress towards completion are revised if circumstances change. Any resulting increase or decrease in estimated revenues or costs are reflected in profit or loss in the period in which the circumstances that give rise to the revision become known to management.(ii) Revenue from the training services is recognised over the period of the course programs as the case may be. For fixed-price contracts, revenue is recognised based on the actual service provided to the end of the reporting period as a proportion of the total services to be provided (percentage of completion method). Revenue from time and material contracts is recognised as the related services are performed.

Revenue in respect of sale of courseware and other physical deliverables is recognised at a point in time when these are delivered, the legal title is passed and the customer has accepted the courseware and other physical deliverables.

In other cases, where courseware is not considered a separate component under a contract, revenue from the composite course is recognised over the period of the training or the contract period, depending upon the terms and conditions.

**e) Other Income**

Interest income is recognised on a time proportion basis taking into account the amount outstanding and applicable rate of interest. Interest income from debt instruments is recognised using the effective interest rate method. The effective interest rate is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the gross carrying amount of a financial asset. When calculating the effective interest rate, the Company estimates the expected cash flows by considering all the contractual terms of the financial instrument (for example, prepayment, extension, call and similar options) but does not consider the expected credit losses.

**f) Segment reporting**

Operating segments are reported in a manner consistent with the internal reporting provided to the Chief Operating Decision Maker (CODM). The CEO & CFO of the Company are considered as chief operating decision makers who assesse the financial performance and position of the Company, and make strategic decisions.

**g) Income taxes**

Income tax expense comprises current tax expense and the net change in the deferred tax asset or liability during the year. Current and deferred taxes are recognised in statement of profit and loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognised in other comprehensive income or directly in equity, respectively.

**Current income taxes**

The current income tax expense includes income taxes payable by the Company. The current tax payable by the Company in India is Indian income tax payable on worldwide income after taking credit for tax relief available.
Advance taxes and provisions for current income taxes are presented in the balance sheet after off-setting advance tax paid and income tax provision.

**Deferred income taxes**

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities and when the deferred tax balances relate to the same taxation authority. Current tax assets and tax liabilities are offset where the entity has a legally enforceable right to offset and intends either to settle on a net basis, or to realize the asset and settle the liability simultaneously.

Minimum Alternative Tax ('MAT') credit entitlement under the provisions of the Income-tax Act, 1961 is recognised as a deferred tax asset when it is probable that future economic benefit associated with it in the form of adjustment of future income tax liability, will flow to the Company and the asset can be measured reliably. MAT credit entitlement is set off to the extent allowed in the year in which the Company becomes liable to pay income taxes at the enacted tax rates. MAT credit entitlement is reviewed at each reporting date and is recognised to the extent that is probable that future taxable profits will be available against which they can be used. MAT credit entitlement has been presented as deferred tax asset in Balance Sheet. Significant management judgement is required to determine the probability of recognition of MAT credit entitlement and deferred tax.

**h) Leases**

A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

**(a) Company as a lessee**

The Company accounts for each lease component within the contract as a lease separately from non-lease components of the contract and allocates the consideration in the contract to each lease component on the basis of the relative standalone price of the lease component and the aggregate standalone price of the non-lease components.

The Company recognises right-of-use asset representing its right to use the underlying asset for the lease term at the lease commencement date. The cost of the right-of-use asset measured at inception shall comprise of the amount of the initial measurement of the lease liability adjusted for any lease payments made at or before the commencement date less any lease incentives received, plus any initial direct costs incurred and an estimate of costs to be incurred by the lessee in dismantling and removing the underlying asset or restoring the underlying asset or site on which it is located. The right-of-use assets is subsequently measured at cost less any accumulated depreciation, accumulated impairment losses, if any and adjusted for any remeasurement of the lease liability. The right-of-use assets is depreciated using the straight-line method from the commencement date over the shorter of lease term or useful life of right-of-use asset. The estimated useful lives of right-of use assets are determined on the same basis as those of property, plant and equipment. Right-of-use assets are tested for impairment whenever there is any indication that their carrying amounts may not be recoverable. Impairment loss, if any, is recognised in the statement of profit and loss.

The Company has adopted the amendments to Ind AS 116 for the first time in the current year. The amendments provide practical relief to lessees in accounting for rent concessions occurring as a direct consequence of COVID-19, by introducing a practical expedient to Ind AS 116. The practical expedient permits a lessee to elect not to assess whether a COVID-19-related rent concession is a lease modification. A lessee that makes this election shall account for any change in lease payments resulting from the COVID-19-related rent concession the same way it would account for the change applying Ind AS 116 if the change were not a lease modification.

The practical expedient applies only to rent concessions occurring as a direct consequence of COVID-19 and only if all of the following conditions are met:
(a) The change in lease payments results in revised consideration for the lease that is substantially the same as, or less than, the consideration for the lease immediately preceding the change;
(b) Any reduction in lease payments affects only payments originally due on or before June 30, 2022 (a rent concession meets this condition if it results in reduced lease payments on or before June 30, 2022 and increased lease payments that extend beyond June 30, 2022); and
(c) There is no substantive change to other terms and conditions of the lease.

**b) Comapny as a lessor**

At the inception of the lease the Company classifies each of its leases as either an operating lease or a finance lease. The Company recognises lease payments received under operating leases as income on a straight-line basis over the lease term. In case of a finance lease, finance income is recognised over the lease term based on a pattern reflecting a constant periodic rate of return on the lessor's net investment in the lease. When the Company is an intermediate lessor it accounts for its interests in the head lease and the sub-lease separately. It assesses the lease classification of a sub-lease with reference to the right-of-use asset arising from the head lease, not with reference to the underlying asset. If a head lease is a short term lease to which the Company applies the exemption described above, then it classifies the sub-lease as an operating lease.

If an arrangement contains lease and non-lease components, the Company applies Ind AS 115 Revenue from contracts with customers to allocate the consideration in the contract.

**i) Investments and other financial assets**

**i) Classification**

The Company classifies its financial assets in the following measurement categories:

• those to be measured subsequently at fair value (either through other comprehensive income, or through profit or loss), and

• those measured at amortised cost.

The classification depends on the Company's business model for managing the financial assets and the contractual terms of the cash flows.

For assets measured at fair value, gains and losses will either be recorded in profit or loss or other comprehensive income.

**ii) Measurement**

At initial recognition, the Company measures a financial asset at its fair value. Any subsequent change in the fair value is charged to profit and loss.

**iii) Impairment of financial assets**

The Company recognises a loss allowance for expected credit losses on investments in debt instruments that are measured at amortised cost or at FVOCI, trade receivables and contract assets, financial guarantee contracts, and certain other financial assets measured at amortised cost such as deferred consideration receivable on disposal of subsidiaries. The amount of expected credit losses is updated at each reporting date to reflect changes in credit risk since initial recognition of the respective financial instrument.

The Company recognises lifetime expected credit losses (ECL) for trade receivables and contract assets. The expected credit losses on these financial assets are estimated using a provision matrix based on the Company's historical credit loss experience, adjusted for factors that are specific to the debtors, general economic conditions and an assessment of both the current as well as the forecast direction of conditions at the reporting date, including time value of money where appropriate.

For all other financial instruments, the Company recognises lifetime ECL when there has been a significant increase in credit risk since initial recognition. However, if the credit risk on the financial instrument has not increased significantly since initial recognition, the Company measures the loss allowance for that financial instrument at an amount equal to 12-month ECL.

Lifetime ECL represents the expected credit losses that will result from all possible default events over the expected life of a financial instrument. In contrast, 12-month ECL represents the portion of lifetime ECL that is expected to result from default events on a financial instrument that are possible within 12 months after the reporting date.

**j) Cash and cash equivalents**

For the purpose of presentation in the statement of cash flows, cash and cash equivalents includes cash on 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 overdraft are shown as borrowings in current financial liabilities in the balance sheet.

**k) Trade receivables**

Trade receivables are recognised initially at fair value and subsequently adjusted for expected credit loss using the effective interest method.

**l) Inventories: Traded goods**

Traded goods are stated at the lower of cost or net realisable value. Cost of traded goods comprises cost of purchases and all other costs incurred in bringing the inventories to their present location and condition. Costs are assigned to individual items of inventory on the basis of weighted average method. Costs of purchased inventory are determined after deducting rebates and discounts. Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale.

**m) Property, plant and equipment**

The Company had applied for the one-time transition exemption of considering the carrying cost on the transition date i.e. April 01, 2016 as the deemed cost under Ind AS, regarded thereafter as historical cost. 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 recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. The carrying amount of any component accounted for as a separate asset is de-recognised when replaced. All other repairs and maintenance are charged to profit or loss during the reporting period in which they are incurred.

**Depreciation methods, estimated useful lives and residual value**
Depreciation is calculated using the straight-line method to allocate their cost, net of their residual values, over their estimated useful lives as follows:

| Description of Assets | Useful life |
|---|---|
| Plant and Equipment including: | |
| - Computers, Printers and related Accessories | 3 Years |
| - Computer Servers and Networks | 5 Years |
| - Electronic Equipments | 8 years |
| - Air Conditioners | 10 years |
| Office Equipments | 5 years |
| Furniture & Fixtures | 7 years |
| Leasehold Improvements | 3-5 years or lease period, whichever is lower |
| All other assets | Life prescribed under Schedule II to the Companies Act, 2013 |

Depreciation is provided on pro-rata basis on the straight line method over the useful lifes of the assets. The depreciation charge for each period is recognised in the statement of profit and loss . The residual values is considered as nil.
The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period.
An asset's carrying amount is written down immediately to its 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 income/ (expenses).

**n) Intangible assets**
**Computer software, Educational content/products - Acquired**
These Intangible assets are carried at cost less accumulated amortisation and accumulated impairment losses.

**Education content / products - Internally generated**
Expenditure on research activities is recognised as an expense in the period in which it is incurred. Development costs that are directly attributable to the design, develpoment and testing of identifiable and unique educational content / products controlled by the Company are recognised as intangible assets when the following criteria are met:
• it is technically feasible to complete the development so that it will be available for use;
• management intends to complete the content / product and use;
• there is an ability to use or sell the content / product;
• it can be demonstrated how the content / product will generate probable future economic benefits;
• adequate technical, financial and other resources to complete the development and to use or sell the content / product are available, and
• the expenditure attributable to the content / product during its development can be reliably measured.
Directly attributable costs that are capitalised as part of the intangibles include employee costs and an appropriate portion of relevant overheads.
Capitalised development costs are recorded as intangible assets and amortised from the point at which the asset is available for use.

**Amortisation methods and periods**
Intangible assets are amortised on a straight line basis over their estimated useful lives which are as follows:

| Particulars | Useful lifes |
|---|---|
| Internally generated (Content and products) | |
| - School based non-IT content | 10 years |
| - Others | 3-5 years |
| Acquired (Software, content and products) | 3-5 years |

**o) Impairment of assets**

Assets are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs of disposal and value in use. For the purposes 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 Companys of assets (cash-generating units). Non-financial assets that suffered an impairment are reviewed for possible reversal of the impairment at the end of each reporting period.

An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. Such a reversal is made only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

**p) 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. Trade and other payables are presented as current liabilities unless payment is not due within 12 months after the reporting period. They are recognised initially at their fair value and subsequently measured at amortised cost using the effective interest method.

**q) Borrowings**

Borrowings are initially recognised at fair value, net of transaction costs incurred. Borrowings are subsequently measured at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognised in profit or loss over the period of the borrowings using the effective interest method. Fees paid on the establishment of loan facilities are recognised as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down. In this case, the fee is deferred until the draw down occurs. To the extent there is no evidence that it is probable that some or all of the facility will be drawn down, the fee is capitalised as a prepayment for liquidity services and amortised over the period of the facility to which it relates.

Borrowings are derecognised from the balance sheet when the obligation specified in the contract is discharged, cancelled or expired. The difference between the carrying amount of a financial liability that has been extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognised in profit or loss as other gains/(losses).

Borrowings are classified as current liabilities unless the Company has an unconditional right to defer settlement of the liability for at least 12 months after the reporting period. Where there is a breach of a material provision of a long-term loan arrangement on or before the end of the reporting period with the effect that the liability becomes payable on demand on the reporting date, the entity does not classify the liability as current, if the lender agreed, after the reporting period and before the approval of the financial statements for issue, not to demand payment as a consequence of the breach.

**r) Provisions**

Provisions are measured at the present value of management's best estimate of the expenditure required 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 recognised as interest expense.

**s) Employee benefits**

**i) Short-term obligations**

Liabilities for wages and 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 recognised 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.

**ii) Other long-term employee benefit obligations**

The liabilities for earned leave and sick leave are not expected to be settled wholly within 12 months after the end of the period in which the employees render the related service. They are therefore measured as the present value of expected future payments to be made in respect of services provided by employees up to the end of the reporting period using the projected unit credit method. The benefits are discounted using the market yields at the end of the reporting period that have terms approximating to the terms of the related obligation. Remeasurements as a result of experience adjustments and changes in actuarial assumptions are recognised in profit or loss.

The obligations are presented as current liabilities in the balance sheet if the entity does not have an unconditional right to defer settlement for at least twelve months after the reporting period, regardless of when the actual settlement is expected to occur.

**iii) Post-employment obligations**

The Company operates the following post-employment schemes:
- Defined benefit plans such as Gratuity and Compensated absence.
- Defined contribution plans such as Provident fund, Superannuation fund, Pension fund and National Pension system.

**Gratuity**

The liability or asset recognised in the balance sheet in respect of defined benefit gratuity plans is the present value of the defined benefit obligation at the end of the reporting period less the fair value of plan assets. The defined benefit obligation is calculated annually by actuaries using the projected unit credit method.

The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows by reference to market yields at the end of the reporting period on government bonds that have terms approximating to the terms of the related obligation.

The net interest cost is calculated by applying the discount rate to the net balance of the defined benefit obligation and the fair value of plan assets. This cost is included in employee benefit expense in the statement of profit and loss.

Remeasurement gains and losses arising from experience adjustments and changes in actuarial assumptions are recognised in the period in which they occur, directly in other comprehensive income. They are included in retained earnings in the statement of changes in equity and in the balance sheet.

Changes in the present value of the defined benefit obligation are recognised immediately in profit or loss as past service cost.

**Compensated absences**

Liability in respect of compensated absences is provided for both encashable leave and those expected to be availed. The Company has defined benefit plans for compensated absences for employees, the liability for which is determined on the basis of an actuarial valuation at the end of the year using projected unit credit method. Any gain or loss arising out of such valuation is recognised in the Statement of profit and loss as income or expense as the case may be.

Accumulated compensated absences, which are expected to be availed within twelve months from the end of the year are treated as short term employee benefits. The obligation towards the same is measured at the expected undiscounted cost of accumulated compensated absences expected to be availed based on the unutilized entitlement at the year end.

**Provident fund**

The Company makes contribution to the “NIIT LIMITED EMPLOYEES’ PROVIDENT FUND TRUST” for certain entities in India, which is a defined benefit plan to the extent that the Company has an obligation to make good the shortfall, if any, between the return from the investments of the trust and the notified interest rate. The Company’s obligation in this regard is actuarially determined using projected unit credit method and provided for if the circumstances indicate that the Trust may not be able to generate adequate returns to cover the interest rates notified by the Government.

The Company’s contribution towards Provident Fund is charged to Statement of Profit and Loss.

**Superannuation**

The Company makes defined contribution, to the Trust established for the purpose by the company towards superannuation fund maintained with Life Insurance Corporation of India. The Company has no further obligations beyond its monthly contributions. Contribution made during the year is charged to Statement of Profit and Loss.

**Pension Fund**

The Company makes defined contribution to a government administered pension fund towards it’s pension plan on behalf of its employees. The Company has no further obligations beyond its monthly contributions. The contribution towards Employee Pension Scheme is charged to Statement of Profit and Loss.

**National Pension System**

The Company makes defined contribution towards National Pension System for certain employees for which Company has no further obligation. Contributions made during the year are charged to Statement of Profit and Loss.

**t) Share based payments**

**Employee stock option plan (ESOP)**

The fair value of options granted under the 'NIIT Employee Stock Option Plan 2005' is recognized as an employee benefits expense with a corresponding no increase in equity during the year/ previous year. The total amount to be expensed is determined by reference to the fair value of the options granted:

- including any market performance conditions (e.g., the entity's share price)
- excluding the impact of any service and non-market performance vesting conditions (e.g. profitability, sales growth targets and remaining an employee of the entity over a specified time period), and
- including the impact of any non-vesting conditions (e.g. the requirement for employees to save or holdings shares for a specific period of time).

The total expense is recognized over the vesting period, which is the period over which all of the specified vesting conditions are to be satisfied. At the end of each period, the entity revises its estimates of the number of options that are expected to vest based on the non-market vesting and service conditions. It recognizes the impact of the revision to original estimates, if any, in profit or loss, with a corresponding adjustment to equity.

**u) Share capital**

**Equity share capital**

Issuance of ordinary shares are recognised as equity share capital in equity. Incremental costs directly attributable to the issuance of new equity shares are recognized as a deduction from equity, net of any tax effects.

**v) Earnings per share**

**i) Basic 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 equity shares outstanding during the financial year.

**ii) Diluted earnings per share**

Diluted earnings per share adjusts the figures used in the determination of basic earnings per share to take into account:

• the after income tax effect of interest and other financing costs associated with dilutive potential equity shares, and

• the weighted average number of additional equity shares that would have been outstanding assuming the conversion of all dilutive potential equity shares.

**w) Fair value measurement**

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

The principal or the most advantageous market must be accessible to/ by the Company.

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**: Level 1 hierarchy includes financial instruments measured using quoted prices. This includes listed equity instruments, traded bonds and mutual funds that have quoted price. The fair value of all equity instruments (including bonds) which are traded in the stock exchanges is valued using the closing price as at the reporting period. The mutual funds are valued using the closing net asset value.

**Level 2**: The fair value of financial instruments that are not traded in an active market (for example foreign exchange forward contracts) is determined using valuation techniques which maximize the use of observable market data and rely as little as possible on entity-specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.

**Level 3**: If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3. This is the case for unlisted equity securities, contingent consideration and indemnification asset included in level 3.

For assets and liabilities that are recognised in the financial statements on a recurring basis, the Company determines whether transfers have occurred between levels in the hierarchy by reassessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

For the purpose of fair value disclosures, the Company has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above.

The Company measures financial instruments, such as, investments (other than investment in subsidiaries), at fair value at each reporting date.

**x) Exceptional items**

**Exceptional items** refer to items of income or expense within the income statement that are of such size, nature or incidence that their separate disclosure is considered necessary to explain the performance for the period.

Materiality threshold can be used to select items to be disclosed as exceptional on case to case basis. This threshold would be applied separately for standalone as well as consolidated financial statements. However, in case an item qualifies for disclosure in standalone financial statements but not in consolidated financial statements or vice versa, this would need to be evaluated on case to case basis.

Basis the above analysis, mainly following items would be evaluated for disclosure as exceptional items:

a) **Business Combination:** Impact of one-time accounting policy alignment / unusual write off / impairment of assets arising as a result of business combination, including transaction cost.

b) **Fair valuation gains on business combination.**

c) **Reassessment / Change in life of asset** (in case of re-evaluation of business/product, impact of all assets specific to that business/product to be considered for applying the threshold).

d) **Disputed regulatory / tax levies including tax rate change having retrospective impact** (other than impact on account of restatement of deferred tax asset / liability for tax rate change) – only impact for the past periods to be disclosed as exceptional.

e) Provision for other than temporary diminution in the value of non-current investment.

f) **Shareholders' dispute settlement arising out of merger / acquisition transactions.**

g) Write-downs of inventories to net realisable value or of property, plant and equipment to recoverable amount, as well as reversals of such write-downs.

In case of **other significant item** of income or expense, not covered above, the same would be **evaluated on a case to case** basis for disclosure under exceptional items.

**y) Critical accounting estimates and judgements**

In preparing these financial statements, management has made judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised prospectively.

Information about significant areas of estimation/uncertainty and judgements in applying accounting policies that have the most significant effect on the financial statements are as follows:

Measurement of defined benefit obligations: key actuarial assumptions - refer note 2 (s).

Measurement of useful life and residual values of property, plant and equipment - refer note 2 (m) & 2 (n).

Fair value measurement of financial instruments - refer note 2 (v)

Judgement required to determine probability of recognition of deferred tax assets and MAT credit entitlement - refer note 2 (g).

There are no major assumptions and estimation that have a significant risk of resulting in a material adjustment within the next financial year.

(This space has been intentionally left blank)

(All amounts in Rs. thousands, unless stated otherwise)

## 3 Property, Plant and Equipment

| Particulars | Plant & Equipments | Leasehold Improvements* | Furniture & Fixtures | Office Equipments | Total tangible assets |
|---|---|---|---|---|---|
| **Year end March 31, 2021** | | | | | |
| **Gross carrying amount** | | | | | |
| Gross carrying amount as on April 01, 2020 | 16,248.58 | 520.49 | 778.18 | 13.20 | **17,560.45** |
| Additions | 5.07 | - | - | - | **5.07** |
| Disposals/Sale | 10,423.68 | 272.41 | 520.86 | 13.20 | **11,230.15** |
| **Closing Gross Carrying Amount (A)** | **5,829.97** | **248.08** | **257.32** | - | **6,335.37** |
| **Accumulated Depreciation** | | | | | |
| Accumulated depreciation as on April 01, 2020 | 14,972.44 | 370.96 | 736.79 | 13.18 | **16,093.37** |
| Transfer | - | 82.70 | (82.70) | - | **-** |
| Depreciation charged during the year | 826.42 | 66.82 | 30.25 | - | **923.49** |
| Disposals/Sale | 10,225.62 | 272.40 | 492.12 | 13.18 | **11,003.32** |
| **Closing accumulated depreciation (B)** | **5,573.24** | **248.08** | **192.22** | - | **6,013.54** |
| **Net Carrying Amount (A-B)** | **256.73** | **0.00** | **65.10** | - | **321.83** |
| * Assets with Book Value of Rs. 1/- | | | | | |
| **Year end March 31, 2022** | | | | | |
| **Grossing Carrying amount** | | | | | |
| Gross carrying amount as on April 01, 2021 | 5,829.97 | 248.08 | 257.32 | - | **6,335.37** |
| Additions | 9.38 | - | - | - | **9.38** |
| Disposals/Sale | 705.65 | - | 257.32 | - | **962.97** |
| **Closing Gross Carrying Amount (C)** | **5,133.70** | **248.08** | - | - | **5,381.78** |
| **Accumulated Depreciation** | | | | | |
| Accumulated depreciation as on April 01, 2021 | 5,573.24 | 248.08 | 192.22 | - | **6,013.54** |
| Depreciation charged during the year | 211.61 | - | 17.26 | - | **228.87** |
| Disposals/Sale | 705.52 | 0.00 | 209.48 | - | **915.00** |
| **Closing accumulated depreciation (D)** | **5,079.33** | **248.08** | - | - | **5,327.41** |
| **Net Carrying Amount (C-D)** | **54.37** | - | - | - | **54.37** |

## 4 Intangible assets and intangible assets under development

| Particulars | Internally Generated (footnote i) | Software acquired | Total Intangibles assets other than assets under Development | Intangible Assets under Development (footnote i) | Total intangible assets |
|---|---|---|---|---|---|
| **Year end March 31, 2021** | | | | | |
| **Gross carrying amount** | | | | | |
| Gross carrying amount as on April 01, 2020 | 148,615.86 | 3,350.84 | **151,966.70** | 9,334.81 | **161,301.51** |
| Additions | 10,016.33 | - | **10,016.33** | 681.52 | **10,697.85** |
| Transfer | - | - | **-** | (10,016.33) | **(10,016.33)** |
| Disposals | - | 592.26 | **592.26** | - | **592.26** |
| **Closing gross carrying amount (A)** | **158,632.19** | **2,758.58** | **161,390.77** | - | **161,390.77** |
| **Accumulated Amortisation and Impairment** | | | | | |
| Accumulated amortization as on April 01, 2020 | 128,596.51 | 3,350.56 | **131,947.07** | - | **131,947.07** |
| Amortisation charge for the year | 6,673.31 | - | **6,673.31** | - | **6,673.31** |
| Disposals | - | 591.99 | **591.99** | - | **591.99** |
| Amortisation charged in exceptional items (Refer note 22) | 23,362.34 | - | **23,362.34** | - | **23,362.34** |
| **Closing accumulated amortisation (B)** | **158,632.16** | **2,758.57** | **161,390.73** | - | **162,574.71** |
| **Net carrying amount (A-B)** | **0.03** | **0.01** | **0.04** | - | **0.04** |
| **Year end March 31, 2022** | | | | | |
| **Gross carrying amount** | | | | | |
| Gross carrying amount as on April 01, 2021 | 158,632.19 | 2,758.58 | **161,390.77** | - | **161,391.77** |
| Additions | - | - | **-** | - | **-** |
| Transfer | - | - | **-** | - | **-** |
| Disposals | - | - | **-** | - | **-** |
| **Closing gross carrying amount (C)** | **158,632.19** | **2,758.58** | **161,390.77** | - | **161,390.77** |
| **Accumulated Amortisation and Impairment** | | | | | |
| Accumulated amortization as on April 01, 2021 | 158,632.16 | 2,758.57 | **161,390.73** | - | **161,390.73** |
| Amortisation charge for the year | 0.03 | 0.01 | **0.04** | - | **0.04** |
| Disposals | - | - | **-** | - | **-** |
| **Closing accumulated amortisation (D)** | **158,632.19** | **2,758.58** | **161,390.77** | - | **161,390.77** |
| **Net carrying amount (C-D)** | - | - | - | - | - |

**Footnote:**

(i) Refer note 6 for cost incurred during the year on internally generated intangible assets.

(All amounts in Rs. thousands, unless stated otherwise)

**5 Leases**

**(i) The following are the amounts recognised in the statement of profit and loss for short term leases:**

The Company has entered into leases for office premises, employee accommodations, equipments which are cancelable at the option of the Company by giving the requisite notice. Aggregate payments during the year under short term leases are as shown hereunder:

| **Particulars** | **Year ended** | |
|---|---|---|
| | **March 31, 2022** | **March 31, 2021** |
| In respect of premises* | 1,438.81 | 6,255.65 |
| In respect of equipments** | 38.23 | 86.89 |
| **Total** | **1,477.04** | **6,342.54** |

* includes payment in respesct of premises for office and employee accommodation.
** includes payment in respect of computers, printers and other equipments.

**(ii) The following are the carrying amount of right-of-use assets recognised and movement:-**

| **Particulars** | **Vehicle** | **Total** |
|---|---|---|
| **As at April 1, 2020** | **515.20** | **515.20** |
| Additions | 443.83 | 443.83 |
| Deletion | (272.69) | (272.69) |
| Depreciation | (508.81) | (508.81) |
| **As at March 31, 2021** | **177.53** | **177.53** |
| Additions/Modification | 343.17 | 343.17 |
| Depreciation | (203.93) | (203.93) |
| **As at March 31, 2022** | **316.77** | **316.77** |

**The following are the carrying amount of Lease liabilities and movement:-**

| **Particulars** | **Vehicle** | **Total** |
|---|---|---|
| **As at April 1, 2020** | **536.29** | **536.29** |
| Additions | 443.83 | 443.83 |
| Deletion | (291.30) | (291.30) |
| Accretion of interest (Refer note 19) | 41.12 | 41.12 |
| Payments | (546.25) | (546.25) |
| **As at March 31, 2021** | **183.69** | **183.69** |
| Additions | 343.17 | 343.17 |
| Accretion of interest (Refer note 19) | 7.63 | 7.63 |
| Payments | (216.52) | (216.52) |
| **As at March 31, 2022** | **317.97** | **317.97** |

**The following is the break-up of current and non-current lease liabilities**

| **Particulars** | **March 31, 2022** | **March 31, 2021** |
|---|---|---|
| Current Lease liabilities | 317.97 | 183.69 |
| Non-Current Lease liabilities | - | - |
| **Total** | **317.97** | **183.69** |

**The following are the amounts recognised in the statement of profit and loss:**

| **Particulars** | **March 31, 2022** | **March 31, 2021** |
|---|---|---|
| Depreciation expense of right of use assets | 203.93 | 508.81 |
| Interest expense on Lease liabilities (Refer note 19) | 7.63 | 41.12 |
| Gain on termination of Leases (Net) (Refer note 17) | - | (18.61) |
| **Total** | **211.56** | **531.32** |

**The table below provides details regarding the contractual maturities of lease liabilities**

| **Particulars** | **March 31, 2022** | **March 31, 2021** |
|---|---|---|
| Less than one year | 317.97 | 183.69 |
| One to Two years | - | - |
| More than Two years | - | - |
| **Total** | **317.97** | **183.69** |

**6 Intangible assets under development**

The Company internally develops software tools, platforms and content/courseware. The management estimates that this would result in enhanced productivity and offer more technology based learning products/ solutions to the customers in future. The Company is confident of its ability to generate future economic benefits out of the abovementioned assets. The costs incurred towards the intangible assets under development are as follows:

| | **Year ended** | |
|---|---|---|
| **Description** | **March 31, 2022** | **March 31, 2021** |
| Opening Intangible assets under development | - | 9,334.81 |
| **Add:-Expenditure during the year** | | |
| Salary and other Employee Benefits | - | 681.34 |
| Other expenses | - | 0.18 |
| Less:-Intangible assets capitalised during the year | - | (10,016.33) |
| **Closing Balance at the end of the year** | - | - |

**7 Financial Assets**

(All amounts in Rs. thousands, unless stated otherwise)

**7(i) Current Investment carried at Fair Value through profit or loss**

| | As at March 31, 2022 | As at March 31, 2021 |
|---|---|---|
| **Investment [Quoted]** | | |
| Mutual Funds | 68,820.08 | 46,929.05 |
| **Total** | **68,820.08** | **46,929.05** |
| | | |
| **Aggregate value of Quoted investments** | **68,820.08** | **46,929.05** |
| **Market value of Quoted investments** | **68,820.08** | **46,929.05** |

**7(ii) Trade Receivables**

| | Non-Current March 31, 2022 | Non-Current March 31, 2021 | Current March 31, 2022 | Current March 31, 2021 |
|---|---|---|---|---|
| **Unsecured, considered good*** | | | | |
| Trade Receivables | - | 68.75 | 35,025.01 | 59,214.11 |
| Trade Receivables which have significant increase in credit Risk | - | - | 193,381.85 | 201,196.55 |
| Less: Allowance for expected credit loss (Refer note 25) | - | - | (193,381.85) | (201,196.55) |
| **Total** | - | **68.75** | **35,025.01** | **59,214.11** |

Trade receivables are non-interest bearing and are generally on terms of 60 to 90 days.

* Trade Receivables includes receivables from Related Parties amounting to Rs. 9,464.38 thousands (Previous year Rs. 10,859.44 thousands)-(Refer note 28).

**Trade receivables Ageing Schedule**

**As at March 31, 2022**

| Particulars | Not due | Outstanding for following periods from due date of payment | | | | | Total |
|---|---|---|---|---|---|---|---|
| | | Less than 6 Months | 6 months – 1 year | 1-2 years | 2-3 years | More than 3 years | |
| Undisputed Trade Receivables - Considered Good | 8,280.00 | 8,720.00 | 640.00 | 1,700.00 | 490.00 | 15,195.01 | 35,025.01 |
| Undisputed Trade Receivables – credit impaired | 10.00 | 850.00 | 280.00 | 11,560.00 | 26,230.00 | 154,451.85 | 193,381.85 |
| **Total** | **8,290.00** | **9,570.00** | **920.00** | **13,260.00** | **26,720.00** | **169,646.86** | **228,406.86** |
| Less: Allowance for expected credit loss | - | - | - | - | - | - | (193,381.85) |
| **Total** | **8,290.00** | **9,570.00** | **920.00** | **13,260.00** | **26,720.00** | **169,646.86** | **35,025.01** |

**As at March 31, 2021**

| Particulars | Not due | Outstanding for following periods from due date of payment | | | | | Total |
|---|---|---|---|---|---|---|---|
| | | Less than 6 Months | 6 months – 1 year | 1-2 years | 2-3 years | More than 3 years | |
| Undisputed Trade Receivables - Considered Good | 8,568.75 | 18,020.00 | 7,590.00 | 11,400.00 | 1,420.00 | 12,284.11 | 59,282.86 |
| Undisputed Trade Receivables – credit impaired | 90.00 | 4,320.00 | 7,990.00 | 28,140.00 | 21,370.00 | 139,286.55 | 201,196.55 |
| **Total** | **8,658.75** | **22,340.00** | **15,580.00** | **39,540.00** | **22,790.00** | **151,570.66** | **260,479.41** |
| Less: Allowance for expected credit loss | - | - | - | - | - | - | (201,196.55) |
| **Total** | **8,658.75** | **22,340.00** | **15,580.00** | **39,540.00** | **22,790.00** | **151,570.66** | **59,282.86** |

**7(iii) Other Financial Assets**

| | | Non-Current March 31, 2022 | Non-Current March 31, 2021 | Current March 31, 2022 | Current March 31, 2021 |
|---|---|---|---|---|---|
| a) Security Deposits | | | | | |
| Unsecured, considered good | | - | - | 145.00 | 145.00 |
| Unsecured, considered doubtful | | - | - | 803.38 | 803.38 |
| Less: Allowance for doubtful deposits | | - | - | (803.38) | (803.38) |
| | (A) | - | - | **145.00** | **145.00** |
| b) Contract Assets | | | | | |
| Unbilled Revenue (Refer note 31) | | - | - | 1,144.70 | 1,082.20 |
| | (B) | - | - | **1,144.70** | **1,082.20** |
| c) Interest Accrued on bank deposits | | 311.65 | - | - | 105.04 |
| | (C) | **311.65** | - | - | **105.04** |
| d) Bank deposits | | | | | |
| With remaining maturity of more than 12 months* | | 20,010.15 | - | - | - |
| With remaining maturity of less than 12 months** | | - | - | - | 230.04 |
| | (D) | **20,010.15** | - | - | **230.04** |
| | **Total (A+B+C+D)** | **20,321.80** | - | **1,289.70** | **1,562.28** |

*Deposit of Rs. 20,010.15 thousands (Previous year Rs. Nil) pledged as margin money with bank for issuance of bank guarantees.

**Deposit of Rs. Nil (Previous year Rs. 230.04 thousands) pledged as margin money with bank for issuance of bank guarantees.

**Unbilled revenue Ageing Schedule**

**As at March 31, 2022**

| Particulars | Not due | Outstanding for following periods from transactions date | | | | | Total |
|---|---|---|---|---|---|---|---|
| | | Less than 6 Months | 6 months – 1 year | 1-2 years | 2-3 years | More than 3 years | |
| Undisputed Unbilled revenue - Considered Good | - | 281.24 | 863.46 | - | - | - | 1,144.70 |
| **Total** | - | **281.24** | **863.46** | - | - | - | **1,144.70** |

**As at March 31, 2021**

| Particulars | Not due | Outstanding for following periods from transactions date | | | | | Total |
|---|---|---|---|---|---|---|---|
| | | Less than 6 Months | 6 months – 1 year | 1-2 years | 2-3 years | More than 3 years | |
| Undisputed Unbilled revenue - Considered Good | - | 249.85 | 832.35 | - | - | - | 1,082.20 |
| **Total** | - | **249.85** | **832.35** | - | - | - | **1,082.20** |

(All amounts in Rs. thousands, unless stated otherwise)

| | | As at | |
|---|---|---|---|
| **7(iv)** | **Cash and Cash Equivalents** | **March 31, 2022** | **March 31, 2021** |
| | **Balance with banks** | | |
| | -Current accounts | 1,322.48 | 2,588.56 |
| | -Deposits with original maturity of less than 3 months* | - | 13,000.00 |
| | Cheques and drafts on hand | - | 862.70 |
| | **Total** | **1,322.48** | **16,451.26** |

*Short term Deposits are made with banks for varying periods of up to three months depending on the immediate cash requirements of the Company and to earn interest at the respective short term deposit rates.

| | | As at | |
|---|---|---|---|
| **7(v)** | **Bank balances other than above** | **March 31, 2022** | **March 31, 2021** |
| | Bank deposits | | |
| | -With original maturity of more than 3 months and upto 12 months | - | 7,000.00 |
| | **Total** | - | **7,000.00** |

| | | As at | |
|---|---|---|---|
| **8** | **Income tax assets** | **March 31, 2022** | **March 31, 2021** |
| | Advance Income Tax | 27,209.50 | 27,036.02 |
| | Less : Provision for Income Tax | (6,137.46) | (6,137.46) |
| | | **21,072.04** | **20,898.56** |

| | | As at | |
|---|---|---|---|
| **9** | **Inventories (Valued at lower of cost or net realisable value)** | **March 31, 2022** | **March 31, 2021** |
| | **As at the end of the year** | | |
| | Traded Goods | | |
| | a) Education and Training Material | 3,272.98 | 12,230.17 |
| | b) Software | 2,145.37 | 4,964.96 |
| | | **5,418.35** | **17,195.13** |
| | **As at the beginning of the year** | | |
| | Traded Goods | | |
| | a) Education and Training Material | 12,230.17 | 36,117.62 |
| | b) Software | 4,964.96 | 5,139.44 |
| | | **17,195.13** | **41,257.06** |
| | Provision for Inventory# | - | (14,951.88) |
| | **Decrease in Inventory*** | **11,776.78** | **9,110.05** |

* Net of provision for non-moving inventories of Rs. 22,066.52 thousands (Previous year Rs. 20,074.47 thousands).
# During the year, the Company has recognised inventory provision amounting to Rs. Nil (Previous year Rs. 14,951.88 thousands) as a exceptional item (Refer note 22).

| | | | As at | |
|---|---|---|---|---|
| **10** | **Other Assets** | | **March 31, 2022** | **March 31, 2021** |
| | | | **Current** | |
| **i)** | **Advances to Suppliers in cash or in kind** | | | |
| | Unsecured, considered good | | 3,637.23 | 5,441.17 |
| | | **(A)** | **3,637.23** | **5,441.17** |
| **ii)** | **Prepaid Expenses** | | 1,219.71 | 1,442.52 |
| | | **(B)** | **1,219.71** | **1,442.52** |
| **iii)** | **Other Advances recoverable in cash or in kind** | | | |
| | Unsecured, considered good | | 2,553.76 | 3,347.97 |
| | Unsecured, considered doubtful | | 48.68 | 58.89 |
| | Less: Allowance for doubtful advances | | (48.68) | (58.89) |
| | | **(C)** | **2,553.76** | **3,347.97** |
| | | **Total other assets (A+B+C)** | **7,410.70** | **10,231.66** |

(All amounts in Rs. thousands, unless stated otherwise)

**11 Share capital**

**a) Authorised share capital**

| Particulars | Equity shares of Rs. 10 each | | Redeemable preference shares of Rs. 10 each | |
|---|---|---|---|---|
| | Number of shares | Amount | Number of shares | Amount |
| **As at April 01, 2020** | **70,000,000** | **700,000.00** | **10,000,000** | **100,000** |
| Increase during the year | 40,000,000 | 400,000.00 | - | - |
| Conversion during the year | 10,000,000 | 100,000.00 | (10,000,000) | (100,000) |
| **As at March 31, 2021** | **120,000,000** | **1,200,000.00** | - | - |
| Increase during the year | - | - | - | - |
| **As at March 31, 2022** | **120,000,000** | **1,200,000.00** | - | - |

**Note:**

i) During the Previous year, the Authorised Equity Share Capital of the Company has been increased from Rs. 700,000.00 thousands (divided into 70,000,000 equity shares of Rs. 10 each) to Rs. 1,200,000.00 thousands (divided into 120,000,000 equity shares of Rs. 10 each) by converting existing 10,000,000 Preference Shares of Rs. 10 each into 10,000,000 Equity Shares of Rs. 10 each and by adding creation/addition of new Equity Shares of Rs. 10 each.

**b) Movement in equity share capital**

| Particulars | Equity shares | |
|---|---|---|
| | Number of shares | Amount |
| **As at April 01, 2020** | **69,064,072** | **690,640.72** |
| Issued during the year | 46,500,000 | 465,000.00 |
| **As at March 31, 2021** | **115,564,072** | **1,155,640.72** |
| Issued during the year | - | - |
| **As at March 31, 2022** | **115,564,072** | **1,155,640.72** |

**c) Detail of class of Equity Shares held by the Holding Company**

| Particulars | As at March 31, 2022 | | March 31, 2021 | |
|---|---|---|---|---|
| | No. of shares | Amount in Rs. | No. of shares | Amount in Rs. |
| NIIT Limited | 115,564,072 | 1,155,640.72 | 115,564,072 | 1,155,640.72 |

**d) Details of Shareholders holding more than 5% shares in the Company**

| Particulars | As at March 31, 2022 | | March 31, 2021 | |
|---|---|---|---|---|
| | No. of shares | % of Holding | No. of shares | % of Holding |
| NIIT Limited | 115,564,072 | 100% | 115,564,072 | 100% |
| **Total** | **115,564,072** | **100%** | **115,564,072** | **100%** |

Out of the above, 6 Equity Shares are registered in the names of individuals, the beneficial interest of which lies with the Holding Company.

**e) Terms/ rights attached to equity shares**

The Company has one class of equity shares having a par value of Rs. 10 per share. Each shareholder is eligible for one vote per share held. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting, except in case of interim dividend. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the Company after distribution of all preferential amounts, in proportion to their shareholding.

**f) Other details of equity shares for a period of five years immediately preceding March 31, 2022**

i) 50,000,000 equity shares of Rs. 10 each were allotted on August 4, 2017 to NIIT Limited by conversion of earlier issued Optionally Convertible Debentures.

**g) Details of shares held by promoters**

**As at March 31, 2022**

| Particulars | Promoter name | No. of shares at the beginning of the year | Change during the year | No. of shares at the end of the year | % of Total Shares | % change during the year |
|---|---|---|---|---|---|---|
| Equity shares of Rs. 10 each fully paid | NIIT Limited | 115,564,072 | - | 115,564,072 | 100% | 0% |
| **Total** | | **115,564,072** | - | **115,564,072** | **100%** | **0%** |

**As at March 31, 2021**

| Particulars | Promoter name | No. of shares at the beginning of the year | Change during the year | No. of shares at the end of the year | % of Total Shares | % change during the year |
|---|---|---|---|---|---|---|
| Equity shares of Rs. 10 each fully paid | NIIT Limited | 69,064,072 | 46,500,000 | 115,564,072 | 100% | 67% |
| **Total** | | **69,064,072** | **46,500,000** | **115,564,072** | **100%** | **67%** |

NIIT LEARNING SYSTEMS LIMITED
(Formerly Known as Mindchampion Learning Systems Limited)
CIN: U72200HR2001PLC099478
Notes to the Financial Statements for the year ended March 31, 2022
(All amounts in Rs. thousands, unless stated otherwise)

| | As at March 31, 2022 | As at March 31, 2021 |
|---|---|---|
| **12 Other Equity** | | |
| **Reserves and Surplus [Refer note 12(i)]** | | |
| Securities Premium | 20,000.00 | 20,000.00 |
| Retained Earnings | (1,295,056.86) | (1,290,654.27) |
| Other Reserves [Refer note 12(ii)] | 142,717.18 | 142,717.18 |
| **Total reserves and surplus** | **(1,132,339.68)** | **(1,127,937.09)** |

| | As at March 31, 2022 | As at March 31, 2021 |
|---|---|---|
| **12(i) Reserves and Surplus** | | |
| **a) Securities Premium [Refer footnote (i)]** | | |
| Balance at the beginning of the year | 20,000.00 | 20,000.00 |
| **Balance at the end of the year (A)** | **20,000.00** | **20,000.00** |
| **b) Retained Earnings** | | |
| Balance at the beginning of the year | (1,290,654.27) | (1,135,163.45) |
| Loss for the year | (4,821.59) | (161,244.82) |
| Other comprehensive income | 419.00 | 5,754.00 |
| **Balance at the end of the year (B)** | **(1,295,056.86)** | **(1,290,654.27)** |
| **Total Reserves and Surplus ( C ) = (A+B)** | **(1,275,056.86)** | **(1,270,654.27)** |

| | As at March 31, 2022 | As at March 31, 2021 |
|---|---|---|
| **12(ii) Other Reserves** | | |
| **a) Other equity [Refer footnote (ii)]** | | |
| Balance at the beginning of the year | 142,717.18 | 146,317.18 |
| Expenses for issue of equity share capital | - | (3,600.00) |
| **Balance at the end of the year (D)** | **142,717.18** | **142,717.18** |
| **Total Other Equity (C+D)** | **(1,132,339.68)** | **(1,127,937.09)** |

**Footnote :**

**(i)** The amount represents the additional amount shareholders paid for their issued shares that was in excess of the par value of those shares. The same can be utilised for the items specified under section 52 of Companies Act, 2013.

(ii) It represents the equity instrument of compound financial instrument (OCDs) (net of expenses for issue of share capital).

(All amounts in Rs. thousands, unless stated otherwise)

## 13 Financial Liabilities

| 13(i) Trade Payables | As at March 31, 2022 | As at March 31, 2021 |
|---|---|---|
| Total outstanding dues of Creditors other than Micro enterprises & small enterprises | 98,356.35 | 104,318.67 |
| Total outstanding dues of micro enterprises and small enterprises | 87.64 | - |
| Trade payables to related parties (Refer note 28) | 6,839.55 | 4,263.96 |
| **Total trade payables** | **105,283.54** | **108,582.63** |

Trade payables are non-interest bearing and are normally settled on 45 days term.

Parties covered under Micro, Small and Medium-Enterprises Development Act, 2006 (MSMED Act) for the year ended March 31, 2022 have been identified on the basis of information available with the Company. Disclosures as per Section 22 of the Micro, Small and Medium Enterprises Development (MSMED) Act, 2006 are as follows:

| Particulars | March 31, 2022 | March 31, 2021 |
|---|---|---|
| a) the principal amount and the interest due thereon remaining unpaid to any supplier | | |
| i) Principal amount | 87.64 | - |
| ii) Interest thereon | - | - |
| b) the amount of payment made to the supplier beyond the appointed day and the interest thereon, during an accounting year | | |
| i) Principal amount | 12.39 | 520.71 |
| ii) Interest thereon | 0.02 | 3.00 |
| c) the amount of interest due and payable for the year of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under this Act | - | - |
| d) the amount of interest accrued and remaining unpaid at the end of each accounting year | - | - |
| e) amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues above are actually paid to the small investor | - | - |

**Trade payables Ageing Schedule**

**As at March 31, 2022**

| Particulars | Not due | Outstanding for following periods from due date of payment: Less than 1 year | 1-2 years | 2-3 years | More than 3 years | Total |
|---|---|---|---|---|---|---|
| Undisputed outstanding dues of micro enterprises and small enterprises | 87.64 | - | - | - | - | 87.64 |
| Undisputed outstanding dues of creditors other than micro enterprises and small enterprises | 11,512.42 | 636.16 | 289.46 | 15.59 | 14,822.06 | 27,275.69 |
| **Total** | **11,600.06** | **636.16** | **289.46** | **15.59** | **14,822.06** | **27,363.33** |
| Add: Unbilled dues | | | | | | 77,920.21 |
| **Total trade payables** | | | | | | **105,283.54** |

**As at March 31, 2021**

| Particulars | Not due | Outstanding for following periods from due date of payment: Less than 1 year | 1-2 years | 2-3 years | More than 3 years | Total |
|---|---|---|---|---|---|---|
| Undisputed outstanding dues of micro enterprises and small enterprises | - | - | - | - | - | - |
| Undisputed outstanding dues of creditors other than micro enterprises and small enterprises | 7,350.96 | 5,761.23 | 1,082.89 | - | 14,822.06 | 29,017.15 |
| **Total** | **7,350.96** | **5,761.23** | **1,082.89** | **-** | **14,822.06** | **29,017.15** |
| Add: Unbilled dues | | | | | | 79,565.48 |
| **Total trade payables** | | | | | | **108,582.63** |

| 13(ii) Other Financial Liabilities | As at March 31, 2022 (Current) | As at March 31, 2021 (Current) |
|---|---|---|
| Other Payables * | 8,696.75 | 11,624.31 |
| **Total other financial liabilities** | **8,696.75** | **11,624.31** |

* Includes Payable to Employees amounting to Rs. 8,399.83 thousands (Previous year Rs. 11,043.52 thousands) out of which Payables to Key Managerial Person amounting to Rs. 37.00 thousands (Previous year Rs. 153.21 thousands).

| 14 Provisions | As at March 31, 2022 | As at March 31, 2021 |
|---|---|---|
| **Provision for Employee Benefits :** | | |
| Provision for Gratuity (Refer note 26) | 3,772.51 | 6,948.71 |
| Provision for Compensated Absences | 2,795.00 | 3,187.00 |
| **Total Provision** | **6,567.51** | **10,135.71** |

| 15 Other Liabilities | Non-current March 31, 2022 | Non-current March 31, 2021 | Current March 31, 2022 | Current March 31, 2021 |
|---|---|---|---|---|
| **Contract Liabilities (Refer note 31)** | | | | |
| -Deferred Revenue | - | 5.21 | 1,769.40 | 3,744.18 |
| -Advances from Customers | - | - | 5,888.55 | 9,546.41 |
| Statutory Dues* | - | - | 9,226.54 | 8,524.43 |
| **Total other liabilities** | **-** | **5.21** | **16,884.49** | **21,815.02** |

* Statutory Dues mainly includes withholding tax, Goods and service tax and Contribution to Provident fund etc.

(All amounts in Rs. thousands, unless stated otherwise)

| | Year ended | |
|---|---|---|
| **16 Revenue From Operations (Refer note 31)** | **March 31, 2022** | **March 31, 2021** |
| **Sale of Products :** | | |
| -Courseware and Training Material | 26,628.79 | 42,678.07 |
| -Hardware & Accessories | 1,592.87 | 6,802.63 |
| **Sale of Services** | 62,900.19 | 80,764.67 |
| | **91,121.85** | **130,245.37** |

| | Year ended | |
|---|---|---|
| **17 Other Income** | **March 31, 2022** | **March 31, 2021** |
| Interest Income on Bank Deposits carried at amortized cost | 993.12 | 181.16 |
| Interest income on income tax refund received | 1,111.95 | 5,410.47 |
| Net gain on Investment carried at fair value through profit or loss | 1,894.34 | 431.83 |
| Gain on sale / disposal of Property, Plant and Equipment and Intangible assets (Net) | 738.37 | 664.20 |
| Gain on foreign currency translation and transaction (net) | 142.35 | - |
| Gain on termination of Leases (Net) (Refer note5(ii)) | - | 18.61 |
| Provision for Doubtful debts written back (Refer note 25) | 7,814.70 | - |
| Provision / Other Liabilities written back | 2,424.10 | 5,710.89 |
| Other Non-Operating Income | 820.81 | 3,147.45 |
| | **15,939.74** | **15,564.61** |

| | Year ended | |
|---|---|---|
| **18 Employee Benefits Expenses#** | **March 31, 2022** | **March 31, 2021** |
| Salary,Wages and Bonus | 58,574.54 | 134,500.65 |
| Contribution to Provident and other Funds (Refer note 26)** | 3,553.98 | 9,102.94 |
| Share Based Payments (Refer note 28)* | 3,199.93 | 273.72 |
| Staff Welfare expense | 619.75 | 1,589.89 |
| | **65,948.20** | **145,467.20** |

# Net of Rs. Nil (Previous year Rs. 681.34 thousands) capitalized in intangible assets (Refer note 6).

*Share Based Payments Expenses are payable to the Holding Company.

** There are numerous interpretative issues relating to the Supreme Court (SC) judgement on Provident fund dated February 28, 2019. As a matter of caution, the Company has implemented the provisions on a prospective basis from the date of the SC order. The Company will assess its position, on receiving further clarity on the subject.

| | Year ended | |
|---|---|---|
| **19 Finance Costs** | **March 31, 2022** | **March 31, 2021** |
| Interest Expense* | 45.76 | 17,721.84 |
| Interest on lease liabilities [Refer note 5(ii)] | 7.63 | 41.12 |
| Other Borrowing Costs (Refer note 28) | - | 150.68 |
| | **53.39** | **17,913.64** |

* Includes interest paid to Holding company (Refer note 28).

(All amounts in Rs. thousands, unless stated otherwise)

| | | | Year ended | | |
|---|---|---|---|---|---|
| **20 Other Expenses*** | | | **March 31, 2022** | | **March 31, 2021** |
| Equipment Hiring [Refer note 5(i)] | | 38.23 | | 86.89 |
| Freight and Cartage | | 2,909.39 | | 3,631.50 |
| Rent [Refer note 5(i)] | | 1,438.81 | | 6,255.65 |
| Rates and Taxes | | - | | 65.11 |
| Power & Fuel | | 124.98 | | 698.15 |
| Communication | | 514.02 | | 1,678.10 |
| Legal and Professional (Refer note 21) | | 4,206.20 | | 10,228.41 |
| Management Cost Recovery by Holding Company | | 2,843.31 | | 4,670.45 |
| Travelling and Conveyance | | 386.99 | | 1,492.97 |
| Allowance for Doubtful Debts (Refer note 25) | | - | | 24,121.90 |
| Allowance for Doubtful Advances and Deposits | | 49.59 | | 27.20 |
| Advances written off | 29.79 | | 278.03 | |
| Less:- Provision for advances written back | (29.79) | - | (278.03) | - |
| Insurance | | 1.96 | | 5.03 |
| Repairs and Maintenance | | | | |
| - Plant and Machinery | | 394.03 | | 855.34 |
| - Buildings | | 10.11 | | 47.17 |
| - Others | | 179.66 | | 1,077.15 |
| Consumables | | 201.27 | | 199.36 |
| Loss on Foreign Currency Translation and Transaction (net) | | - | | 193.56 |
| Security and Administration Services | | 134.29 | | 894.32 |
| Bank Charges | | 243.46 | | 64.98 |
| Marketing & Advertising Expenses | | 302.94 | | 175.99 |
| Sundry Expenses | | 171.06 | | 392.03 |
| | | **14,150.30** | | **56,861.26** |

* Net of Rs. Nil (Previous year Rs. 0.18 thousands) capitalized in intangible assets (Refer note 6).

| | Year ended | |
|---|---|---|
| **21 Payment To Auditors (included in legal and professional fees and exceptional)** | **March 31, 2022** | **March 31, 2021** |
| As Auditor | | |
| - Audit Fee | 523.80 | 523.80 |
| - Certification Fee (Includes GST) | 295.00 | - |
| - Reimbursement of expenses | 40.33 | 40.33 |
| | **859.13** | **564.13** |

| | Year ended | |
|---|---|---|
| **22 Exceptional Items** | **March 31, 2022** | **March 31, 2021** |
| Provision for Impairment on Intangible assets [Refer note-(i) below] | - | (23,362.34) |
| Provision for Doubtful debts [Refer note-(i) below] | - | (3,450.72) |
| Provision for Inventory [Refer note-(i) below] | - | (14,951.88) |
| Legal and professional cost towards scheme of arrangement [Refer note-(ii) below] | (295.00) | - |
| **Total** | **(295.00)** | **(41,764.94)** |

(i) During the previous year, the Company has assessed the possible effects that may result from COVID-19 on the carrying value of assets and created an additional provision for doubtful debts, inventories and intangible assets.

(ii) Expenses related to the Composite Scheme of Arrangement under section 230 to 232 and other applicable provisions of the Companies Act 2013 between NIIT Limited (Transferor Company)and NIIT Learning Systems Limited (Formerly known as Mindchampion Learning Systems Limited) (Transferee Company) have been recognised as an exceptional item (Refer note 33(ix)).

**23 Income tax expense**

| | Year ended | |
|---|---|---|
| **(a) Income tax expense** | **March 31, 2022** | **March 31, 2021** |
| **Current tax** | | |
| Write off Foreign tax credit | 271.02 | 774.94 |
| **Total current tax expense** | **271.02** | **774.94** |
| **Income tax expense** | **271.02** | **774.94** |

During the year, there is loss as per Income tax act 1961, therefore no tax is payable.
Due to continuing business losses and lack of future taxable profits the Company has not recognized deferred tax asset.

**(b) Reconciliation of tax expense and the accounting profit multiplied by India's tax rate:**

| | Year ended | |
|---|---|---|
| | **March 31, 2022** | **March 31, 2021** |
| Loss before Tax | (4,550.57) | (160,469.88) |
| Write off Foreign tax credit | 271.02 | 774.94 |
| **Total tax expenses** | **271.02** | **774.94** |

(All amounts in Rs. thousands, unless stated otherwise)

## 24 Fair value measurements

### (i) Fair value hierarchy

To provide indication about the reliability of the inputs used in determining fair value, the Company has classified its financial instruments into the three levels prescribed under the accounting standard explained below:

**Level 1:** Level 1 hierarchy includes financial instruments measured using quoted prices. This includes listed equity instruments, traded bonds and mutual funds that have quoted price. The fair value of all equity instruments (including bonds) which are traded in the stock exchanges is valued using the closing price as at the reporting period. The mutual funds are valued using the closing net asset value.
**Level 2:** The fair value of financial instruments that are not traded in an active market (for example foreign exchange forward contracts) is determined using valuation techniques which maximize the use of observable market data and rely as little as possible on entity-specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.
**Level 3:** If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3. This is the case for unlisted equity securities, contingent consideration and indemnification asset included in level 3.

The Company's policy is to recognize transfers into and transfers out of fair value hierarchy levels at the end of reporting period.

### (ii) Valuation technique used to determine fair value

Specific valuation techniques used to value financial instruments include:
- The use of quoted market prices for similar instruments.
- The fair value of forward foreign exchange contracts is determined using Mark to Market Valuation by the respective bank at the balance sheet date.
- The fair value of the remaining financial instruments is determined using discounted cash flow analysis.

**Financial instruments by category and hierarchy of measurement**

| | As at | | | |
|---|---|---|---|---|
| | March 31, 2022 | | March 31, 2021 | |
| | FVTPL | Amortised cost | FVTPL | Amortised cost |
| **Financial assets** | | | | |
| Investments | 68,820.08 | - | 46,929.05 | - |
| Trade receivables | - | 35,025.01 | - | 59,282.86 |
| Cash and bank balances | - | 1,322.48 | - | 16,451.26 |
| Bank balances other than above | - | - | - | 7,000.00 |
| Other financial assets | - | 21,611.50 | - | 1,562.28 |
| **Total financial assets** | **68,820.08** | **57,958.99** | **46,929.05** | **84,296.40** |
| **Financial liabilities** | | | | |
| Lease liabilities | - | 317.97 | - | 183.69 |
| Trade payables | - | 105,283.54 | - | 108,582.63 |
| Other financial liabilities | - | 8,696.75 | - | 11,624.31 |
| **Total financial liabilities** | - | **114,298.26** | - | **120,390.63** |

As of March 31, 2022 and March 31, 2021 , the fair value of cash and bank balances, trade receivables, other financial assets and liabilities, trade payables approximate their carrying amount largely due to nature of these instruments.

(All amounts in Rs. thousands, unless stated otherwise)

**25 Financial risk management**

The Company's principal financial liabilities, other than derivatives, 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, trade and other receivables, and cash and short-term deposits that derive directly from its operations.

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. It is the Company's policy that no trading in derivatives for speculative purposes may be undertaken. The Board of Directors reviews and agrees policies for managing each of these risks, which are summarised below:

**(A) Credit risk**

Credit risk refers to the risk of default on its obligation by the counter party resulting in a financial loss. The maximum exposure to the credit risk at the reporting date is primarily from trade receivables amounting to Rs. 35,025.01 thousands and Rs. 59,282.86 thousands as of March 31, 2022 and March 31, 2021, respectively and unbilled revenue amounting to Rs. 1,144.70 thousands and Rs. 1,082.20 thousands as of March 31, 2022 and March 31, 2021, respectively. Trade receivables and unbilled revenue are typically unsecured and are derived from revenue earned through government customers and other corporate customers. The Company has used the expected credit loss model to assess the impairment loss or gain on trade receivables and unbilled revenue, and has provided it wherever appropriate. The following table gives the movement in allowance for expected credit loss:

**Reconciliation of loss allowance provision – Trade receivables**

| Particulars | Amount in Rs. |
|---|---|
| **Loss allowance as on April 01, 2020** | **173,623.93** |
| Add: Provision for Expected credit loss (Refer note 20) | 24,121.90 |
| Add: Additional provisional created through exceptional (Refer note 22) | 3,450.72 |
| **Loss allowance as on March 31, 2021** | **201,196.55** |
| Less: Reversal of provision for Expected credit loss (Refer note 17) | (7,814.70) |
| **Loss allowance as on March 31, 2022** | **193,381.85** |

**(B) Liquidity risk**

The Company's principal sources of liquidity are cash and cash equivalents and the cash flow that is generated from operations. The Company has no outstanding borrowings except and working capital limits from banks. Working capital limit is secured by a first charge on the book debts of the Company and by a second charge on movable assets of the Company . However, the Company believes that the working capital is sufficient to meet its current requirements. Accordingly, no liquidity risk is perceived.

**(i) Maturities of financial liabilities**

The table below provides details regarding the contractual maturities of significant financial liabilities as at March 31, 2022:

| **Particulars** | **Less than 1 year** | **Between 1 and 2 years** | **Between 2 and 5 years** | **Total** |
|---|---|---|---|---|
| Lease liabilities | 317.97 | - | - | 317.97 |
| Trade payables | 105,283.54 | - | - | 105,283.54 |
| Other financial liabilities | 8,696.75 | - | - | 8,696.75 |
| **Total non-derivative liabilities** | **114,298.26** | **-** | **-** | **114,298.26** |

The table below provides details regarding the contractual maturities of significant financial liabilities as at March 31, 2021:

| **Particulars** | **Less than 1 year** | **Between 1 and 2 years** | **Between 2 and 5 years** | **Total** |
|---|---|---|---|---|
| Lease liabilities | 183.69 | - | - | 183.69 |
| Trade payables | 108,582.63 | - | - | 108,582.63 |
| Other financial liabilities | 11,624.31 | - | - | 11,624.31 |
| **Total non-derivative liabilities** | **120,390.63** | **-** | **-** | **120,390.63** |

**(C) Market risk**

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: interest rate risk, currency risk and other price risk, such as equity price risk and commodity risk. Financial instruments affected by market risk include loans and borrowings, deposits, investments measured at FVTPL and derivative financial instruments.

**(i) Interest rate risk**

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. There are no significant borrowings on the financial statements. Hence, there is no significant concentration of interest rate risk.

**(ii) Foreign currency risk**

The Company operates internationally and is exposed to foreign exchange risk arising from foreign currency transactions, primarily with respect to the USD. Foreign exchange risk arises from future commercial transactions and recognised assets and liabilities denominated in a currency that is not the Company's functional currency (INR). The Company evaluates its exchange rate exposure arising from these transactions and enters into foreign exchange forward contracts to hedge forecasted cash flows denominated in foreign currency and mitigate such exposure.

The Company's exposure to foreign currency risk at the end of the reporting year expressed in INR, are as follows

| | **As at March 31, 2022** | **As at March 31, 2021** |
|---|---|---|
| | **USD** | **USD** |
| **Financial assets** | | |
| Trade receivables | 1,057.38 | 1,320.70 |

***Sensitivity***

The sensitivity of profit or loss to changes in the exchange rates arises mainly from foreign currency denominated financial instruments.

| **Particulars** | **Impact on Profit and Loss** | | **Impact on Profit and Loss** | |
|---|---|---|---|---|
| | **Gain / (Loss) on Appreciation** | **Gain / (Loss) on Depreciation** | **Gain / (Loss) on Appreciation** | **Gain / (Loss) on Depreciation** |
| 1% appreciation / depreciation in Indian Rupees against following foreign currencies *: | | | | |
| USD | 10.57 | (10.57) | 13.21 | (13.21) |
| | **10.57** | **(10.57)** | **13.21** | **(13.21)** |

* Holding all other variables constant
USD: United States Dollar

(All amounts in Rs. thousands, unless stated otherwise)

**26 Employee Benefits**

**A) Defined Contribution Plans**

The Company makes contribution towards Superannuation Fund and Pension Scheme to the defined contribution plans for eligible employees.

The Company has charged the following costs in Contribution to Superannuation and Other Funds in the Statement of Profit and Loss:-

| Particulars | Year ended | |
|---|---|---|
| | March 31, 2022 | March 31, 2021 |
| Employers' Contribution to Superannuation Fund | 298.38 | 573.25 |
| Employers' Contribution to Employees Pension Scheme | 885.03 | 2,954.88 |
| Employers' Contribution to Employee National Pension System | 100.54 | 175.51 |
| **Total** | **1,283.95** | **3,703.64** |

The Company has charged the following costs in Contribution to Superannuation and Other Funds in the Statement of Profit and Loss for Key Management Personnel:

| | Year ended | |
|---|---|---|
| | March 31, 2022 | March 31, 2021 |
| Employers' Contribution to Superannuation Fund | 234.05 | 274.53 |
| Employers' Contribution to Employees Pension Scheme | 23.75 | 30.00 |
| Employers' Contribution to Employee National Pension System | 93.70 | 138.45 |
| **Total** | **351.50** | **442.98** |

**B) Defined Benefit Plans**

**1. Provident Fund**

The Company makes contributions to the "NIIT LIMITED EMPLOYEES' PROVIDENT FUND TRUST" ("the Trust"), in respect of employees deputed from the Holding Company. The plan has been classified as a Defined Benefit plan in accordance with Ind AS-19 'Employee Benefits'. During the year the Company contributed Rs. 979.36 thousands (Previous year Rs. 2,454.90 thousands) to the Trust. The Company has an obligation to make good the shortfall, if any, between the return from the investments of the Trust and the notified interest rate. The Company's obligation in this regard is actuarially determined and provided for if the circumstances indicate that the Trust may not be able to generate adequate returns to cover the interest rates notified by the Government. Based on actuarial valuation carried out, there is no shortfall to be provided by the Company.

**2. Gratuity Fund - Funded**

| Particulars | As at | |
|---|---|---|
| | March 31, 2022 | March 31, 2021 |
| **i) Change in Present value of Obligation:-** | | |
| Present value of obligation as at beginning of the year | 7,586.41 | 12,371.00 |
| Interest cost | 444.66 | 747.41 |
| Current service cost | 983.00 | 2,262.00 |
| Acquisition (credit) / cost | (223.00) | (313.00) |
| Benefits paid from plan assets | (927.00) | (1,724.00) |
| Actuarial gain - experience | (1,906.00) | (6,438.00) |
| Actuarial loss - financial assumptions | 1,457.00 | 681.00 |
| **Present value of obligation as at the year end** | **7,415.07** | **7,586.41** |

| | As at | |
|---|---|---|
| | March 31, 2022 | March 31, 2021 |
| **ii) Change in value of Plan Assets** | | |
| Fair value of Plan Assets as at the beginning of the year | 637.70 | 1,112.70 |
| Acquisition adjustment | (223.00) | (313.00) |
| Expected return on Plan Assets | 137.00 | 65.00 |
| Contributions | 4,047.86 | 1,500.00 |
| Benefits Paid | (927.00) | (1,724.00) |
| Return on plan assets greater than discount rate | (30.00) | (3.00) |
| **Fair value of Plan Assets as at the end of the year** | **3,642.56** | **637.70** |

| iii) Amount of Asset/ (Liability) recognised in the Balance Sheet:- | Fair value of Plan Assets as at the end of the year | Present value of obligation as at the end of the year | Liability recognised in Balance Sheet |
|---|---|---|---|
| As at March 31, 2022 | 3,642.56 | 7,415.07 | (3,772.51) |
| As at March 31, 2021 | 637.70 | 7,586.41 | (6,948.71) |

**iv) Gratuity Cost recognised in the Statement of Profit and Loss:-**

| Particulars | Year ended | |
|---|---|---|
| | March 31, 2022 | March 31, 2021 |
| Current service cost | 983.00 | 2,262.00 |
| Interest cost | 307.66 | 682.41 |
| **Expense recognised in the Statement of Profit and Loss** | **1,290.66** | **2,944.41** |

Estimated contributions for the year ended on March 31, 2023 is Rs. 3,772.51 thousands (Previous year Rs. 6,948.71 thousands).

(All amounts in Rs. thousands, unless stated otherwise)

**v) Remeasurement (gain)/loss recognised through Other Comprehensive Income:-**

| Particulars | Year ended March 31, 2022 | Year ended March 31, 2021 |
|---|---|---|
| Actuarial loss - experience | (1,906.00) | (6,438.00) |
| Actuarial loss - financial assumptions | 1,457.00 | 681.00 |
| Return on plan assets (greater) / less than discount rate | 30.00 | 3.00 |
| **Gain recognised through other comprehensive Income** | **(419.00)** | **(5,754.00)** |

**vi) Assumptions used in accounting for gratuity plan:-**

| | As at March 31, 2022 | As at March 31, 2021 |
|---|---|---|
| Discount Rate (Per Annum) | 6.75% | 6.25% |
| Future Salary Increase | 16% for FY 2022-23 & FY 2023-24 & 10% thereafter | 12% for FY 2021-22 & FY 2022-23 & 8% thereafter |
| Expected Rate of return on plan assets | 7.15% | 7.05% |

Estimates of future salary increase considered in actuarial valuation, takes into account inflation, seniority, promotion and other relevant factors such as supply and demand in the employment market.

**vii) Investment details of Plan Assets:-**

The plan assets are maintained with Life Insurance Corporation of India Gratuity Scheme. The details of investment maintained by Life Insurance Corporation are not available with the Company and have not been disclosed.

The expected return on plan assets is determined considering several applicable factors mainly the compensation of plan assets held, assessed risk of asset management, historical result of the return on plan assets.

**viii) Sensitivity analysis**

The sensitivity of the defined benefit obligation to changes in the weighted principal assumptions is:

| | Impact on defined benefit obligation | | |
|---|---|---|---|
| | **Change in assumption** | **Increase in assumption** | **Decrease in assumption** |
| | **March 31, 2022** | **March 31, 2022** | **March 31, 2022** |
| Discount rate | 0.50% | (387.00) | 417.00 |
| Salary growth rate | 0.50% | 399.00 | (374.00) |
| Withdrawal rate | 5.00% | (711.00) | 702.00 |

| | Impact on defined benefit obligation | | |
|---|---|---|---|
| | **Change in assumption** | **Increase in assumption** | **Decrease in assumption** |
| | **March 31, 2021** | **March 31, 2021** | **March 31, 2021** |
| Discount rate | 0.50% | (380.00) | 411.00 |
| Salary growth rate | 0.50% | 400.00 | (374.00) |
| Withdrawal rate | 5.00% | (459.00) | 472.00 |

The above sensitivity analyses are based on a change in an assumption while holding all other assumptions constant. In practice, this is unlikely to occur, and changes in some of the assumptions may be correlated. When calculating the sensitivity of the defined benefit obligation to significant actuarial assumptions the same method (present value of the defined benefit obligation calculated with the projected unit credit method at the end of the reporting period) has been applied as and when calculating the defined benefit liability recognised in the balance sheet.

**ix) The major categories of plan assets are as follows:**

| | March 31, 2022 | March 31, 2021 |
|---|---|---|
| Scheme of insurance - conventional products | 100% | 100% |

**Risk exposure**

Through its defined benefit plans, the Company is exposed to a number of risks, the most significant of which are market volatility, changes in inflation, changes in interest rates, rising longevity, changing economic environment, regulatory changes etc. The Company ensures that the investment positions are managed within an asset and liability matching framework that has been developed to achieve investments which are in line with the obligations under the employee benefit plans. Within this framework, the Company's asset-liability matching objective is to match assets to the obligations by investing in securities to match the benefit payments as they fall due.

The Company actively monitors how the duration and the expected yield of the investments are matching the expected cash outflows arising from employee benefit obligations. The Company has not changed the processes used to manage its risks from previous periods. Investments are well diversified, such that failure of any single investment should not have a material impact on the overall level of assets.

**NIIT LEARNING SYSTEMS LIMITED**
**(Formerly Known as Mindchampion Learning Systems Limited)**
**CIN: U72200HR2001PLC099478**
**Notes to the Financial Statements for the year ended March 31, 2022**

(All amounts in Rs. thousands, unless stated otherwise)

**27 Loss Per Share**

| | Year ended | |
|---|---|---|
| | **March 31, 2022** | **March 31, 2021** |
| Loss attributable to Equity Shareholders (A) | (4,821.59) | (161,244.82) |
| Weighted average number of Equity Shares outstanding during the year (Nos.) – (B) | 115,564,072 | 93,540,784 |
| Nominal Value of Equity Shares (Rs.) | 10 | 10 |
| Basic loss per Share (Rs.) (A/B) | (0.04) | (1.72) |
| Diluted loss per Share (Rs.) (A/B) | (0.04) | (1.72) |

*As there are no dilutive securities at the year end, the basic and diluted earnings per share are same.

**28 Related Party Transactions**

**A. Related party relationship where control exists:**

Holding Company - NIIT Limited

**B. Fellow Subsidiaries**

1 NIIT Institute of Finance Banking and Insurance Training Limited
2 NIIT Institute of Process Excellence Limited (Under Voluntary Liquidation w.e.f. February 19, 2020)
3 NIIT Yuva Jyoti Limited (Liquidated on February 25, 2022)
4 NIIT USA Inc, USA
5 Stackroute Learning Inc, USA (subsidiary of entity at serial no. 4)
6 NIIT Limited, UK
7 NIIT Malaysia Sdn. Bhd, Malaysia
8 NIIT West Africa Limited
9 NIIT GC Limited, Mauritius
10 NIIT (Ireland) Limited
11 NIIT Learning Solutions (Canada) Limited (subsidiary of entity at serial no. 10)
12 Eagle international Institute Inc. USA (subsidiary of entity at serial no. 4 till June 30, 2021, merged with NIIT (USA) Inc, USA w.e.f. July 01, 2021)
13 Eagle Training Spain, S.L.U (subsidiary of entity at serial no. 12 till June 30, 2021, Subsidiary of Entity at Serial no. 4 w.e.f. July 01, 2021)
14 PT NIIT Indonesia, Indonesia (under liquidation)
15 NIIT China (Shanghai) Limited, Shanghai (subsidiary of entity at serial no. 9)
16 NIIT Wuxi Service Outsourcing Training School, China (Deregistered on June 24, 2020) (subsidiary of entity at serial no. 15)
17 Wuxi NIIT Information Technology Consulting Limited, China (entity closed on October 30, 2020) (subsidiary of entity at serial no. 15)
18 Su Zhou NIIT Information Technology Consulting Limited, China (subsidiary of entity at serial no. 17, ceases to exist as step-down subsidiary of the Company w.e.f. October 30, 2020)
19 Changzhou NIIT Information Technology Consulting Limited, China (subsidiary of entity at serial no. 17, ceases to exist as step-down subsidiary of the Company subsidiary w.e.f. October 30, 2020)
20 Chengmai NIIT Information Technology Company Limited, China (Under process of closing) (subsidiary of entity at serial no. 15)
21 Chongqing An Dao Education Consulting Limited, China (subsidiary of entity at serial no. 15)
22 Chongqing NIIT Education Consulting Limited, China (Closed on January 20, 2021) (subsidiary of entity at serial no. 15)
23 NingXia NIIT Education Technology Company Limited, China (subsidiary of entity at serial no. 15)
24 Guizhou NIIT information technology consulting Co., Limited, China (subsidiary of entity at serial no. 15)
25 NIIT (Guizhou) Education Technology Co., Limited, China (subsidiary of entity at serial no. 15)
26 RPS Consulting Private Limited (w.e.f. October 01, 2021)

**C. Other related parties with whom the Company has transacted**

**a) Key Management Personnel**

1 Mr. Umesh Kumar Gola (Chief Financial Officer) (till September 30, 2021)
2 Ms. Leena Khokha (Manager)
3 Mr. Vijay K Thadani (Non Executive Director)
4 Mr. P Rajendran (Chairman & Non Executive Director)
5 Mr. Sapnesh Kumar Lalla (Non Executive Director)
6 Mr. Amit Roy (Non Executive Director) (resigned w.e.f. March 31, 2021)
7 Mr. Anand Sudarshan (Non Executive Independent Director) (tenure completed on March 13, 2021)
8 Mr. Sanjay Kumar Jain (Chief Financial Officer) (w.e.f. March 01, 2022)
9 Ms. Lata Vaidyanathan (Non Executive Independent Director-) (tenure completed on May 08, 2021)
10 Ms. Mita Brahma (Non Executive Director) (w.e.f. August 05, 2021)

**b) Parties in which the Key Managerial Personnel are interested**

1 NIIT Foundation

**D. Key Management Personnel compensation**

| | Year ended | |
|---|---|---|
| | **March 31, 2022** | **March 31, 2021** |
| Short-term employee benefits | 7,566.10 | 7,101.11 |
| Post-employment benefits | 1,962.74 | 2,680.65 |
| Share based payments | - | 1,499.81 |
| Sitting Fees paid to Non Executive Directors | - | 400.00 |
| **Total compensation** | **9,528.84** | **11,681.57** |

**E. Terms and conditions**

Transactions with related parties during the year were based on terms that would be available to third parties. All transactions were made on normal commercial terms and conditions and at market rates.

All outstanding balances are unsecured and are repayable in cash.

**28 Related Party Transactions ( Contd.)**

**F. Details of significant transactions with the Related Parties carried out in ordinary course of business:-**

(All amounts in Rs. thousands, unless stated otherwise)

| Nature of Transactions | Holding Company | Parties in which Key Management Personnel of the Company are interested* | Total |
|---|---|---|---|
| Sale of Goods- Revenue | - | - | - |
| | (140.89) | (2,085.56) | (2,226.45) |
| Sale of services- Revenue | 30,979.23 | - | 30,979.23 |
| | (28,407.49) | - | (28,407.49) |
| Sale of fixed assets | 401.86 | - | 401.86 |
| | (720.25) | - | (720.25) |
| Recovery of Expenses From | 46.15 | - | 46.15 |
| | - | - | - |
| Purchase of Services-Professional Technical & Outsourcing expenses and others | 7,500.59 | - | 7,500.59 |
| | (1,732.13) | - | (1,732.13) |
| Management Cost Recovery- Other Expenses | 2,843.31 | - | 2,843.31 |
| | (4,670.45) | - | (4,670.45) |
| Corporate Guarantee Charges- Other Borrowing Costs | - | - | - |
| | (150.68) | - | (150.68) |
| Recovery of Share Based Payments by | 3,199.93 | - | 3,199.93 |
| | (273.72) | - | (273.72) |
| Recovery of Expenses By | 1,523.49 | - | 1,523.49 |
| | (8,406.38) | - | (8,406.38) |
| Interest Expense- Finance Cost | - | - | - |
| | (17,718.22) | - | (17,718.22) |
| Issuance of Equity share capital | - | - | - |
| | (465,000.00) | - | (465,000.00) |
| Loan Taken | - | - | - |
| | (50,000.00) | - | (50,000.00) |
| Loan Repaid | - | - | - |
| | (350,000.00) | - | (350,000.00) |

*During the year the Company has donated certain Intellectual Property Rights (Trademark/Copyrights/ Patent/Design etc. including software) ["IPR"] to NIIT Foundation (NF) a not-for-profit education society (NGO). These IPRs have Nil carrying value in the books of the Company. Fair value of these IPRs is Rs. 460 thousands as per report of independent valuer.

**G. Details of outstanding balances with related parties:**

| Particulars | Holding Company | Parties in which Key Management Personnel are interested | Key Management Personnel | Total |
|---|---|---|---|---|
| **i) Trade Payables** | | | | |
| March 31, 2022 | 6,839.55 | - | - | 6,839.55 |
| March 31, 2021 | (4,263.96) | - | - | (4,263.96) |
| **ii) Trade Receivables** | | | | |
| March 31, 2022 | 9,464.38 | - | - | 9,464.38 |
| March 31, 2021 | (9,649.53) | (1,209.91) | - | (10,859.44) |
| **iii) Other Payables** | | | | |
| March 31, 2022 | - | - | 37.00 | 37.00 |
| March 31, 2021 | - | - | (153.21) | (153.21) |

Previous year figures are given in parenthesis.

(All amounts in Rs. thousands, unless stated otherwise)

**29 Contingent Liabilities and Commitments**

**A. Contingent Liabilities**

| **a) Claims against the Company not acknowledged as debts:-** | **As at** | |
|---|---|---|
| | **March 31, 2022** | **March 31, 2021** |
| Customers | 589.32 | - |
| Indirect tax | 19,422.73 | - |
| **Total** | **20,012.05** | - |

**b) Guarantees**

Bank Guarantees issued by Bankers outstanding at the end of the year Rs. 20,010.15 thousands (Previous year Rs. 230.04 thousands).

**B. Capital and other commitments - Nil (Previous year Nil)**

**30 Segment Information**

The Company is engaged in providing Education & Training Services in a single geography. Based on "Management Approach" , as defined in Ind AS 108 –Operating Segments, the Chief Operating Decision Maker (CODM) evaluates the performance and allocates resources based on the analysis of performance of the Company as a whole. Its operations are, therefore, considered to constitute a single segment in the context of Ind AS 108 – Operating Segments.

The Company operates in a single geography (India) and accordingly, secondary segment reporting is not applicable.

**31 Disclosure under Ind AS - 115 (Revenue from contracts with customers)**

| | **Year ended** | |
|---|---|---|
| **a. Disaggregated revenue information** | **March 31, 2022** | **March 31, 2021** |
| **Type of Services** | | |
| Sale of Courseware and Training Material | 26,628.79 | 42,678.07 |
| Sale of Hardware & Accessories | 1,592.87 | 6,802.63 |
| Sale of Services | 62,900.19 | 80,764.67 |
| | **91,121.85** | **130,245.37** |
| **Timing of Revenue Recognition** | | |
| Goods (Courseware, Training Material, Hardware & Accessories) transferred at a point in time | 28,221.66 | 49,480.70 |
| Services transferred over time (Training Services) | 62,900.19 | 80,764.67 |
| | **91,121.85** | **130,245.37** |
| **b. Trade receivables and Contract Balances** | | |
| Trade Receivables [Refer note 7(ii)] | 35,025.01 | 59,282.86 |
| Contract Assets [Refer note 7(iii)) | 1,144.70 | 1,082.20 |
| Contract Liabilities [Refer note 15] | (7,657.95) | (13,295.80) |
| | **28,511.76** | **47,069.26** |

Trade receivables are non-interest bearing and are generally on terms of 60 - 90 days. A sum of Rs (7,814.70 thousands) (Previous year Rs. 27,572.62 thousands) is recognised as (reversal)/provision for expected credit losses on trade receivables during the year.

The Company classifies the right to consideration in exchange for deliverables as either a receivable or as unbilled revenue.
A receivables is right to consideration that is unconditional upon passage of time.
Revenue for ongoing services at the reporting date yet to be invoiced is recorded as unbilled revenue.

**c. Reconciliation of revenue recognised in the statement of profit and loss with the contracted price**

| | **Year ended** | |
|---|---|---|
| | **March 31, 2022** | **March 31, 2021** |
| Revenue as per contracted price | 90,951.59 | 126,942.06 |
| **Adjustments** | | |
| (Reversal of sales return)(net) | (170.26) | (3,303.31) |
| | **91,121.85** | **130,245.37** |

**d. Performance obligation and remaining performance obligation**

The remaining performance obligation disclosure provides the aggregate amount of the transaction price yet to be recognized as at the end of the reporting period and an explanation as to when the Company expects to recognize these amounts in revenue. As on March 31, 2022, there were no remaining performance obligation as the same is satisfied upon delivery of goods/services.

(All amounts in Rs. thousands, unless stated otherwise)

## 32 Capital Management

The primary objective of the management of the Company's capital structure is to maintain an efficient mix of debt and equity in order to achieve a low cost of capital, while taking into account the desirability of retaining financial flexibility to pursue business opportunities and adequate access to liquidity to mitigate the effect of unforeseen events on cash flows. To maximise the shareholder value the management also monitors the return on equity.

There is no borrowings outstanding as at March 31, 2022.

| **Particulars** | **March 31, 2022** | **March 31, 2021** |
|---|---|---|
| Lease liabilities | 317.97 | 183.69 |
| **Total Debt (A)** | **317.97** | **183.69** |
| | | |
| Equity Share Capital (Refer note 11) | 1,155,640.72 | 1,155,640.72 |
| Other Equity (Refer note 12) | (1,132,339.68) | (1,127,937.09) |
| **Total Equity (B)** | **23,301.04** | **27,703.63** |
| **Profit after Tax (C)** | **(4,821.59)** | **(161,244.82)** |
| | | |
| Opening equity | 27,703.63 | 21,794.46 |
| Closing equity | 23,301.04 | 27,703.63 |
| **Average Shareholder's equity (D)** | **25,502.34** | **24,749.04** |
| | | |
| **Debt equity ratio (A/B)** | **0.01** | **0.01** |
| **Return on equity Ratio (%) (C/D)** | **(18.91)%** | **(651.52)%** |

(This space has been intentionally left blank)

(All amounts in Rs. thousands, unless stated otherwise)

**33 Additional Regulatory Information**

i) There is no immovable property included in Property Plant and Equipment and Right of use assets, held by the Company.

ii) The Company has not revalued its Property, Plant and Equipment (including Right of use assets) and intangible assets during the year ended March 31, 2022.

iii) The Company does not have any Benami property, where any proceeding has been initiated or pending against the Company for holding any Benami property under the Benami Transactions (Prohibition) Act, 1988 and rules made thereunder.

iv) The Company has not been declared wilful defaulter by any bank or financial institution or government or any government authority, as per the available information

v) Relationship with Struck off Companies

| Name of the struck off company | Nature of transactions with struck off company | Balance outstanding as on 31.03.2022 | Balance outstanding as on 31.03.2021 | Relationship with the struck off company, if any, to be disclosed |
|---|---|---|---|---|
| North East Info Services Pvt. Ltd. | Trade payables | - | 899.15 | N.A. |
| Assam Computer Services Pvt. Ltd. | Trade payables | 51.96 | 51.96 | N.A. |
| Vijaya Lakshmi Softtech Private Limited | Trade Receivable | 12.08 | 12.08 | N.A. |

vi) The Company does not have any such transaction which is not recorded in the books of accounts that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961.

vii) The Company has not traded or invested in cryptocurrency transactions / balances during the financial year.

(This space has been intentionally left blank)

**viii) Ratio Analysis and its elements**

(All amounts in Rs. thousands, unless stated otherwise)

| Ratios | Numerator | Denominator | March 31, 2022 | March 31, 2021 | % Change | Reasons for variance |
|---|---|---|---|---|---|---|
| Current Ratio | Current Assets | Current Liabilities | 0.87 | 1.04 | -16% | |
| Debt- Equity Ratio | Total Debt | Shareholder's Equity | 0.01 | 0.01 | 0% | |
| Debt Service Coverage ratio | Earnings available for debt service | Debt Service | - | - | 0% | The Company is into cash losses. Therefore this ratio is capped at zero. |
| Return on Equity ratio | Net Profits after taxes | Average Shareholder's Equity | -18.91% | -651.52% | -97% | Decrease in losses has resulted in the improvement in the ratio |
| Inventory Turnover ratio | Cost of goods sold | Average Inventory | 1.1 | 1.1 | 6% | |
| Trade Receivable Turnover Ratio | Total sales | Trade receivables | 2.6 | 2.2 | 18% | |
| Trade Payable Turnover Ratio | Total purchases | Trade creditors | 0.3 | 0.6 | -42% | Purchases are decreased due to lower business as against same level of Trade Creditors. This resulted in negative movement in the ratio. |
| Net Capital Turnover Ratio | Net Sales | Working Capital | (14.9) | (5.4) | 176% | Decreases in turnover on account of lower of business and decrease in average working capital in different proportion has resulted negative movement in the ratio |
| Net Profit ratio | Net Profit | Net Sales | (0.1) | (1.2) | -96% | Decrease in loss vis a vis the turnover has resulted in the improvement in the ratio |
| Return on Capital Employed | Earnings before interest and taxes | Capital Employed | (0.2) | (5.1) | -96% | Decrease in loss has resulted in the improvement in the ratio |
| Return on Investment | Finance income | Average Investment | 0.04 | 0.03 | 33% | Higher return on investment in mutual fund due to longer holding period has resulted in the improvement in the ratio as against investment in fixed deposits for shorter duration in last year |

(This space has been intentionally left blank)

ix) The Board of Directors of the Company, in its meeting held on January 28, 2022 has approved a Composite Scheme of Arrangement under section 230 to 232 and other applicable provisions of the Companies Act 2013 between NIIT Limited (Transferor Company) (Holding Company) and NIIT Learning Systems Limited (Formerly known as Mindchampion Learning Systems Limited) (Transferee Company) and their respective shareholders and creditors ("Scheme"). The Scheme inter-alia provides for, (i) Transfer and Vesting of CLG Business Undertaking by the Transferor Company to Transferee Company, (ii) Reduction and cancellation of Share Capital of Transferee Company held by Transferor Company, (iii) Issuance and allotment of shares by the Transferee Company to the shareholders of Transferor Company in consideration of transfer of CLG Business undertaking.

The Appointed Date for the Scheme is April 1, 2022 or such other date as directed by the Hon'ble Chandigarh Bench of the National Company Law Tribunal ("NCLT"). The Scheme is subject to receipt of regulatory and other approvals inter-alia approval from BSE Limited, National Stock Exchange of India Limited, SEBI, shareholders, creditors, NCLT and others, as may be applicable.
Expenses related to the Scheme have been recognised as an exceptional item in the statement of Profit and loss.

x) The Company has not advanced or loaned or invested funds to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding that the Intermediary shall:
(a) Directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company (Ultimate Beneficiaries) or
(b) Provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries

xi) The Company has not received any fund from any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Company shall:
(a) Directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries) or
(b) Provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries

**35** The Code on Social Security, 2020 (‘Code’) relating to employee benefits during employment and post-employment benefits received Presidential assent in September 2020. However, the date on which the Code will come into effect has not been notified. The Company will assess the impact of the Code when it comes into effect and will record any related impact in the period when the Code becomes effective.

**36** Previous year figures have been regrouped / reclassified to conform the current year classification.

Signatures to Notes '1' to '36' of these Financial Statements.

**For S.R. Batliboi & Associates LLP**
Chartered Accountants
Firm Registration No: 101049W/E300004

**For and on behalf of the Board of Directors of**
**NIIT Learning Systems Limited**
(Formerly Known as Mindchampion Learning Systems Limited)

**Sanjay Bachchani**
Partner
Membership No. 400419

**P Rajendran**
Director
DIN - 00042531

**Vijay K Thadani**
Director
DIN - 00042527

**Sanjay Kumar Jain**
Chief Financial Officer

**Siddharth Nath**
Company Secretary

Place: Gurugram
Date: May 14, 2022

Place: Gurugram
Date: May 14, 2022