

NIIT (USA), Inc.

Audit of special purpose financial statements for the year ended
March 31, 2018

Independent Auditors' Report on Special Purpose Financial Statements**To the Board of Directors of NIIT (USA), Inc.**

We have audited the accompanying special purpose financial statements of NIIT (USA), Inc. ("the Company"), comprising of the Balance sheet as at March 31, 2018, the Statement of Profit and Loss and the Cash Flow Statement for the year then ended and selected explanatory notes. These special purpose financial statements have been prepared by the management of the Company as per the basis of preparation referred to in Note 2.1 of the special purpose financial statements solely for its internal use to assist its ultimate parent Company, NIIT Limited, in preparing their consolidated financial statements.

Management's Responsibility for the financial statements

The Company's Board of Directors is responsible for the preparation of these special purpose financial statements in accordance with the basis of accounting described in Note 2.1, and for such internal controls relevant to the preparation of the special purpose financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these special purpose financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the special purpose financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the special purpose financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the special purpose financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial controls relevant to the Company's preparation of the special purpose financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal financial controls. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the special purpose financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on these special purpose financial statements.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the special purpose financial statements give the information in the manner so required and give a true and fair view in conformity with the basis of accounting set out in Note 2.1 of the state of affairs of the Company as at March 31, 2018, its profit and its cash flows for the year then ended.



S.R. BATLIBOI & ASSOCIATES LLP

Chartered Accountants

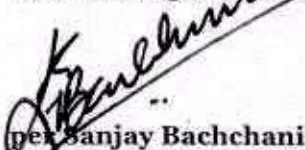
Basis of Accounting and Restriction on distribution

This report covering the special purpose financial statements of the Company for the year ended March 31, 2018 is intended solely for the information and use of the management of the Company in connection for its internal use to assist its ultimate parent Company, NIIT Limited, in preparing their consolidated financial statements. These financial statements have been prepared in all material respects in accordance with the basis of preparation as set out in Note 2.1 to the special purpose financial statement of the Company, which describes the basis of accounting. As a result, the financial statements may not be suitable for another purpose. It should not be used for any other purpose or provided to other parties.

For S.R. Batliboi & Associates, LLP

Chartered Accountants

ICAI Firm Registration Number: 101049W/E3000004


per Sanjay Bachchani

Partner

Membership Number: 400419



Place: Gurugram

Date: May 14, 2018

NIIT (USA), Inc.
Special Purpose Balance Sheet
(All amounts in USD, unless otherwise stated)

| Particulars | Notes | As at March 31, 2018 | As at March 31, 2017 | As at April 1, 2016 |
|--------------------------------------|-------|-------------------------|-------------------------|------------------------|
| ASSETS | | | | |
| Non-current assets | | | | |
| Property, plant and equipment | 3 | 431,386 | 731,242 | 1,292,507 |
| Other intangible assets | 4 | 833,001 | 787,608 | 2,645,810 |
| Intangible assets under development | 4 | - | 661,194 | - |
| Financial assets | | | | |
| Investments | 7 | 6,467,459 | - | - |
| Other financial assets | 5 | 27,404 | 29,015 | 27,404 |
| Deferred tax assets (net) | 8 | 1,523,525 | 1,522,405 | 180,201 |
| Other non-current assets | 9 | - | - | 1,680 |
| Total non-current assets | | 9,282,775 | 3,731,464 | 4,147,611 |
| Current Assets | | | | |
| Financial assets | | | | |
| Trade receivables | 6 | 12,281,870 | 7,803,962 | 7,463,581 |
| Cash and cash equivalents | 10 | 2,876,685 | 2,502,420 | 744,087 |
| Other bank balances | 11 | 2,791,243 | 2,791,243 | 40,000 |
| Other financial assets | 5 | 3,645,049 | 9,153,768 | 11,233,472 |
| Other current assets | 9 | 2,275,692 | 1,702,679 | 2,075,935 |
| Total current assets | | 23,870,539 | 23,954,072 | 21,556,175 |
| Total Assets | | 33,153,314 | 27,685,536 | 25,703,786 |
| EQUITY AND LIABILITIES | | | | |
| Equity | | | | |
| Equity share capital | 12 | 10,662,113 | 10,662,113 | 10,662,113 |
| Other equity | 13 | 1,843,761 | 1,427,048 | 566,716 |
| Total equity | | 12,505,874 | 12,089,161 | 11,228,829 |
| Liabilities | | | | |
| Non-current liabilities | | | | |
| Financial liabilities | | | | |
| Borrowings | 14 | - | 650,000 | 650,000 |
| Total non-current liabilities | | - | 650,000 | 650,000 |
| Current liabilities | | | | |
| Financial liabilities | | | | |
| Borrowings | 14 | 3,000,000 | - | 2,200,000 |
| Trade payables | 15 | 11,212,884 | 8,044,860 | 7,601,279 |
| Other financial liabilities | 16 | 5,489,300 | 6,172,364 | 3,361,467 |
| Provisions | 17 | 408,101 | 391,107 | 395,056 |
| Other current liabilities | 18 | 537,155 | 338,044 | 367,155 |
| Total current liabilities | | 20,647,440 | 14,946,375 | 13,824,957 |
| Total liabilities | | 20,647,440 | 15,596,375 | 14,474,957 |
| Total equity and liabilities | | 33,153,314 | 27,685,536 | 25,703,786 |

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

For S. R. Batliboi & Associates LLP
Chartered Accountants
ICAI Firm Registration No. 101049W/E200004

S. R. Batliboi
S. R. Batliboi & Associates
Membership No. 400419



For and on behalf of the Board of Directors of NIIT (USA), Inc.

Sapresh Lalla
Sapresh Lalla
Director

Vijay K Thadani
Vijay K Thadani
Director

P R Subramanian
P R Subramanian
Director

Place: Gurugram
Date: May 14, 2018

Place: Gurugram
Date: May 14, 2018

Place: Gurugram
Date: May 14, 2018



NIIT (USA), Inc.
Special Purpose Statement of Profit and Loss
(All amounts in USD, unless otherwise stated)

| Particulars | Notes | for the year ended March 31, 2018 | for the year ended March 31, 2017 |
|---|-------|--------------------------------------|--------------------------------------|
| Revenue from operations | 19 | 45,128,813 | 42,298,697 |
| Other income | 20 | 1,086,554 | 1,016,502 |
| Total income | | 46,215,367 | 43,315,199 |
| Expenses | | | |
| Employee benefit expense | 21 | 15,985,916 | 15,667,344 |
| Professional & technical outsourcing expenses | | 20,909,311 | 17,544,523 |
| Finance costs | 22 | 106,268 | 347,024 |
| Depreciation and amortisation expense | 3 & 4 | 1,177,457 | 2,497,361 |
| Other expenses | 23 | 6,616,409 | 6,877,968 |
| Total expenses | | 44,795,361 | 42,934,220 |
| Profit before exceptional items and tax | | 1,420,006 | 380,979 |
| Exceptional items (Net) | 24 | 772,115 | - |
| Profit before tax | | 647,891 | 380,979 |
| Income tax expense: | 25 | | |
| -Current Tax | | 232,298 | 880,013 |
| -Adjustment of tax relating to earlier years | | - | (17,162) |
| -Deferred Tax | | (1,120) | (1,342,204) |
| Profit for the year | | 416,713 | 860,332 |
| Other comprehensive income | | - | - |
| Total comprehensive income for the year | | 416,713 | 860,332 |
| Earnings per Equity Share attributable to owners of NIIT (USA), Inc. | 29 | | |
| Basic | | 0.04 | 0.08 |
| Diluted | | 0.04 | 0.08 |

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

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

[Signature]
Sanjay Bachchani
Partner
Membership No. 400419



Place: Gurugram
Date: May 14, 2018

For and on behalf of the Board of Directors of NIIT (USA), Inc.

[Signature] Sapnesh Lalla Director
[Signature] Vijay K Thadani Director
[Signature] P R Subramanian Director

Place: Gurugram
Date: May 14, 2018

Place: Gurugram
Date: May 14, 2018

Place:
Date:



NIIT (USA), Inc.
Special Purpose Statement of Cash Flow
(All amounts in USD, unless otherwise stated)

| | for the year ended March 31, 2018 | for the year ended March 31, 2017 |
|--|--------------------------------------|--------------------------------------|
| CASH FLOW FROM OPERATING ACTIVITIES: | | |
| Profit before exceptional items and tax | 1,420,006 | 380,979 |
| Adjustment for: | | |
| Depreciation and amortisation | 1,177,457 | 2,497,361 |
| Finance cost | 106,268 | 347,024 |
| Interest income | (36,263) | - |
| Loss/ (Gain) on fixed assets sold | 130 | - |
| Provision for doubtful debts | 75,685 | 356,504 |
| Provision for unbilled revenue | 235,319 | 707,372 |
| Unrealised foreign exchange (gain)/ loss | (30,099) | 62,045 |
| | <u>1,528,497</u> | <u>3,970,306</u> |
| Operating profit before working capital changes | <u>2,948,503</u> | <u>4,351,285</u> |
| Movement in working capital | | |
| (Increase) in trade receivables | (4,490,729) | (763,972) |
| Decrease in other financial assets | 5,275,011 | 1,370,721 |
| (Increase) in other assets | (226,593) | (94,243) |
| (Increase) in other bank balances | - | (2,751,243) |
| Increase/(decrease) in trade payables | (1,035,171) | 443,580 |
| Increase/(decrease) in other financial liabilities | (1,386,947) | 2,841,769 |
| Increase/(decrease) in provisions | 16,994 | (3,949) |
| Increase in other liabilities | 199,111 | 70,889 |
| | <u>(1,648,324)</u> | <u>1,113,552</u> |
| Cash generated from operations | <u>1,300,179</u> | <u>5,464,837</u> |
| Taxes paid | <u>(578,718)</u> | <u>(394,563)</u> |
| Net Cash from Operating activities before Exceptional Items | <u>721,461</u> | <u>5,070,274</u> |
| Exceptional items | <u>772,115</u> | <u>-</u> |
| Net cash from/(used in) operating activities (A) | <u>(50,654)</u> | <u>5,070,274</u> |
| CASH FLOW FROM INVESTING ACTIVITIES: | | |
| Purchase of fixed assets (including capital work-in-progress, internally developed intangibles and capital advances) | (261,930) | (739,088) |
| Investment in subsidiary | (2,264,264) | - |
| Interest received | 36,263 | - |
| Net cash used in Investing activities (B) | <u>(2,489,931)</u> | <u>(739,088)</u> |
| CASH FLOW FROM FINANCING ACTIVITIES: | | |
| Repayment of long term borrowings | - | (10,700,000) |
| Term loan raised during the year | 3,000,000 | 8,500,000 |
| Interest paid | (85,150) | (372,853) |
| Net cash from/ (used in) financing activities (C) | <u>2,914,850</u> | <u>(2,572,853)</u> |
| Net increase in cash & cash equivalents (A) + (B) + (C) | <u>374,265</u> | <u>1,758,333</u> |
| Cash and cash equivalents as at the beginning of the year | <u>2,502,420</u> | <u>744,087</u> |
| Cash and cash equivalents as at the end of the year | <u>2,876,685</u> | <u>2,502,420</u> |

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

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

For Sanjay Bachchani
Partner
Membership No. 400419

Place: Gurugram
Date: May 14, 2018



For and on behalf of the Board of Directors of NIIT (USA), Inc.

Sapnesh Lalla
Director

Vijay K Thadani
Director

P R Subramanian
Director

Place: Gurugram
Date: May 14, 2018

Place: Gurugram
Date: May 14, 2018

Place:
Date:



NIIT (USA), Inc.
Special Purpose Statement of Changes in Equity
(All amounts in USD, unless otherwise stated)

i) Equity Share Capital

| Particulars | No. of shares | Amount |
|---------------------------------|---------------|------------|
| As at April 1, 2016 | 10,662,113 | 10,662,113 |
| Changes in equity share capital | - | - |
| As at March 31, 2017 | 10,662,113 | 10,662,113 |
| Changes in equity share capital | - | - |
| As at March 31, 2018 | 10,662,113 | 10,662,113 |

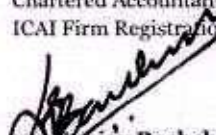
ii) Other Equity

| Description | Reserves and Surplus | Total |
|------------------------------|----------------------|-----------|
| | Retained Earnings | |
| Balance as at April 1, 2016 | 566,716 | 566,716 |
| Profit for the year | 860,332 | 860,332 |
| Other comprehensive income | - | - |
| Balance as at March 31, 2017 | 1,427,048 | 1,427,048 |

| Description | Reserves and Surplus | Total |
|------------------------------|----------------------|-----------|
| | Retained Earnings | |
| Balance as at April 1, 2017 | 1,427,048 | 1,427,048 |
| Profit for the year | 416,713 | 416,713 |
| Other comprehensive income | - | - |
| Balance as at March 31, 2018 | 1,843,761 | 1,843,761 |

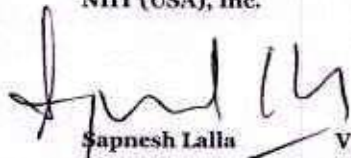
The accompanying notes form an integral part of these special purpose financial statements.
As per our report of even date.

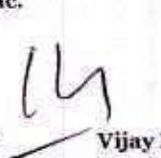
For S. R. Batliboi & Associates LLP
Chartered Accountants
ICAI Firm Registration No.: 101049W/E300004



Sanjay Bachchani
Partner
Membership No. 400419



For and on behalf of the Board of Directors of
NIIT (USA), Inc.


Sapnesh Lalla
Director


Vijay K Thadani
Director


P R Subramanian
Director

Place: Gurugram
Date: May 14, 2018

Place: Gurugram
Date: May 14, 2018

Place: Gurugram
Date: May 14, 2018

Place:
Date:



NIIT (USA), Inc.

Notes to the Special Purpose Financial Statements for the year ended March 31, 2018

1 CORPORATE INFORMATION

NIIT (USA), Inc. (the Company) was incorporated on May 02, 1994 and is a wholly owned subsidiary of NIIT Limited, a leading global talent management Company. The Company is in the learning business providing services to customers in USA.

2 SIGNIFICANT ACCOUNTING POLICIES

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

2.1 Basis of preparation

(i) Compliance with Ind AS

These special purpose financial statements has been prepared to comply in all material aspect with Indian Accounting Standards ('Ind AS') notified under section 133 of the companies Act, 2013 (the Act) read together with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 as amended by Companies (Indian Accounting Standards) Amendment Rule, 2016.

(ii) Historical cost convention

These special purpose financial statements have been prepared on a historical cost basis.

These special purpose financial statements have been prepared by the management solely for its internal use to assist its ultimate parent Company (NIIT Limited) in preparing their consolidated financial statements. However, as these special purpose financial statements are not statutory financial statements, full compliance with the above Act are not required and so they do not reflect all the disclosure requirements of the act.

All assets and liabilities have been classified as current or non-current as per the Company's normal operating cycle and other criteria set out in the Schedule III to the Companies Act, 2013. Based on the nature of products 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 as 12 months for the purpose of current and non current classification of assets and liabilities.

The said financial statements for the year ended March 31, 2018 are the first Ind AS financial statements of the Company. The transition to Ind AS has been carried out from accounting standards notified under section 133 of the Companies Act 2013, read together with paragraph 7 of the Companies (Accounts) Rules, 2014 ('IGAAP') which is considered as Previous GAAP, for the purposes of Ind AS 101. Refer note 33 for an explanation on how the transition from previous GAAP to Ind AS has affected the company's financial position, financial performance and cash flows.

2.2 Foreign currency translation

Foreign currency transactions and balances

(i) Initial recognition

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

(ii) Conversion

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

(iii) Exchange differences

The resultant translation adjustment is charged to the Statement of Profit and Loss.

Foreign currency assets/ liabilities covered by forward contracts are stated at the forward contract rate and differences between the forward rate and the exchange rate at the inception of the forward contract are recognised to the Statement of Profit and Loss over the life of the respective contracts.

2.3 Use of estimates

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:

Note 2.9 - measurement of useful life and residual values of property, plant and equipment.

Note 2.6 - fair value measurement of financial instruments.

Note 2.6 - judgement required to determine probability of recognition of deferred tax assets and MAT credit entitlement.



NIIT (USA), Inc.

Notes to the Special Purpose Financial Statements for the year ended March 31, 2018

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

2.4 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, value added taxes and amounts collected on behalf of third parties. The Company recognises revenue when the amount of revenue can be reliably measured, it is probable that future economic benefits will flow to the entity.

Income from services

The revenue from time and material contracts is recognized on a man month basis. In respect of fixed price contracts, revenue is recognized based on the technical evaluation of utilization of products as per the proportionate completion method when no significant uncertainty exists regarding the amount of consideration that will be determined from rendering the service. Revenue from training is recognised over the period of delivery. The foreseeable losses on completion of contract, if any, are provided for.

On certain contracts, where the Company acts as agent, only commission and fees receivable for services rendered are recognized as revenue. Any third party costs incurred on behalf of the principal that are rechargeable under the contractual arrangement are not included in revenue.

2.5 Other Income

Interest income

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.

2.6 Income Tax

The income tax expense or credit for the period is the tax payable on the current period's taxable income based on the applicable income tax rate for each jurisdiction adjusted by changes in deferred tax assets and liabilities attributable to temporary differences and to unused tax losses.

Current income tax

Tax expense, comprising of both current tax and deferred tax are included in determining the net results for the period. Current Tax is measured at the amount expected to be paid to the tax authorities in accordance with the prevailing taxation laws. Alternate Minimum Tax (AMT) credit is recognised as asset only when and to the extent, there is reasonable certainty in future that the Company will pay tax as per the prevailing laws during the specified period. AMT credit is utilized in the year when normal Income Tax is higher than AMT in accordance with the prevailing laws.

Deferred Tax Assets

Deferred tax assets are recognized for all deductible temporary differences and unused tax losses only if it is probable that future taxable amounts will be available to utilize those temporary differences and losses.

2.7 Leases

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

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

Finance leases are capitalised at the commencement of the lease at the inception date fair value of the leased property or, if lower, at the present value of the minimum lease payments. Lease payments are apportioned between finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability.

Finance charges are recognised in finance costs in the statement of profit and loss.

A leased asset is depreciated over the useful life of the asset. However, if there is no reasonable certainty that the Company will obtain ownership by the end of the lease term, the asset is depreciated over the shorter of the estimated useful life of the asset and the lease term.

Operating lease payments are recognised as an expense in the Statement of Profit and Loss over the lease term.

2.8 Trade receivables

Trade receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less provision for impairment.



2.9 Property, plant and equipment and Depreciation

Fixed assets are stated at cost, net of accumulated depreciation and accumulated impairment losses, if any. The cost comprises purchase price, borrowing costs if capitalization criteria are met and directly attributable cost of bringing the asset to its working condition for the intended use. Any trade discounts and rebates are deducted in arriving at the purchase price.

Depreciation on fixed assets is calculated on a straight-line basis using the rates arrived at based on the useful lives estimated by the management. The identified components are depreciated over their useful lives; the remaining asset is depreciated over the life of the principal asset. The Company has used the following rates to provide depreciation on its fixed assets:

| Description of assets | Useful Life |
|---|---|
| Plant and equipment's including: | |
| - Computers, printers and related accessories | 3 Years |
| - Computers servers and networks | 5 Years |
| - Air conditioners | 10 Years |
| Leasehold improvements | 2-5 Years or lease period, whichever is shorter |
| Furniture & fixtures | 7 Years |
| Office Equipment's | 5 Years |

2.10 Intangible assets

Intangible Assets are stated at cost, net of accumulated amortisation and accumulated impairment losses, if any.

Computer Software

Intangible assets are amortized on a straight line basis over their estimated useful lives. The amortization period and the amortization method are reviewed at least at each financial year end. If the expected useful life of the asset is significantly different from previous estimates, the amortization period is changed.

Internally generated contents

Expenses incurred on internal development of educational content and products are capitalised, once their technical feasibility and ability to generate future economic benefits is established in accordance with the requirements of Ind AS 38, "Intangible Assets". Expenses incurred during research phase till the establishment of commercial feasibility are charged to the Statement of Profit and Loss.

Amortization methods and periods

Intangible assets are amortised on a pro-rata basis on a straight-line method over the estimated useful lives of 3-5 years.

Transition to Ind AS

On transition to Ind AS, the Company has elected to continue with the carrying value of all of intangible assets recognized as at April 1, 2016 measured as per the previous GAAP and use that carrying value as the deemed cost of intangible assets.

2.11 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. For investments in debt instruments, this will depend on the business model in which the investment is held. For investments in equity instruments, this will depend on whether the Company has made an irrevocable election at the time of initial recognition to account for the equity investment at fair value through other comprehensive income.

The Company reclassifies debt investments when and only when its business model for managing those assets changes.

ii) Measurement

At initial recognition, the Company measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at fair value through profit or loss are expensed in profit or loss.

Financial assets with embedded derivatives are considered in their entirety when determining whether their cash flows are solely payment of principal and interest.



NIIT (USA), Inc.

Notes to the Special Purpose Financial Statements for the year ended March 31, 2018

Debt instruments

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

- **Amortised Cost** : Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost. A gain or loss on a debt investment that is subsequently measured at amortised cost and is not part of a hedging relationship is recognised in profit or loss when the asset is derecognised or impaired. Interest income from these financial assets is included in finance income using the effective interest rate method.

- **Fair value through profit or loss** : Assets that do not meet the criteria for amortised cost or fair value through other comprehensive income (FVOCI) are measured at fair value through profit or loss (FVTPL). A gain or loss on a debt investment that is subsequently measured at fair value through profit or loss and is not part of a hedging relationship is recognised in profit or loss and presented net in the statement of profit and loss within other gains/(losses) in the period in which it arises. Interest income from these financial assets is included in other income.

iii) Impairment of financial assets

The Company assesses on a forward looking basis the expected credit losses associated with its assets carried at amortised cost and FVOCI debt instruments. The impairment methodology applied depends on whether there has been a significant increase in credit risk. Note 27 details how the Company determines whether there has been a significant increase in credit risk.

For trade receivables only, the Company applies the simplified approach permitted by Ind AS 109 Financial Instruments, which requires expected lifetime losses to be recognised from initial recognition of the receivables.

iv) Derecognition of financial assets

A financial asset is derecognised only when

- The Company has transferred the rights to receive cash flows from the financial asset or
- retains the contractual rights to receive the cash flows of the financial asset, but assumes a contractual obligation to pay the cash flows to one or more recipients.

Where the entity has transferred an asset, the Company evaluates whether it has transferred substantially all risks and rewards of ownership of the financial asset. In such cases, the financial asset is derecognised. Where the entity has not transferred substantially all risks and rewards of ownership of the financial asset, the financial asset is not derecognised.

Where the entity has neither transferred a financial asset nor retains substantially all risks and rewards of ownership of the financial asset, the financial asset is derecognised if the Company has not retained control of the financial asset. Where the Company retains control of the financial asset, the asset is continued to be recognised to the extent of continuing involvement in the financial asset.

2.12 Employee Benefits

401 (K) Plan

The Company makes defined contributions on a monthly basis towards retirement benefits of the employees in USA under 401 (K) plan, which is charged to the Statement of Profit & Loss. The plan is described as a defined contribution plan as the Company does not carry any further obligation apart from such contributions.

Superannuation Plan

The Company makes defined contributions on a monthly basis towards retirement benefits of certain employees under the Superannuation plan, which is charged to the Statement of Profit & Loss. The plan is described as a defined contribution plan as the Company does not carry any further obligation apart from such contributions.

Provident Fund

The Company makes defined contributions on a monthly basis towards retirement benefits of the employees in Singapore under the Provident Fund plan, which is charged to the Statement of Profit & Loss. The plan is described as a defined contribution plan as the Company does not carry any further obligation.

The liabilities for short term employees' benefits have been recognised at undiscounted amount, in accordance with the policy of the Company.

Compensated Absences

Accumulated compensated absences are expected to be availed within 12 months from the end of the year and lapse thereafter and therefore, are treated as short term employee benefits. The obligation towards the same is measured at the expected cost of accumulated compensated absences expected to be availed based on the unutilized entitlement as at the year end.

Share-based payments

Share-based compensation benefits are provided to employees via the NIIT Limited Employee Stock Option Plan 2005.

Employee options

The fair value of options granted under Employee Stock Option Plan is recognized as an employee benefits expense with a corresponding increase in equity. The total amount to be expensed is determined by reference to the fair value of the options granted:

- including any market performance conditions



NIIT (USA), Inc.

Notes to the Special Purpose Financial Statements for the year ended March 31, 2018

- 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.

2.13 Trade and other payables

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

2.14 Borrowing Costs

Borrowing costs are recognised in the Statement of Profit and Loss for the period in which they are incurred except where the cost is incurred during the construction of an asset that takes a substantial period to get ready for its intended use, in which case, it is capitalised. Ancillary costs in connection with the arrangement of borrowing are amortized over the period of the respective loan.

2.15 Provisions and Contingencies

The Company creates a provision when there is present obligation as a result of a past event that probably requires an outflow of resources and a reliable estimate can be made of the amount of obligation. A disclosure for a contingent liability is made when there is a possible obligation or a present obligation that probably will not require an outflow of resources or where a reliable estimate of the obligation cannot be made. When there is a possible obligation or a present obligation in respect of which the likelihood of outflow of resources is remote, no provision or disclosure is made. Disclosure of third party claims are made on merits where management foresees possibilities of any outflow of resources.

A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the Company or a present obligation that is not recognized because it is not probable that an outflow of resources will be required to settle the obligation. A contingent liability also arises in extremely rare cases where there is a liability that cannot be recognized because it cannot be measured reliably. The Company does not recognize a contingent liability but discloses its existence in the financial statements.

2.16 Earnings Per Share

The earnings considered in ascertaining the Company's Earnings per share ('EPS') comprises the Net Profit after Tax. The number of shares used in computing the Basic EPS is the weighted average number of shares outstanding during the period. The Diluted EPS is calculated on the same basis as Basic EPS, after adjusting for the effects of potential Dilutive Equity Shares unless impact is anti-dilutive.

2.17 Cash and Cash Equivalents

Cash and cash equivalents for the purposes of cash flow statement comprise cash at bank and cash in hand and short-term investments with an original maturity of three months or less that are readily convertible to a known amount of cash and are subject to an insignificant risk of change in value.

2.18 Fair Value measurement

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

i) in the principal market for the asset or liability, or

ii) in the absence of a principal market, in the most advantageous market for the asset or liability

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

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

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

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



NIIT (USA), Inc.

Notes to the Special Purpose Financial Statements for the year ended March 31, 2018

At each reporting date, management analyses the movements in the values of assets and liabilities which are required to be remeasured or reassessed as per the Company's accounting policies. For this analysis, management regularly reviews significant unobservable inputs applied in the valuation by agreeing the information in the valuation computation to contracts and other relevant documents.

2.19 Recent accounting pronouncements

Ind AS 115, Revenue from Contract with Customers : On March 28, 2018, the MCA notified the Ind AS 115. The core principle of this Ind AS is that an entity should recognize revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods and services. Further the new standard requires enhanced disclosures about the nature, amount, timing and uncertainty of revenue and cash flows arising from the entity's contracts with customers.

Ind AS 115, establishes a five-step model to account for revenue arising from contracts with customers. Under Ind AS 115, revenue is recognised at an amount that reflects the consideration to which an entity expects to be entitled in exchange for transferring goods or services to a customer.

The new revenue standard will supersede all current revenue recognition requirements under Ind AS. This new standard requires revenue to be recognized when promised goods or services are transferred to customers in amounts that reflect the consideration to which the Company expects to be entitled in exchange for those goods or services. Adoption of the new rules could affect the timing of revenue recognition for certain transactions of the Company. Ind AS 115 is effective for the Company in the first quarter of fiscal 2019 using either one of two methods: (i) retrospectively to each prior reporting period presented in accordance with Ind AS 8 Accounting Policies, Changes in Accounting Estimates and Errors, with the option to elect certain practical expedients as defined within Ind AS 115 (the full retrospective method); or (ii) retrospectively with the cumulative effect of initially applying Ind AS 115 recognized at the date of initial application (April 1, 2018) and providing certain additional disclosures as defined in Ind AS 115 (the modified retrospective method).

The Company continues to evaluate the available transition methods and its contractual arrangements. The ultimate impact on revenue resulting from the application of Ind AS 115 will be subject to assessments that are dependent on many variables, including, but not limited to, the terms of the contractual arrangements and the mix of business. The Company's considerations also include, but are not limited to, the comparability of its financial statements and the comparability within its industry from application of the new standard to its contractual arrangements. The Company has established an implementation team to implement Ind AS 115 related to the recognition of revenue from contracts with customers and it continues to evaluate the changes to accounting system and processes, and additional disclosure requirements that may be necessary.

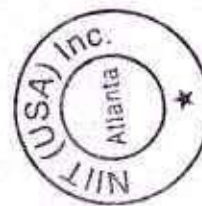
Upon adoption the Company expects there to be a change in the manner that variable consideration in certain revenue arrangements is recognized from the current practice of recognizing such revenue as the services are performed and the variable consideration is earned to estimating the achievability of the variable conditions when the Company begins delivering services and recognizing that amount over the contractual period. The Company also expects a change in the manner that it recognizes certain incremental and fulfilment costs from expensing them as incurred to deferring and recognizing them over the contractual period. A reliable estimate of the quantitative impact of Ind AS 115 on the financial statements will only be possible once the implementation project has been completed.



NIIT (USA), Inc.
Notes to the Special Purpose Financial Statements for the year ended March 31, 2018
(All amounts in USD, unless otherwise stated)

3 PROPERTY, PLANT AND EQUIPMENT

| Particular | Plant & Equipments | Leasehold Improvements | Furniture & Fixtures | Office Equipments | Total |
|--|-------------------------------|-------------------------------|---------------------------------|--------------------------|--------------|
| Year ended March 31, 2017 | | | | | |
| Gross carrying amount | | | | | |
| Deemed cost as at April 1, 2016 | 1,138,680 | 73,215 | 79,760 | 852 | 1,292,507 |
| Additions | 63,903 | - | 13,991 | - | 77,894 |
| Closing gross carrying amount | 1,202,583 | 73,215 | 93,751 | 852 | 1,370,401 |
| Accumulated depreciation | | | | | |
| Depreciation charged during the year | 586,643 | 27,461 | 24,883 | 172 | 639,159 |
| Closing accumulated depreciation | 586,643 | 27,461 | 24,883 | 172 | 639,159 |
| Net carrying amount | 615,940 | 45,754 | 68,868 | 680 | 731,242 |
| Particulars | Plant & Equipments | Leasehold Improvements | Furniture & Fixtures | Office Equipments | Total |
| Year ended March 31, 2018 | | | | | |
| Gross carrying amount | | | | | |
| Opening gross carrying amount as on April 1, 2017 | 1,202,583 | 73,215 | 93,751 | 852 | 1,370,401 |
| Additions | 89,480 | - | - | 465 | 89,945 |
| Disposals | 18,786 | 1 | 65 | - | 18,852 |
| Closing gross carrying amount | 1,273,277 | 73,214 | 93,686 | 1,317 | 1,441,494 |
| Accumulated depreciation | | | | | |
| Opening accumulated depreciation as on April 1, 2017 | 586,643 | 27,461 | 24,883 | 172 | 639,159 |
| Depreciation charged during the year | 341,164 | 27,463 | 20,879 | 175 | 389,681 |
| Disposals | 18,669 | - | 63 | - | 18,732 |
| Closing accumulated depreciation | 909,138 | 54,924 | 45,699 | 347 | 1,010,108 |
| Net carrying amount | 364,139 | 18,290 | 47,987 | 970 | 431,386 |



NIIT (USA), Inc.

Notes to the Special Purpose Financial Statements for the year ended March 31, 2018
(All amounts in USD, unless otherwise stated)

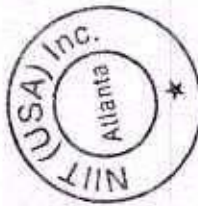
4 INTANGIBLE ASSETS

| Particulars | Content Internally Generated | Other Intangible External software | Total Intangibles | Capital work in progress |
|---|------------------------------------|---------------------------------------|-------------------|-----------------------------|
| Year ended March 31, 2017 | | | | |
| Gross carrying amount | | | | |
| Deemed cost as at April 1, 2016 | 1,461,680 | 1,184,130 | 2,645,810 | - |
| Additions | - | - | - | 661,194 |
| Closing gross carrying amount | 1,461,680 | 1,184,130 | 2,645,810 | 661,194 |
| Accumulated amortization | | | | |
| Amortization charge for the year | 732,392 | 1,125,810 | 1,858,202 | - |
| Closing accumulated amortization | 732,392 | 1,125,810 | 1,858,202 | - |
| Net carrying amount | 729,288 | 58,320 | 787,608 | 661,194 |
| Particulars | | | | |
| | Content Internally Generated | Other Intangible External software | Total Intangibles | Capital work in progress |
| Year ended March 31, 2018 | | | | |
| Gross carrying amount | | | | |
| Opening gross carrying amount as on April 1, 2017 | 1,461,680 | 1,184,130 | 2,645,810 | 661,194 |
| Additions | 833,179 | - | 833,179 | 171,985 |
| Disposals | - | 10 | 10 | 833,179 |
| Closing gross carrying amount | 2,294,859 | 1,184,120 | 3,478,979 | - |
| Accumulated amortization and impairment | | | | |
| Opening accumulated amortization | 732,392 | 1,125,810 | 1,858,202 | - |
| Amortization charge for the year | 729,466 | 58,310 | 787,776 | - |
| Closing accumulated amortization | 1,461,858 | 1,184,120 | 2,645,978 | - |
| Net carrying amount | 833,001 | - | 833,001 | - |



NIT (USA), Inc.
Notes to the Special Purpose Financial Statements for the year ended March 31, 2018
(All amounts in USD, unless otherwise stated)

| 5 | OTHER FINANCIAL ASSETS | As at | | | | |
|--------------------------------------|------------------------|----------------|----------------|---------------|------------------|-------------------|
| | | March 31, 2018 | March 31, 2017 | April 1, 2016 | March 31, 2018 | March 31, 2017 |
| | | | Non Current | | Current | April 1, 2016 |
| i) Security deposits receivable | | | | | | |
| Unsecured, considered good | | 27,404 | 29,015 | 27,404 | - | - |
| | | 27,404 | 29,015 | 27,404 | - | - |
| ii) Unbilled revenue | | | | | | |
| Unbilled revenue | | - | - | - | 1,253,672 | 1,749,569 |
| Less: Provision for unbilled revenue | | - | - | - | (235,319) | (616,786) |
| | | - | - | - | 1,018,353 | 1,132,783 |
| iii) Other receivables | | | | | | |
| | | - | - | - | 2,626,696 | 10,100,689 |
| | | - | - | - | 2,626,696 | 10,100,689 |
| Total | | 27,404 | 29,015 | 27,404 | 3,645,049 | 11,233,472 |



NIIT (USA), Inc.

Notes to the Special Purpose Financial Statements for the year ended March 31, 2018
(All amounts in USD, unless otherwise stated)

| 6 | TRADE RECEIVABLES | March 31, 2018 | As at | April 1, 2016 |
|-------------------|------------------------------------|-------------------|---------------------------|------------------|
| | | | March 31, 2017 Current | |
| Trade receivables | | | | |
| | Unsecured, considered good* | 12,281,870 | 7,803,962 | 7,463,581 |
| | Unsecured, considered doubtful | 654,939 | 554,939 | 240,118 |
| | Less: Provision for doubtful debts | (654,939) | (554,939) | (240,118) |
| | Total | 12,281,870 | 7,803,962 | 7,463,581 |

* This includes USD 5,705,265 (March 31, 2017 USD 3,201,624 & April 1, 2016 USD 3,634,884) recoverable from related parties (refer note 32).

| 7 | INVESTMENTS | March 31, 2018 | As at | April 1, 2016 |
|---|---|----------------|-------------------------------|---------------|
| | | | March 31, 2017 Non Current | |
| | Investments in equity instruments | | | |
| | Eagle International Institute Inc. USA* | 6,467,459 | - | - |
| | Total | 6,467,459 | - | - |

*During the year the Company acquired a US based learning company : Eagle International Institute Inc. for a cash consideration of USD 4,000,000. The Company by way of the two separate agreements made an investment as below:

i) Equity purchase of the entire outstanding stock for a cash consideration of USD 4,000,000, of which USD 2,000,000 was paid on closing and the balance amount is payable in two equal annual instalments on January 3, 2019 and January 3, 2020. The amounts being payable in more than one year have been discounted to present value at discount rate 4.50%.

ii) Personal Goodwill purchase of Mr. Robert W. Cannan of Eagle International Institute Inc. for a cash consideration of USD 3,000,000, of which USD 1,50,000 was payable on closing and the remaining amount of the Purchase Price (USD 2,850,000) (the "Deferred Consideration") shall be paid in sixty (60) equal monthly installments of Forty-Seven Thousand Five Hundred (USD 47,500) beginning January 31, 2018 and on the last day each calendar month thereafter until paid in full. The amounts being payable in more than one year have been discounted to present value at discount rate 4.50%.

Pursuant to this acquisition Eagle International Institute Inc. has become wholly owned subsidiary of NIIT (USA), Inc.



8 DEFERRED TAX ASSETS (NET)

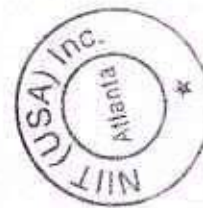
| | As at | | |
|---|------------------|------------------|------------------|
| | March 31, 2018 | March 31, 2017 | April 1, 2016 |
| i) The balance comprises temporary differences attributable to: | | | |
| Provision for compensated absences | 106,576 | 152,199 | 152,199 |
| Unrealised foreign currency | (7,860) | 24,297 | (899) |
| Carried forward losses | 619,917 | 619,917 | 185,880 |
| Other items | | | |
| MAT credit entitlement | 941,833 | 1,015,381 | 730,785 |
| Total deferred tax asset | 1,660,466 | 1,812,596 | 1,067,965 |
| Less: Tax impact of difference between carrying amount of fixed assets in the financial statements and as per the income tax calculation. | (136,941) | (290,191) | (887,764) |
| Deferred tax asset (net) (A) | 1,523,525 | 1,522,405 | 180,201 |

Deferred tax assets on timing differences have been recognised as at March 31, 2018 owing to reasonable certainty of future taxable income based on

| | Fixed Asset | Employee benefit | Unrealised foreign currency | Others (C/f losses) | Minimum Alternate Tax | Total |
|-----------------------------|------------------|------------------|-----------------------------|---------------------|-----------------------|------------------|
| As at April 01, 2016 | | | | | | |
| (charged)/credited: | | | | | | |
| - to profit or loss | (887,764) | 152,199 | (899) | 185,880 | 730,785 | 180,201 |
| As at March 31, 2017 | | | | | | |
| (charged)/credited: | | | | | | |
| - to profit or loss | 597,573 | 802 | 25,196 | 434,037 | 284,596 | 1,342,204 |
| As at March 31, 2018 | (290,191) | 153,001 | 24,297 | 619,917 | 1,015,381 | 1,522,405 |
| As at March 31, 2017 | | | | | | |
| (charged)/credited: | | | | | | |
| - to profit or loss | 153,250 | (46,425) | (32,157) | - | (73,548) | 1,120 |
| As at March 31, 2018 | (136,941) | 106,576 | (7,860) | 619,917 | 941,833 | 1,523,525 |

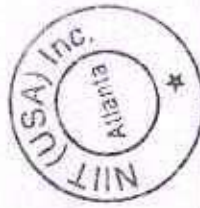
ii) Movement in deferred tax asset

| | | | | | | |
|-----------------------------|--|--|--|--|--|--|
| As at April 01, 2016 | | | | | | |
| (charged)/credited: | | | | | | |
| - to profit or loss | | | | | | |
| As at March 31, 2017 | | | | | | |
| (charged)/credited: | | | | | | |
| - to profit or loss | | | | | | |
| As at March 31, 2018 | | | | | | |



NIIT (USA), Inc.
Notes to the Special Purpose Financial Statements for the year ended March 31, 2018
(All amounts in USD, unless otherwise stated)

| 9 | OTHER ASSETS | As at | | | | |
|------|---|----------------|-------------------------------|---------------|---------------------------|---------------|
| | | March 31, 2018 | March 31, 2017 Non-Current | April 1, 2016 | March 31, 2018 Current | April 1, 2016 |
| i) | Advances recoverable in cash or in kind | | | | | |
| | Unsecured, considered good | - | - | 1,689 | 617,020 | 390,427 |
| | | (A) | | 1,689 | 617,020 | 390,427 |
| ii) | Other recoverable from related parties | | | | | |
| | Unsecured, considered good | - | - | - | 15,000 | - |
| | | (B) | | - | 15,000 | - |
| iii) | Other advances | | | | | |
| | Advance income tax | - | - | - | 1,825,030 | 1,689,760 |
| | Less : Provision for income tax | - | - | - | (181,358) | (392,508) |
| | | (C) | | - | 1,643,672 | 1,297,252 |
| | Total (A+B+C) | - | - | 1,689 | 2,275,692 | 2,075,035 |



NIIT (USA), Inc.

Notes to the Special Purpose Financial Statements for the year ended March 31, 2018
(All amounts in USD, unless otherwise stated)

| 10 | CASH AND CASH EQUIVALENTS | March 31, 2018 | As at | |
|----|---------------------------|------------------|---------------------------|----------------|
| | | | March 31, 2017 Current | April 1, 2016 |
| | Balance with banks: | | | |
| | -Current Accounts | 2,876,685 | 2,502,420 | 744,087 |
| | Total | 2,876,685 | 2,502,420 | 744,087 |

| 11 | OTHER BANK BALANCES | March 31, 2018 | As at | |
|----|---|------------------|---------------------------|---------------|
| | | | March 31, 2017 Current | April 1, 2016 |
| | Bank deposits | | | |
| | -With original maturity of more than 3 months and upto 12 months* | 2,791,243 | 2,791,243 | 40,000 |
| | Total | 2,791,243 | 2,791,243 | 40,000 |

*Out of which USD 2,751,243 (March 31, 2017 USD 2,751,243 & April 1, 2016 USD nil) pledged as a collateral for the letter of credit arranged by the company on behalf of its affiliate NIIT Learning Solutions (Canada) Limited.



12 EQUITY SHARE CAPITAL

i) Authorised Equity share capital

| | No. of shares | Amount |
|-----------------------|---------------|------------|
| As at April 1, 2016 | 25,000,000 | 25,000,000 |
| Issue during the year | - | - |
| As at March 31, 2017 | 25,000,000 | 25,000,000 |
| Issue during the year | - | - |
| As at March 31, 2018 | 25,000,000 | 25,000,000 |

ii) Issued Equity share capital

| | No. of shares | Amount |
|-----------------------|---------------|------------|
| As at April 1, 2016 | 10,662,113 | 10,662,113 |
| Issue during the year | - | - |
| As at March 31, 2017 | 10,662,113 | 10,662,113 |
| Issue during the year | - | - |
| As at March 31, 2018 | 10,662,113 | 10,662,113 |

iii) Detail of class of shares held by the Company

| Shares in respect of each class in the Company held by | Name of the Company | Class of shares Equity/ Preference | March 31, 2018 No. of shares | March 31, 2017 No. of shares | April 1, 2016 No. of shares |
|--|---------------------|------------------------------------|---------------------------------|---------------------------------|--------------------------------|
| Holding Company | NIT Limited | Equity | 10,662,113 | 10,662,113 | 10,662,113 |

iv) Details of shareholders holding more than 5% shares in the Company

| Name of shareholder | Equity Shares | | | |
|---------------------|---------------------------------|--------------------------------|---------------------------------|--------------------------------|
| | March 31, 2018 No. of shares | March 31, 2018 % of holding | March 31, 2017 No. of shares | March 31, 2017 % of holding |
| NIT Limited | 10,662,113 | 100% | 10,662,113 | 100% |
| Total | 10,662,113 | 100% | 10,662,113 | 100% |

v) Terms/ rights attached to equity shares

The Company has one class of equity shares having a par value of USD 1 per share. Each shareholder is eligible for one vote per share held. 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.

13 OTHER EQUITY

Surplus in statement of profit and loss

| | March 31, 2018 | March 31, 2017 | April 1, 2016 |
|---------|----------------|----------------|---------------|
| Surplus | 1,843,761 | 1,427,048 | 566,716 |
| | 1,843,761 | 1,427,048 | 566,716 |

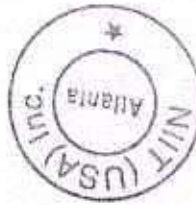
13.1 Reserves and surplus

| | March 31, 2018 | March 31, 2017 | April 1, 2016 |
|--|----------------|----------------|---------------|
|--|----------------|----------------|---------------|

Surplus in statement of profit and loss

Balance brought forward from previous year
Add: Current year profit attributable to shareholders
Less: Impact on account of Lease Equalization Reserve
Less: Impact on account of fair valuation of ESOP

| | | | |
|-------|-----------|-----------|-----------|
| | 1,427,048 | 566,716 | 241,356 |
| | 416,713 | 860,332 | 308,545 |
| | - | - | 168,531 |
| | - | - | (151,696) |
| Total | 1,843,761 | 1,427,048 | 566,716 |



NIIT (USA), Inc.

Notes to the Special Purpose Financial Statements for the year ended March 31, 2018
(All amounts in USD, unless otherwise stated)

| 14 | (A) BORROWINGS | As at | | | |
|----|---|----------------|----------------|----------------|--------------------------------------|
| | | March 31, 2018 | March 31, 2017 | April 1, 2016 | March 31, 2018 Current Maturities |
| | UNSECURED | | | | |
| | Loans from related parties* | - | 650,000 | 650,000 | - |
| | Less: Amount disclosed under the head "Other Current Liabilities" | - | - | - | 650,000 (650,000) |
| | Total | - | 650,000 | 650,000 | - |

*The company had availed unsecured loan from NIIT Malaysia Sdn Bhd (@ 3% per annum) for a period of 2 years effective April 1, 2015 and subsequent renewal on March 23, 2017 for further 2 years effective April 1, 2017.

| 14 | (B) SHORT TERM BORROWINGS | As at | | |
|----|---------------------------|------------------|----------------|------------------|
| | | March 31, 2018 | March 31, 2017 | April 1, 2016 |
| | UNSECURED | | | |
| | Working capital loan** | 3,000,000 | - | - |
| | SECURED | | | |
| | Working capital loan*** | - | - | 2,200,000 |
| | Total | 3,000,000 | - | 2,200,000 |

**The Company has taken Uncommitted Line of Credit with a limit up to USD 9,000,000 at a rate of interest of Libor + 2.25 % from Citibank, NA to finance the acquisition of the Eagle International Institute Inc. As at the closing date the Company had availed USD 3,000,000 out of this limit.

***The Company had availed working capital facility of USD 7,500,000 (@Libor+2.25% Per annum) from Bank of West. The facility was secured by letter of credit issued by a bank, covered by a corporate guarantee from NIIT Limited, the holding Company. Repayment was done in financial year 2016-17 and there was no loan outstanding as on March 31, 2018.



NIIT (USA), Inc.

Notes to the Special Purpose Financial Statements for the year ended March 31, 2018

(All amounts in USD, unless otherwise stated)

| 15 | TRADE PAYABLES | March 31, 2018 | As at | April 1, 2016 |
|----|-------------------|-------------------|---------------------------|------------------|
| | | | March 31, 2017 Current | |
| | Sundry creditors* | 11,212,884 | 8,044,860 | 7,601,279 |
| | Total | 11,212,884 | 8,044,860 | 7,601,279 |

* This includes USD 3,536,645 (March 31, 2017 USD 4,337,959 & April 1, 2016 USD 4,008,802) payable to related parties (refer note 32).

| 16 | OTHER FINANCIAL LIABILITIES | March 31, 2018 | As at | April 1, 2016 |
|----|--|------------------|---------------------------|------------------|
| | | | March 31, 2017 Current | |
| | Current maturities of borrowings | 650,000 | - | - |
| | Interest accrued but not due on borrowings | 37,414 | - | 25,829 |
| | Other payables | 4,801,886 | 6,172,364 | 3,335,638 |
| | Total | 5,489,300 | 6,172,364 | 3,361,467 |

| 17 | PROVISIONS | March 31, 2018 | As at | April 1, 2016 |
|----|------------------------------------|----------------|---------------------------|----------------|
| | | | March 31, 2017 Current | |
| | Provision for compensated absences | 408,101 | 391,107 | 395,056 |
| | Total | 408,101 | 391,107 | 395,056 |

| 18 | OTHER LIABILITIES | March 31, 2018 | As at | April 1, 2016 |
|----|-------------------------|----------------|---------------------------|----------------|
| | | | March 31, 2017 Current | |
| | Deferred revenue | 111,350 | - | 7,500 |
| | Advances from customers | 274,937 | 175,064 | 83,335 |
| | Statutory dues | 150,868 | 162,980 | 176,320 |
| | Total | 537,155 | 338,044 | 267,155 |



NIIT (USA), Inc.

Notes to the Special Purpose Financial Statements for the year ended March 31, 2018

(All amounts in USD, unless otherwise stated)

| | | |
|---|--------------------------------------|--------------------------------------|
| 19 REVENUE FROM OPERATIONS | Year ended March 31, 2018 | Year ended March 31, 2017 |
| Sale of services | 45,128,813 | 42,298,697 |
| Total | 45,128,813 | 42,298,697 |
| 20 OTHER INCOME | Year ended March 31, 2018 | Year ended March 31, 2017 |
| Interest income | 36,263 | - |
| Other non-operating income | 1,050,291 | 1,016,502 |
| Total | 1,086,554 | 1,016,502 |
| 21 EMPLOYEE BENEFIT EXPENSE | Year ended March 31, 2018 | Year ended March 31, 2017 |
| Salaries and benefits | 15,383,115 | 15,150,772 |
| Contribution to provident and other funds | 326,875 | 346,384 |
| Employees stock option expense | 183,134 | 96,321 |
| Welfare and other expenses | 92,792 | 73,867 |
| Total | 15,985,916 | 15,667,344 |



NHIT (USA), Inc.

Notes to the Special Purpose Financial Statements for the year ended March 31, 2018

(All amounts in USD, unless otherwise stated)

21.1 EMPLOYEE BENEFITS

Defined contribution plans

Company makes contribution towards provident fund and pension scheme to the defined contribution plans for eligible employees.

Company has charged the following costs in contribution to provident and other funds in the statement of profit and loss:

| Particulars | Year ended | |
|---|----------------|----------------|
| | March 31, 2018 | March 31, 2017 |
| Employers' contribution to provident fund | 19,420 | 16,880 |
| Employers' contribution to superannuation fund | 25,233 | 32,810 |
| Employers' contribution to employees pension scheme(401K) | 282,222 | 296,694 |
| Total | 326,875 | 346,384 |

Contribution towards provident fund and pension scheme (401K) to the defined contribution plans includes following cost for key managerial personnel:

| | Year ended | |
|---|----------------|----------------|
| | March 31, 2018 | March 31, 2017 |
| Employers' contribution to employees pension scheme(401K) | 38,106 | 33,368 |
| Total | 38,106 | 33,368 |



NIIT (USA), Inc.

Notes to the Special Purpose Financial Statements for the year ended March 31, 2018
(All amounts in USD, unless otherwise stated)

| | | | |
|-------------|---|--------------------------------------|--------------------------------------|
| 22 | FINANCE COSTS | Year ended March 31, 2018 | Year ended March 31, 2017 |
| | Interest expense | 106,268 | 163,862 |
| | Other borrowing costs | - | 183,162 |
| | Total | 106,268 | 347,024 |
| 23 | OTHER EXPENSES | Year ended March 31, 2018 | Year ended March 31, 2017 |
| | Equipment hiring | 684,337 | 1,050,157 |
| | Rent | 446,979 | 423,617 |
| | Rates and taxes | 67,948 | 46,105 |
| | Power and fuel | 2,155 | 1,321 |
| | Communication | 251,566 | 229,307 |
| | Legal and professional* | 294,998 | 368,144 |
| | Management cost recovery by holding company | 1,373,833 | 629,437 |
| | Travelling and conveyance | 1,847,354 | 1,858,082 |
| | Provision for doubtful debts | 75,685 | 356,504 |
| | Provision for unbilled revenue | 235,319 | 707,372 |
| | Insurance | 106,850 | 73,908 |
| | - Plant and machinery | 12,377 | 24,786 |
| | - Others | 7,731 | 17,338 |
| | Consumables | 218,417 | - |
| | Loss on sale of fixed assets | 130 | - |
| | Net foreign exchange losses | 235,391 | 80,430 |
| | Bank charges | 82,793 | - |
| | Marketing and advertising expenses | 522,593 | 855,180 |
| | Sundry expenses | 149,953 | 156,280 |
| | Total | 6,616,409 | 6,877,968 |
| 23.1 | *Details of payments to auditors (excluding taxes) | | |
| | As Auditor | | |
| | - Audit fee | 10,000 | 11,600 |
| | Reimbursement of expenses | 3,006 | 7,037 |
| | Total payments to auditors | 13,006 | 18,637 |



NIIT (USA), Inc.

Notes to the Special Purpose Financial Statements for the year ended March 31, 2018
(All amounts in USD, unless otherwise stated)

| 24 | EXCEPTIONAL ITEMS (NET) | Year ended | Year ended | Year ended |
|----|---|----------------|----------------|---------------|
| | | March 31, 2018 | March 31, 2017 | April 1, 2016 |
| | Expenses incurred for business acquisition* | 772,115 | - | - |
| | Total exceptional items | 772,115 | - | - |

*The above represents incurred costs for due diligence activities including legal consultations and other related activities carried out upon acquisition of Eagle International Institute Inc.



NIIT (USA), Inc.

Notes to the Special Purpose Financial Statements for the year ended March 31, 2018
(All amounts in USD, unless otherwise stated)

| 25 | INCOME TAX EXPENSE | Year ended March 31, 2018 | Year ended March 31, 2017 |
|-----|---|------------------------------|------------------------------|
| i) | Tax expense recognized in statement of profit and loss | | |
| | Current tax | 232,298 | 862,851 |
| | Deferred tax | (1,120) | (1,342,204) |
| | Total | 231,178 | (479,353) |
| ii) | Effective tax reconciliation | | |
| | This note provides an analysis of the company's income tax expense, show amounts that are recognized directly in equity and how the tax expense is affected by non- | | |
| | (a) Income tax expense | | |
| | Current tax | | |
| | Current tax on operating profits of the year | 232,298 | 862,851 |
| | Total current tax expense | 232,298 | 862,851 |
| | Deferred tax | | |
| | (increase) in deferred tax assets | (1,120) | (1,057,608) |
| | Total deferred tax expense/(benefit) | (1,120) | (1,057,608) |
| | Income tax expense | 231,178 | (194,757) |
| | (b) Reconciliation of tax expense and the accounting profit multiplied by US tax rate: | | |
| | | 30.79%* | 34.00% |
| | Profit from continuing operations before income tax expense | 647,891 | 380,979 |
| | Tax at the US Tax | 199,516 | 129,533 |
| | Tax effect of amounts which are not deductible (taxable) in calculating taxable income: | | |
| | - Timing difference on c/f losses | (187,158) | (206,639) |
| | - Federal tax rate difference on DTA/DTL creation | (97,708) | (84,458) |
| | - Adjustment for capital acquisition cost | 237,770 | - |
| | - Meal and Entertainment | 26,592 | 28,888 |
| | - State Taxes impact on tax- Timing Difference | (23,213) | (27,146) |
| | - Adjustment of current tax for prior periods | - | (17,162) |
| | - Others | - | 16,322 |
| | - State tax | 75,379 | 79,841 |
| | - Effect due to Ind AS adjustment | - | 35,505 |
| | - Deferred tax asset recognised during the year | - | (434,037) |
| | Total | 231,178 | (479,353) |

*Change in tax rate as per US tax reform effective January 1, 2018 rate is 21%. This represent average tax rate considered for computation of tax on profit for current year.



NIIT (USA), Inc.

Notes to the Special Purpose Financial Statements for the year ended March 31, 2018

(All amounts in USD, unless otherwise stated)

26 FAIR VALUE MEASUREMENTS

i) Fair value hierarchy

To provide indication about the reliability of the inputs in determining fair value, the Company has classified its financial instruments into

Level 1: Level 1 hierarchy includes financial instruments measured using quoted prices. This includes listed equity instruments, traded

Level 2: The fair value of financial instruments that are not traded in an active market (for example foreign exchange forward contracts) is

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.

Investment have been valued at fair value amounting to USD 6,467,459 as per level 3.

ii) Fair value of financial assets and liabilities measured at amortised cost

| | March 31, 2018 Carrying value | March 31, 2017 Carrying value | April 1, 2016 Carrying value |
|------------------------------------|----------------------------------|----------------------------------|---------------------------------|
| Financial assets | | | |
| Trade receivables | 12,281,870 | 7,803,962 | 7,463,581 |
| Cash and bank balances | 2,876,685 | 2,502,420 | 744,087 |
| Other bank balances | 2,791,243 | 2,791,243 | 40,000 |
| Other financial assets | 3,672,453 | 9,182,783 | 11,260,876 |
| Total financial assets | 21,622,251 | 22,280,408 | 19,508,544 |
| Financial liabilities | | | |
| Borrowings | 3,650,000 | 650,000 | 2,850,000 |
| Trade payables | 11,212,884 | 8,044,860 | 7,601,279 |
| Other financial liabilities | 4,839,300 | 6,172,364 | 3,361,467 |
| Total financial liabilities | 19,702,184 | 14,867,224 | 13,812,746 |

The carrying amounts of trade receivables, trade payables and cash and cash equivalents are considered to be the same as their fair values, due to their short term nature.

For financial assets and liabilities that are measured at fair value, the carrying amounts are equal to the fair values.



NIIT (USA), Inc.

Notes to the Special Purpose Financial Statements for the year ended March 31, 2018
(All amounts in USD, unless otherwise stated)

27 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 loans, 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. All derivative activities for risk management purposes are carried out by specialist teams that have the appropriate skills, experience and supervision. 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:

i) 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 USD 12,281,871 and USD 7,803,962 as of March 31, 2018 and March 31, 2017 respectively.

The following table gives the movement in allowance for provision for doubtful debts for the year ended March 31, 2018:

Reconciliation of loss allowance provision – Trade receivables

| Particulars | Amount (in USD.) |
|--|------------------|
| Loss allowance on 1 April 2016 | 240,118 |
| Changes in loss allowance | 314,821 |
| Loss allowance on 31 March 2017 | 554,939 |
| Changes in loss allowance | 100,000 |
| Loss allowance on 31 March 2018 | 654,939 |

ii) Liquidity risk

The Company's principal sources of liquidity are cash and cash equivalents and the cash flow that is generated from operations.

(a) Maturities of financial liabilities

The table below provides details regarding the contractual maturities of significant financial liabilities:

| Particular | Less than 1 year | 1-2 Years | 2-5 Years | Total |
|-----------------------------|-------------------|----------------|-----------|-------------------|
| March 31, 2018 | | | | |
| Borrowings | 3,650,000 | - | - | 3,650,000 |
| Trade payables | 11,212,884 | - | - | 11,212,884 |
| Other financial liabilities | 4,839,300 | - | - | 4,839,300 |
| | 19,702,184 | - | - | 19,702,184 |
| March 31, 2017 | | | | |
| Borrowings | - | 650,000 | - | 650,000 |
| Trade payables | 8,044,860 | - | - | 8,044,860 |
| Other financial liabilities | 6,172,364 | - | - | 6,172,364 |
| | 14,217,224 | 650,000 | - | 14,867,224 |
| April 1, 2016 | | | | |
| Borrowings | 2,200,000 | 650,000 | - | 2,850,000 |
| Trade payables | 7,601,279 | - | - | 7,601,279 |
| Other financial liabilities | 3,361,467 | - | - | 3,361,467 |
| | 13,162,746 | 650,000 | - | 13,812,746 |



iii) 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.

(a) 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.

(b) Foreign currency risk

The company operates internationally and is exposed to foreign exchange risk arising from foreign currency transactions, primarily with respect to the 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 (CAD). 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.

| Particulars | Currency | March 31, 2017 | | March 31, 2018 | |
|--------------------|----------|----------------------------|------------------|----------------------------|------------------|
| | | Amount in Foreign Currency | Amount in USD | Amount in Foreign Currency | Amount in USD |
| Trade Receivables | AED | 6,257 | 1,677 | - | - |
| | AUD | 724,108 | 602,704 | 662,413 | 553,032 |
| | CAD | 387,415 | 300,216 | 216,966 | 168,296 |
| | EUR | 211,227 | 249,954 | 162,842 | 206,363 |
| | GBP | 73,989 | 100,363 | 615,866 | 849,458 |
| | KRW | 97,062,999 | 85,384 | - | - |
| | MYR | 20,513 | 6,227 | 20,513 | 6,227 |
| | NZD | 345 | 237 | - | - |
| | PHP | - | - | 212,500 | 4,080 |
| | SGD | 383,171 | 278,916 | 660,760 | 490,638 |
| | VND | - | - | 52,350,000 | 2,305 |
| | ZAR | 5,909 | 446 | 5,909 | 446 |
| | | | | | |
| Bank | AUD | 186,988 | 139,779 | 110,026 | 84,506 |
| | SGD | 796,139 | 585,161 | 786,517 | 599,901 |
| Advance to vendors | AUD | 2,140 | 1,645 | - | - |
| | SGD | 3,523 | 2,518 | - | - |
| | VND | 52,350,000 | 2,386 | - | - |
| Other Receivables | AUD | - | - | 12,810 | 10,005 |
| | CAD | 91,547 | 75,443 | 50,022 | 39,057 |
| | GBP | 32,203 | 46,668 | - | - |
| | MYR | 1,385 | 312 | - | - |
| | NZD | 23,920 | 17,289 | 14,020 | 9,931 |
| | PHP | 288,310 | 5,810 | - | - |
| | SGD | - | - | 39,337 | 29,736 |
| | | | | | |
| Total | | 152,651,988 | 2,503,135 | 55,920,501 | 3,954,001 |

| Particulars | Currency | March 31, 2017 | | March 31, 2018 | |
|----------------|----------|----------------------------|------------------|----------------------------|------------------|
| | | Amount in Foreign Currency | Amount in USD | Amount in Foreign Currency | Amount in USD |
| Trade Payables | AUD | 658,430 | 551,942 | 391,204 | 227,645 |
| | BRL | 67,292 | 21,690 | 12,972 | 3,999 |
| | CAD | 143,075 | 109,691 | 20,705 | 14,688 |
| | EUR | 1,170,759 | 1,238,550 | 782,463 | 947,884 |
| | GBP | 290,928 | 363,826 | 98,025 | 124,075 |
| | MXN | 76,455 | 3,823 | 126,585 | 6,626 |
| | MYR | 8,255 | 2,212 | 8,255 | 2,212 |
| | NZD | 23,920 | 17,289 | 1,240 | 896 |
| | SGD | 93,241 | 68,478 | 95,286 | 73,080 |
| | ZAR | 5,909 | 446 | - | - |
| | | | | | |
| | | | | | |
| Other Payables | AUD | 74,688 | 57,628 | - | - |
| | DKK | - | - | 24,656 | 4,044 |
| | EUR | 8,869 | 9,693 | 3,048 | 3,722 |
| | GBP | - | - | 443,331 | 611,353 |
| | MXN | - | - | 18,162 | 964 |
| | PHP | - | - | 82,286 | 1,580 |
| | SGD | 112,464 | 80,600 | - | - |
| Total | | 2,734,285 | 2,525,868 | 2,008,218 | 2,032,768 |



NIIT (USA), Inc.

Notes to the Special Purpose Financial Statements for the year ended March 31, 2018
(All amounts in USD, unless otherwise stated)

28 CONTINGENT LIABILITIES AND CONTINGENT ASSETS

Contingent liabilities

| | March 31, 2018 | March 31, 2017 | April 1, 2016 |
|---|----------------|----------------|----------------|
| Claims against the Company not acknowledged as debts: | | | |
| Tax Matters | 265,135 | 246,722 | 241,782 |
| Total contingent liabilities | 265,135 | 246,722 | 241,782 |

Issuance of Performance Bank Guarantee of USD 2,751,243 [Previous year USD 2,751,243] by NIIT USA Inc. on behalf of NIIT Learning Solutions (Canada) Limited. The subject bank guarantee has been issued in terms of Registration Education Services Agreement dated March 30, 2017 between NIIT Learning Solutions (Canada) Limited, Real Estate Council of Ontario, Registrar appointed under the Real Estate and Business Brokers Act, 2002 and Humber College Institute of Technology & Advanced Learning. The ultimate liability for this will lie with NIIT learning solutions (Canada) Limited.

29 EARNINGS PER SHARE

| | March 31, 2018 | March 31, 2017 |
|---|----------------|----------------|
| Profit attributable to equity shareholders (USD) (A) | 416,713 | 860,332 |
| Weighted average number of equity shares outstanding during the year (Nos.) - (B) | 10,662,113 | 10,662,113 |
| Nominal value of equity shares (USD) | 1 | 1 |
| Basic and diluted earnings per share (USD) (A/B) | 0.04 | 0.08 |

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

30 SEGMENTAL REPORTING

The Company is engaged in imparting education and training services for the corporate sector which is viewed by the management as a single segment, i.e. learning solutions in accordance with Ind AS 108 'Segment Reporting', the chief operating decision maker 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 'Segment Reporting'.

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

31 LEASES

Operating Leases:

Total of future Minimum Lease Payments under non-cancellable leases outstanding at the Balance Sheet date:

| | March 31, 2018 | March 31, 2017 |
|--|------------------|------------------|
| Not later than 1 year | 460,510 | 450,734 |
| Later than 1 year but not later than 5 years | 940,203 | 1,400,713 |
| Later than 5 years | - | - |
| Total | 1,400,713 | 1,851,447 |

Aggregate payments during the year under operating leases in respect of premises for office amounting to USD 450,734 (Previous year USD 411,288).



NIIT (USA), Inc.

Notes to the Special Purpose Financial Statements for the year ended March 31, 2018

(All amounts in USD, unless otherwise stated)

32 RELATED PARTY DISCLOSURES

A. Related party relationship where control exists

Holding Company - NIIT Limited

Subsidiaries

- 1 Eagle International Institute Inc. USA (w.e.f January 3, 2018)
- 2 Eagle Training Spain, S.L.U (subsidiary of entity at serial no. 1)

Fellow subsidiaries

- 1 Mindchampion Learning Systems Limited (Formerly known as Hole-in-the-Wall Education Limited)
- 2 NIIT Institute of Finance Banking and Insurance Training Limited
- 3 NIIT Yuva Jyoti Limited
- 4 NIIT Institute of Process Excellence Limited
- 5 NIIT Limited, UK
- 6 NIIT Malaysia Sdn. Bhd, Malaysia
- 7 NIIT West Africa Limited
- 8 NIIT GC Limited, Mauritius
- 9 NIIT (Ireland) Limited
- 10 NIIT Learning Solutions (Canada) Limited
- 11 NIIT Antilles NV, Netherlands Antilles (liquidated w.e.f. November 23, 2017)
- 12 PT NIIT Indonesia, Indonesia (under liquidation)
- 13 NIIT China (Shanghai) Limited, Shanghai
- 14 NIIT Wuxi Service Outsourcing Training School, China (Memorandum of Understanding was executed to sell on April 1, 2017)
- 15 Wuxi NIIT Information Technology Consulting Limited, China (agreement to sell entered on March 31, 2018)
- 16 Su Zhou NIIT Information Technology Consulting Limited, China (subsidiary of entity at serial no. 15)
- 17 Changzhou NIIT Information Technology Consulting Limited (subsidiary of entity at serial no. 15)
- 18 Zhangjiagang NIIT Information Services Limited, China
- 19 Qingdao NIIT Information Technology Company Limited, China (closed w.e.f. January 31, 2018)
- 20 Chengmai NIIT Information Technology Company Limited, China
- 21 Chongqing An Dao Education Consulting Limited, China
- 22 Chongqing NIIT Education Consulting Limited, China
- 23 NIIT (NingXia) Education Technology Company Limited, China (incorporated w.e.f. May 19, 2017)
- 24 Dafeng NIIT information technology Co., Limited, China (closed w.e.f. October 25, 2017)
- 25 Guizhou NIIT information technology consulting Co., Limited, China
- 26 NIIT (Guizhou) Education Technology Co., Limited, China

B. Other related parties with whom Company has transacted

Key managerial personnel:

- 1 Mr. Sapnesh Lalla (Chief Executive and Director)
- 2 Mr. P R Subramanian(Director)
- 3 Mr. Abbas Kumar (Director w.e.f. June 16, 2017)
- 4 Mr. Sailesh Lalla (relative of key managerial personnel)



NIIT (USA), Inc.
Notes to the Special Purpose Financial Statements for the year ended March 31, 2018
(All amounts in USD, unless otherwise stated)

32.1 C. Detail of significant transactions with related parties carried out in ordinary course of business.

| Nature of Transactions* | Holding Company | Subsidiaries | Fellow Subsidiaries | Key Managerial Personnel | Parties in which Key Managerial Personnel of the Company are interested | Total |
|---|-----------------|--------------|---------------------|--------------------------|---|-------------|
| 1 Service received | | | | | | |
| NIIT Limited | 11,078,052 | - | - | - | - | 11,078,052 |
| | (9,424,043) | - | - | - | - | (9,424,043) |
| NIIT Limited UK | - | - | 637,685 | - | - | 637,685 |
| | - | - | (577,643) | - | - | (577,643) |
| NIIT Ireland Limited | - | - | 1,183,326 | - | - | 1,183,326 |
| | - | - | (1,010,263) | - | - | (1,010,263) |
| NIIT Learning Solutions (Canada) Limited | - | - | 165,556 | - | - | 165,556 |
| | - | - | - | - | - | - |
| NIIT China (Shanghai) Limited | - | - | 191,195 | - | - | 191,195 |
| | - | - | (171,898) | - | - | (171,898) |
| 2 Service rendered | | | | | | |
| NIIT Limited | 185,249 | - | - | - | - | 185,249 |
| | (131,630) | - | - | - | - | (131,630) |
| NIIT Limited UK | - | - | 1,067,046 | - | - | 1,067,046 |
| | - | - | (1,584,766) | - | - | (1,584,766) |
| NIIT Technologies Ltd. | - | - | - | - | 50,384 | 50,384 |
| | - | - | - | - | (24,928) | (24,928) |
| NIIT Ireland Limited | - | - | 652,593 | - | - | 652,593 |
| | - | - | - | - | - | - |
| NIIT Learning Solutions (Canada) Limited | - | - | 559,582 | - | - | 559,582 |
| | - | - | - | - | - | - |
| 3 Other Income | | | | | | |
| NIIT Limited | 265,214 | - | - | - | - | 265,214 |
| | (314,319) | - | - | - | - | (314,319) |
| NIIT Limited UK | - | - | 536,096 | - | - | 536,096 |
| | - | - | (533,816) | - | - | (533,816) |
| NIIT Malaysia SDN BHD | - | - | 7,623 | - | - | 7,623 |
| | - | - | (7,259) | - | - | (7,259) |
| NIIT Ireland Limited | - | - | 220,540 | - | - | 220,540 |
| | - | - | (132,526) | - | - | (132,526) |
| NIIT Learning Solutions (Canada) Ltd | - | - | 17,373 | - | - | 17,373 |
| | - | - | (25,077) | - | - | (25,077) |
| 4 Recovery of expenses From | | | | | | |
| i) - Professional Technical & Outsourcing Services | | | | | | |
| NIIT Limited | 52,411 | - | - | - | - | 52,411 |
| | - | - | - | - | - | - |
| NIIT Limited UK | - | - | - | - | - | - |
| | - | - | (176,444) | - | - | (176,444) |
| NIIT Malaysia SDN BHD | - | - | - | - | - | - |
| | - | - | (79,883) | - | - | (79,883) |
| NIIT Ireland Limited | - | - | - | - | - | - |
| | - | - | (133,170) | - | - | (133,170) |
| NIIT Learning Solutions (Canada) Ltd | - | - | - | - | - | - |
| | - | - | (418,574) | - | - | (418,574) |
| ii) - Other Expenses | | | | | | |
| NIIT Limited | 36,039 | - | - | - | - | 36,039 |
| | (6,484) | - | - | - | - | (6,484) |
| NIIT Limited UK | - | - | 44,430 | - | - | 44,430 |
| | - | - | (12,250) | - | - | (12,250) |
| NIIT Ireland Limited | - | - | 12,321 | - | - | 12,321 |
| | - | - | - | - | - | - |
| NIIT Technologies Ltd. | - | - | - | - | - | - |
| | - | - | - | - | (8,592) | (8,592) |
| NIIT Learning Solutions (Canada) Ltd | - | - | 72,185 | - | - | 72,185 |
| | - | - | (46,251) | - | - | (46,251) |



NIIT (USA), Inc.

Notes to the Special Purpose Financial Statements for the year ended March 31, 2018
(All amounts in USD, unless otherwise stated)

| | | | | | | |
|---|-----------|-----------|-----------|---|-----------|-----------|
| iii) - Employee Cost | | | | | | |
| NIIT Limited | 31,448 | - | - | - | - | 31,448 |
| | (202,056) | - | - | - | - | (202,056) |
| NIIT Limited UK | - | - | - | - | - | - |
| | - | - | (824,428) | - | - | (824,428) |
| NIIT Ireland Limited | - | - | 6,730 | - | - | 6,730 |
| | - | - | (42,691) | - | - | (42,691) |
| NIIT Learning Solutions (Canada) Ltd | - | - | 48,873 | - | - | 48,873 |
| | - | - | - | - | - | - |
| 5 Recovery of expenses by | | | | | | |
| i) - Professional Technical & Outsourcing Services | | | | | | |
| NIIT Limited | 249,919 | - | - | - | - | 249,919 |
| | (16,964) | - | - | - | - | (16,964) |
| NIIT Limited UK | - | - | 154,922 | - | - | 154,922 |
| | - | - | (379,711) | - | - | (379,711) |
| NIIT Technologies Pte Ltd. | - | - | - | - | (35,929) | (35,929) |
| NIIT Antilles NV | - | - | - | - | - | - |
| | - | - | (36,484) | - | - | (36,484) |
| NIIT Technologies Brazil | - | - | - | - | 112 | 112 |
| | - | - | - | - | (206,863) | (206,863) |
| NIIT Learning Solutions (Canada) Ltd | - | - | - | - | - | - |
| | - | - | - | - | - | - |
| ii) - Other Expenses | | | | | | |
| NIIT Limited | - | - | - | - | - | - |
| | (35,012) | - | - | - | - | (35,012) |
| NIIT Limited UK | - | - | 9,563 | - | - | 9,563 |
| | - | - | - | - | - | - |
| NIIT Antilles NV | - | - | - | - | - | - |
| | - | - | (4,143) | - | - | (4,143) |
| NIIT Learning Solutions (Canada) Ltd | - | - | 1,675 | - | - | 1,675 |
| | - | - | - | - | - | - |
| Eagle International Institute Inc. USA | - | 2,220 | - | - | - | 2,220 |
| | - | - | - | - | - | - |
| iii) - Employee Cost | | | | | | |
| NIIT Limited | 312,167 | - | - | - | - | 312,167 |
| | (18,220) | - | - | - | - | (18,220) |
| NIIT Limited UK | - | - | 9,032 | - | - | 9,032 |
| | - | - | (76,305) | - | - | (76,305) |
| NIIT Learning Solutions (Canada) Ltd | - | - | - | - | - | - |
| | - | - | (281) | - | - | (281) |
| 6 Management Cost Recovery | | | | | | |
| By : | | | | | | |
| NIIT Limited | 1,456,678 | - | - | - | - | 1,456,678 |
| | (629,437) | - | - | - | - | (629,437) |
| Management Cost Recovery | | | | | | |
| From : | | | | | | |
| Eagle International Institute Inc. USA | - | 82,844 | - | - | - | 82,844 |
| | - | - | - | - | - | - |
| 7 Finance Cost | | | | | | |
| NIIT Malaysia SDN BHD | - | - | 19,500 | - | - | 19,500 |
| | - | - | (19,500) | - | - | (19,500) |
| 8 Advance Given | | | | | | |
| | - | - | - | - | - | - |
| NIIT China (Shanghai) Limited | - | - | - | - | - | - |
| | - | - | (15,000) | - | - | (15,000) |
| 9 Investment | | | | | | |
| Eagle International Institute Inc. USA | - | 3,769,588 | - | - | - | 3,769,588 |
| | - | - | - | - | - | - |
| 10 Loan received back | | | | | | |
| | - | - | - | - | - | - |
| 11 Payment of Corporate Guarantee Charges | | | | | | |
| | (183,162) | - | - | - | - | (183,162) |



NIIT (USA), Inc.

Notes to the Special Purpose Financial Statements for the year ended March 31, 2018
(All amounts in USD, unless otherwise stated)

| 12 | Remuneration | | | | | |
|----|--|---|---|---|-----------|-----------|
| | Sagnesh Lalla (Chief Executive and Director) | - | - | - | 353,339 | 353,339 |
| | | - | - | - | (408,581) | (408,581) |
| | P.R. Subramanian | - | - | - | 210,709 | 210,709 |
| | | - | - | - | (198,752) | (198,752) |
| | Abhas Kumar | - | - | - | 197,836 | 197,836 |
| | | - | - | - | - | - |
| | Sailesh Lalla | - | - | - | 374,997 | 374,997 |
| | | - | - | - | (365,166) | (365,166) |

* Excluding taxes

Figures in parenthesis represent previous year figures

D. Key management personnel compensation

| Particular | March 31, 2018 | March 31, 2017 | April 1, 2016 |
|------------------------------|----------------|----------------|---------------|
| Short-term employee benefits | 1,136,881 | 972,499 | 913,143 |
| Remuneration paid | 1,136,881 | 972,499 | 913,143 |

E. Details of outstanding balances with related parties

| Particular | March 31, 2018 | March 31, 2017 | April 1, 2016 |
|--|------------------|------------------|------------------|
| Trade receivables | | | |
| NIIT Limited UK | 2,633,583 | 1,539,056 | 3,141,362 |
| NIIT Ireland Limited | 804,276 | 464,012 | 60,540 |
| NIIT Limited | 553,921 | 547,197 | 390,145 |
| NIIT Malaysia SDN BHD | 164,663 | 126,948 | 42,837 |
| NIIT China (Shanghai) Limited | 15,000 | 15,000 | - |
| NIIT Learning Solutions (Canada) Ltd | 1,450,978 | 509,411 | - |
| Eagle International Institute Inc. USA | 82,844 | - | - |
| Total | 5,705,265 | 3,201,624 | 3,634,884 |
| Trade payables | | | |
| NIIT Limited UK | 503,817 | 662,934 | 1,275,885 |
| NIIT Ireland Limited | 364,738 | 937,220 | 189,238 |
| NIIT Limited | 3,621,320 | 2,717,441 | 2,441,910 |
| NIIT Malaysia SDN BHD | - | 3,775 | 5,675 |
| NIIT China (Shanghai) Limited | 23,336 | 12,578 | 52,999 |
| NIIT Learning Solutions (Canada) Ltd | 21,214 | 4,011 | - |
| NIIT Antilles NV (South Africa branch) | - | - | 43,095 |
| Eagle International Institute Inc. USA | 2,220 | - | - |
| Total | 3,536,645 | 4,337,959 | 4,008,802 |
| Other payables | | | |
| Key Managerial Personnel | 9,054 | - | - |
| Relative of Key Managerial Personnel | 300 | - | - |
| Total | 9,354 | - | - |



NIIT (USA), Inc.

Notes to the Special Purpose Financial Statements for the year ended March 31, 2018
(All amounts in USD, unless otherwise stated)

33 FIRST-TIME ADOPTION OF IND AS

Transition to Ind AS

These are the company's first set of financial statements prepared in accordance with Ind AS.

The accounting policies set out in note 2 have been applied in preparing the financial statements for the year ended March 31, 2018, the comparative information presented in these financial statements for the year ended March 31, 2017 and in the preparation of an opening Ind AS balance sheet at April 1, 2016 (The company's date of transition). In preparing its opening Ind AS balance sheet, the company has adjusted the amounts reported previously in financial statements prepared in accordance with the accounting standards notified under Companies (Accounting Standards) Rules, 2006 (as amended) and other relevant provisions of the Act (previous GAAP or Indian GAAP).

An explanation of how the transition from previous GAAP to Ind AS has affected The company's financial position, financial performance and cash flows is set out in the following tables and notes.

A. Exemptions and exceptions availed

Set out below are the applicable Ind AS 101 optional exemptions and mandatory exceptions applied in the transition from previous GAAP to Ind AS.

A.1 Ind AS optional exemptions

A.1.1 Deemed cost

Ind AS 101 permits a first-time adopter to elect to continue with the carrying value for all of its property, plant and equipment as recognised in the financial statements as at the date of transition to Ind AS, measured as per the previous GAAP and use that as its deemed cost as at the date of transition after making necessary adjustments. This exemption has also been used for intangible assets covered by Ind AS 38 Intangible Assets.

Accordingly, The company has elected to measure all of its property, plant and equipment, intangible assets and at their previous GAAP carrying value.

A.2 Ind AS mandatory exceptions

A.2.1 Estimates

An entity's estimates in accordance with Ind ASs at the date of transition to Ind AS shall be consistent with estimates made for the same date in accordance with previous GAAP (after adjustments to reflect any difference in accounting policies), unless there is objective evidence that those estimates were in error. Ind AS estimates as at April 1, 2016 are consistent with the estimates as at the same date made in conformity with previous GAAP. The company made estimates for following items in accordance with Ind AS at the date of transition as these were not required under previous GAAP.

- Impairment of financial assets based on expected credit loss model.



NIT (USA), Inc.

Notes to the Special Purpose Financial Statements for the year ended March 31, 2018
(All amounts in USD, unless otherwise stated)

33.1 Ind AS 101 requires an entity to reconcile equity, total comprehensive income and cash flows for prior periods. The following tables represent the reconciliations from previous GAAP to Ind AS

Reconciliation of equity as at date of transition April 01, 2016*

| | Notes to first time adoption | Previous GAAP | Adjustments | Ind AS |
|--------------------------------------|---------------------------------|-------------------|-----------------|-------------------|
| ASSETS | | | | |
| Non-current assets | | | | |
| Property, plant and equipment | | 1,292,507 | - | 1,292,507 |
| Other intangible assets | | 2,645,810 | - | 2,645,810 |
| Financial assets | | | | |
| Other financial assets | | 27,404 | - | 27,404 |
| Deferred tax assets (net) | | 180,201 | - | 180,201 |
| Other non-current assets | | 1,689 | - | 1,689 |
| Total non-current assets | | 4,147,611 | - | 4,147,611 |
| Current assets | | | | |
| Financial Assets | | | | |
| Trade receivables | Note 2 | 8,944,435 | (1,480,854) | 7,463,581 |
| Cash and cash equivalents | | 744,087 | - | 744,087 |
| Other bank balances | | 40,000 | - | 40,000 |
| Other financial assets | Note 2 | 9,752,618 | 1,480,854 | 11,233,472 |
| Other current assets | | 2,075,035 | - | 2,075,035 |
| Total current assets | | 21,556,175 | - | 21,556,175 |
| Total assets | | 25,703,786 | - | 25,703,786 |
| EQUITY AND LIABILITIES | | | | |
| Equity | | | | |
| Equity share capital | | 10,662,113 | - | 10,662,113 |
| Other equity | Note 3 | 583,531 | (16,815) | 566,716 |
| Total equity | | 11,245,644 | (16,815) | 11,228,829 |
| LIABILITIES | | | | |
| Non-current liabilities | | | | |
| Financial liabilities | | | | |
| Borrowings | | 650,000 | - | 650,000 |
| Total non-current liabilities | | 650,000 | - | 650,000 |
| Current liabilities | | | | |
| Financial liabilities | | | | |
| Borrowings | | 2,200,000 | - | 2,200,000 |
| Trade payables | Note 2 | 5,528,881 | 2,072,398 | 7,601,279 |
| Other financial liabilities | Note 2 & 3 | 5,417,050 | (2,055,583) | 3,361,467 |
| Provisions | | 395,056 | - | 395,056 |
| Other current liabilities | | 267,155 | - | 267,155 |
| Total current liabilities | | 13,808,142 | 16,815 | 13,824,957 |
| Total liabilities | | 14,458,142 | 16,815 | 14,474,957 |
| Total equity and liabilities | | 25,703,786 | - | 25,703,786 |

*The previous GAAP figures have been reclassified to conform to Ind AS presentation requirements for the purpose of this note.



NIIT (USA), Inc.

Notes to the Special Purpose Financial Statements for the year ended March 31, 2018
(All amounts in USD, unless otherwise stated)

33.2 Reconciliation of equity as at March 31, 2017*

| | Notes to first time adoption | Previous GAAP | Adjustments | Ind AS |
|--------------------------------------|---------------------------------|-------------------|------------------|-------------------|
| ASSETS | | | | |
| Non-current assets | | | | |
| Property, plant and equipment | | 731,242 | - | 731,242 |
| Other intangible assets | | 787,608 | - | 787,608 |
| Intangible assets under development | | 661,194 | - | 661,194 |
| Financial assets | | | | |
| Other financial assets | | 29,015 | - | 29,015 |
| Deferred tax assets | | 1,522,405 | - | 1,522,405 |
| Total non-current assets | | 3,731,464 | - | 3,731,464 |
| Current assets | | | | |
| Financial Assets | | | | |
| Trade receivables | Note 2 | 10,554,107 | (2,750,205) | 7,803,962 |
| Cash and cash equivalents | | 2,502,420 | - | 2,502,420 |
| Other bank balances | | 2,791,243 | - | 2,791,243 |
| Other Financial Assets | Note 2 | 6,403,563 | 2,750,205 | 9,153,768 |
| Other Current Assets | | 1,702,679 | - | 1,702,679 |
| Total current assets | | 23,954,072 | - | 23,954,072 |
| Total assets | | 27,685,536 | - | 27,685,536 |
| EQUITY AND LIABILITIES | | | | |
| Equity | | | | |
| Equity share capital | | 10,662,113 | - | 10,662,113 |
| Other equity | Note 3 | 1,322,625 | 104,423 | 1,427,048 |
| Total Equity | | 11,984,738 | 104,423 | 12,089,161 |
| LIABILITIES | | | | |
| Non-current liabilities | | | | |
| Financial liabilities | | | | |
| Borrowings | | 650,000 | - | 650,000 |
| Total non-current liabilities | | 650,000 | - | 650,000 |
| Current liabilities | | | | |
| Financial liabilities | | | | |
| Trade payables | Note 2 | 3,341,402 | 4,703,458 | 8,044,860 |
| Other financial liabilities | Note 2 & 3 | 10,980,245 | (4,807,881) | 6,172,364 |
| Provisions | | 391,107 | - | 391,107 |
| Other current liabilities | | 338,044 | - | 338,044 |
| Total current liabilities | | 15,050,798 | (104,423) | 14,946,375 |
| Total liabilities | | 15,700,798 | (104,423) | 15,596,375 |
| Total equity and liabilities | | 27,685,536 | - | 27,685,536 |

*The previous GAAP figures have been reclassified to conform to Ind AS presentation requirements for the purpose of this Note.



NIIT (USA), Inc.

Notes to the Special Purpose Financial Statements for the year ended March 31, 2018

(All amounts in USD, unless otherwise stated)

33.3 Reconciliation of total comprehensive income for the year ended March 31, 2017*

| | Notes to first time adoption | Previous GAAP | Adjustments | Ind AS |
|--|---------------------------------|-------------------|--------------------|-------------------|
| INCOME | | | | |
| Revenue from operations | Note 1 | 50,246,951 | (7,948,254) | 42,298,697 |
| Other income | | 1,016,502 | - | 1,016,502 |
| Total income | | 51,263,453 | (7,948,254) | 43,315,199 |
| Expenses | | | | |
| Employee benefits expense | Note 3 | 15,571,023 | 96,321 | 15,667,344 |
| Professional outsourced faculty | Note 1 | 25,492,777 | (7,948,254) | 17,544,523 |
| Finance costs | | 347,024 | - | 347,024 |
| Depreciation and amortisation expense | | 2,497,361 | - | 2,497,361 |
| Other expenses | Note 3 | 6,869,866 | 8,102 | 6,877,968 |
| Total expenses | | 50,778,051 | (7,843,831) | 42,934,220 |
| Profit before tax | Note 3 | 485,402 | (104,423) | 380,979 |
| Income tax expense: | | | | |
| -Current tax | | 880,013 | - | 880,013 |
| -Adjustment of tax relating to earlier years | | (17,162) | - | (17,162) |
| -Deferred tax | | (1,342,204) | - | (1,342,204) |
| Profit for the year | | 964,755 | (104,423) | 860,332 |
| Other comprehensive income | | - | - | - |
| Total comprehensive income for the year | | 964,755 | (104,423) | 860,332 |

* The previous GAAP figures have been reclassified to confirm to Ind AS presentation requirements for the purpose of this Note.



NIIT (USA), Inc.

Notes to the Special Purpose Financial Statements for the year ended March 31, 2018
(All amounts in USD, unless otherwise stated)

33-4 Notes to first-time adoption of Ind AS

Note 1: Revenue and Professional outsourced faculty

Under the previous GAAP, for non-agency arrangement with certain customers, the company was recording gross revenue which includes vendor fees and own service fees. Under the Ind AS, this has been considered that the Company is acting like as an agent and accordingly the revenue is recognised on net basis. Consequently, the revenue for the year ended March 31, 2017 has reduced by USD 7,948,254 with a corresponding impact in professional outsourced faculty by the same amount.

Note 2: Trade receivable and Trade Payable

The corresponding receivables, as on March 31, 2017, amounting to USD 2,750,205 (April 1, 2016 USD 1,480,854) has been reclassified as other receivables and the corresponding payables of USD 4,703,458 (April 1, 2016 USD 2,072,398) is reclassified as other payables.

Note 3: Reserves and surplus

Under Ind AS, the cost of equity settled employee share based plan is recognized based on fair value of the options as at grant date. Therefore the amount recognized in share option outstanding account (under Reserves and surplus) as on April 1, 2016 decreased by USD 151,696.

Under the previous GAAP, under lease accounting for rent escalation on account of inflationary factors the company was recording the rent over straight line method. under the Ind AS impact on account of Lease Equalization Reserve created till March 31, 2016, was reversed amounting to USD 168,511. Therefore the amount recognized in rent equalization reserve (under Reserves and surplus) as on April 1, 2016 increased by USD 168,511.

Net impact of the above is decrease as on April 1, 2016 (under Reserves and surplus) of USD 16,815.

Similarly in March 31, 2017, under the Ind AS impact amount recognized in share option outstanding account amounting to USD 96,321 in Employee benefit expense head under profit and Loss Account and amount recognized for rent equalization reserve in other expense under profit and Loss Account for USD 8,102

Total impact of the above is increase as on March 31, 2017, (under Profit and Loss) of USD 104,423.

Reconciliation of the total equity as on March 31, 2017 and April 1, 2016:

| Particulars | Notes to first time adoption | March 31, 2017 | April 1, 2016 |
|---|------------------------------|-------------------|-------------------|
| Total equity (shareholder's fund) as per previous GAAP | | 11,984,737 | 11,245,644 |
| <u>Adjustments:</u> | | | |
| Recognition of employee stock option expense - fair value | Note 3 | 96,321 | 151,696 |
| Impact due to reversal of lease rent equalization reserve | Note 3 | 8,102 | (168,511) |
| Total adjustments | | 104,423 | (16,815) |
| Total equity as per Ind AS | | 12,089,161 | 11,228,829 |

Reconciliation of total comprehensive income for the year ended March 31, 2017 :

| Particulars | Notes to first time adoption | March 31, 2017 |
|---|------------------------------|------------------|
| Profit after tax as per previous GAAP | | 964,755 |
| <u>Adjustments:</u> | | |
| Recognition of employee stock option expense - fair value | Note 3 | (96,321) |
| Impact due to reversal of lease rent equalization reserve | Note 3 | (8,102) |
| Total adjustments | | (104,423) |
| Profit after tax as per Ind AS | | 860,332 |

Impact of Ind AS adoption on the statements of cash flows for the year ended March 31, 2017

| Particulars | Previous GAAP | Adjustments | Ind AS |
|---|------------------|-------------|------------------|
| Net cash flows from operating activities | 5,004,543 | 65,731 | 5,070,274 |
| Net cash flows from investing activities | (739,088) | - | (739,088) |
| Net cash flows from financing activities | (2,507,122) | (65,731) | (2,572,853) |
| Net increase/(decrease) in cash and cash equivalents | 1,758,333 | - | 1,758,333 |
| Cash and cash equivalents as April 1 2016 | 744,087 | - | 744,087 |
| Cash and cash equivalents as March 31, 2017 | 2,502,420 | - | 2,502,420 |

- 34 The comparative financial information of the Company for the year ended March 31, 2017 and the transition date opening balance sheet as at April 01, 2016 included in these Ind AS financial statements, are based on the previously issued financial statements prepared in accordance with accounting principles generally accepted in India and were audited by a firm other than S.R. Batliboi & Associates LLP, as adjusted for the differences in the accounting principles adopted by the Company on transition to the Ind AS.



NIIT (USA), Inc.

Notes to the Special Purpose Financial Statements for the year ended March 31, 2018

35 The financial statements were approved for issue by the board of directors on May 14, 2018.

Signature to Notes '1' to '35' of these financial statements.

For S. R. Batliboi & Associates LLP

Chartered Accountants

ICAI Firm Registration No.: 101049W/E3000004

[Signature]

Mr. Sanjay Bachchani

Partner

Membership No. 400419



Place: Gurugram

Date: May 14, 2018

For and on behalf of the Board of Directors of NIIT (USA), Inc.

[Signature] *[Signature]*

Sapnesh Lalla

Director

Place:

Gurugram
Date: May 14, 2018

Vijay K Thadani

Director

Place:

Gurugram
Date: May 14, 2018

P R Subramanian

Director

Place:

Date:

