

## Independent Auditors' Report on Special Purpose Ind AS Financial Statements

To the Board of Directors of NIIT (USA) Inc.

### Opinion

We have audited the accompanying special purpose financial statements of NIIT (USA) Inc. ("the Company"), comprising of the Balance sheet as at March 31, 2022, the Statement of Profit and Loss, Statement of Changes in Equity 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 solely for its internal use to assist its parent Company, NIIT Limited, in preparing their consolidated financial statements.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid special purpose Ind AS financial statements is prepared, in all material respects, in accordance with the basis of accounting set out in Note 2.1 of the state of affairs of the Company as at March 31, 2022, its profit and its cash flows for the year then ended.

### Management's Responsibility for the special purpose Ind AS financial statements

The Company's Board of Directors is responsible for the preparation of these special purpose Ind AS financial statements in accordance with the basis of accounting described in Note 2.1 to these special purpose Ind AS financial statements. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the special purpose Ind AS financial statements that are free from material misstatement, whether due to fraud or error.

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

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

### Auditor's Responsibility

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

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

- Identify and assess the risks of material misstatement of the special purpose Ind AS financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the special purpose Ind AS financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

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

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

## Restriction on distribution

This report covering the special purpose financial statements of the Company for the year ended March 31, 2022 is intended solely for the information and use of the management of the Company in connection for its internal use to assist its parent Company, NIIT Limited, in preparing their consolidated financial statements. These special purpose Ind AS 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 special purpose Ind AS 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/E300004

per Sanjay Bachchani  
Partner  
Membership Number: 400419  
UDIN: 22400419AJGQYR8812

Place: Gurugram  
Date: May 19, 2022

**NIIT (USA), Inc.**  
**Special Purpose Balance Sheet as at March 31, 2022**

(All amounts are in USD, unless otherwise stated)

|                               |         | As at          |  |
|-------------------------------|---------|----------------|--|
|                               | Notes   | March 31, 2022 | March 31, 2021<br>(Restated refer note 34) |
| ASSETS                        |         |                |  |
| Non-Current Assets            |         |                |  |
| Property, plant and equipment | 3       | 195,914        | 287,634                                    |
| Goodwill                      | 4       | 4,534,548      | 4,534,548                                  |
| Other Intangible assets       | 4       | 1,218,989      | 1,226,925                                  |
| Right-of-use assets           | 5(ii)   | -              | 1,567,448                                  |
| Financial assets              |         |                |  |
| Investments                   | 9       | 1,503,630      | 503,630                                    |
| Loans                         | 7 (ii)  | 1,500,000      | -  |
| Other financial assets        | 7 (i)   | -              | 7,868                                      |
| Other non current assets      | 11(ii)  | 571,199        | -  |
| Deferred tax assets (net)     | 10      | 529,697        | 533,773                                    |
| Income tax assets (net)       | 11(iii) | 1,138,773      | 636,917                                    |
| Total non-current assets      |         | 11,192,750     | 9,298,743                                  |
| Current Assets                |         |                |  |
| Financial assets              |         |                |  |
| Trade receivables             | 8       | 14,843,108     | 13,016,746                                 |
| Cash and cash equivalents     | 12      | 9,079,689      | 7,029,070                                  |
| Other bank balances           | 13      | 2,751,243      | 2,751,243                                  |
| Other financial assets        | 7 (i)   | 4,007,424      | 3,882,524                                  |
| Other current assets          | 11(i)   | 333,817        | 325,033                                    |
| Income tax assets (net)       | 11(iii) | -              | 134,673                                    |
| Total current assets          |         | 31,015,281     | 27,139,289                                 |
| Total Assets                  |         | 42,208,031     | 36,438,032                                 |
| EQUITY AND LIABILITIES        |         |                |  |
| Equity                        |         |                |  |
| Equity share capital          | 14      | 10,662,113     | 10,662,113                                 |
| Other equity                  | 15      | 8,715,992      | 1,302,393                                  |
| Total Equity                  |         | 19,378,105     | 11,964,506                                 |
| Liabilities                   |         |                |  |
| Non-Current Liabilities       |         |                |  |
| Financial liabilities         |         |                |  |
| Borrowings                    | 16      | -              | 419,593                                    |
| Lease Liabilities             | 5(ii)   | -              | 1,320,158                                  |
| Total non-current liabilities |         | -              | 1,739,751                                  |
| Current liabilities           |         |                |  |
| Financial liabilities         |         |                |  |
| Borrowings                    | 16      | 419,593        | 537,917                                    |
| Lease Liabilities             | 5(ii)   | -              | 379,867                                    |
| Trade payables                | 17      | 9,156,430      | 7,999,830                                  |
| Other financial liabilities   | 18      | 5,629,396      | 6,139,001                                  |
| Provisions                    | 19      | 600,241        | 490,817                                    |
| Other current liabilities     | 20      | 6,436,350      | 7,186,343                                  |
| Income tax Liability (net)    | 11(iii) | 587,916        | -  |
| Total current liabilities     |         | 22,829,926     | 22,733,775                                 |
| Total liabilities             |         | 22,829,926     | 24,473,526                                 |
| Total Equity and Liabilities  |         | 42,208,031     | 36,438,032                                 |

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

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

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

**Sanjay Bachchani**  
Partner  
Membership No. 400419

**P R Subramanian**  
Director

**Sapnesh Lalla**  
Director

**Vijay K Thadani**  
Director

Place: Gurugram  
Date: May 19, 2022

Place: Atlanta  
Date: May 19, 2022

Place: Gurugram  
Date: May 19, 2022

Place: Gurugram  
Date: May 19, 2022

**NIIT (USA), Inc.**  
**Special Purpose Statement of Profit and Loss for the year ended March 31, 2022**

(All amounts are in USD, unless otherwise stated)

|  |              | <b>Year ended</b>     |  |
|--|--------------|-----------------------|--|
|  | <b>Notes</b> | <b>March 31, 2022</b> | <b>March 31, 2021<br/>(Restated refer note 34)</b> |
| <b>INCOME</b>  |              |                       |  |
| Revenue from operations                                  | 21           | 83,428,724            | 62,036,578   |
| Other income   | 22           | 4,450,368             | 3,510,437  |
| <b>Total income</b>                                      |              | <b>87,879,092</b>     | <b>65,547,015</b>                                  |
| <b>EXPENSES</b>  |              |                       |  |
| Employee benefit expenses                                | 23           | 38,595,738            | 29,782,542   |
| Professional & technical outsourcing expenses            |              | 34,815,257            | 27,668,701   |
| Finance costs  | 24           | 73,560                | 242,194  |
| Depreciation and amortisation expense                    | 6            | 415,617               | 860,596  |
| Other expenses   | 25           | 5,354,311             | 5,333,851  |
| <b>Total expenses</b>                                    |              | <b>79,254,483</b>     | <b>63,887,885</b>                                  |
| <b>Profit before tax</b>                                 |              | <b>8,624,609</b>      | <b>1,659,130</b>                                   |
| <b>Tax expense:</b>                                      | 26           |                       |  |
| -Current Tax   |              | 1,206,934             | 620,930  |
| -Deferred Tax charge/(credit)                            |              | 4,076                 | (40,934)   |
| <b>Total tax expenses</b>                                |              | <b>1,211,010</b>      | <b>579,996</b>                                     |
| <b>Profit for the year</b>                               |              | <b>7,413,599</b>      | <b>1,079,134</b>                                   |
| <b>Total comprehensive income for the year</b>           |              | <b>7,413,599</b>      | <b>1,079,134</b>                                   |
| <b>Earnings per equity share (Face value USD 1 Each)</b> | 30           |                       |  |
| - Basic  |              | 0.70                  | 0.10   |
| - Diluted  |              | 0.70                  | 0.10   |

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

**Sanjay Bachchani**  
Partner  
Membership No. 400419

**P R Subramanian**  
Director

**Sapnesh Lalla**  
Director

**Vijay K Thadani**  
Director

Place: Gurugram  
Date: May 19, 2022

Place: Atlanta  
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Date: May 19, 2022

**NIIT (USA), Inc.**  
**Special Purpose Statement of Cash Flow for the year ended March 31, 2022**

(All amounts are in USD, unless otherwise stated)

|   | <b>Year ended</b>     |   |
|---|-----------------------|---|
|   | <b>March 31, 2022</b> | <b>March 31, 2021<br/>(Restated refer note)</b> |
| <b>CASH FLOW FROM OPERATING ACTIVITIES:</b>                               |                       |   |
| <b>Profit before exceptional items and tax</b>                            | <b>8,624,609</b>      | <b>1,659,130</b>                                |
| <b>Adjustment to reconcile profit before tax to net cash flows:</b>       |                       |   |
| Depreciation and amortisation expenses                                    | 415,617               | 860,596   |
| Finance cost  | 73,560                | 242,194   |
| Interest income   | (9,352)               | (18,834)  |
| Loss on sale property, plant & equipment sold                             | 30,987                | 8,951   |
| Allowance for doubtful debts  | 3,000                 | 11,426  |
| Dividend Income from Subsidiaries (refer note 33)                         | (200,000)             | -   |
| Allowance for doubtful advances   | -                     | 1,346   |
| Gain on termination of leases   | (148,393)             | (43,942)  |
| Unrealised Foreign Exchange (gain)/ loss (net)                            | (19,137)              | 36,768  |
| <b>Operating profit before working capital changes (net)</b>              | <b>8,770,891</b>      | <b>2,757,635</b>                                |
| <b>Working capital adjustments:</b>                                       |                       |   |
| (Increase)/Decrease in trade receivables                                  | (1,842,318)           | 3,029,948                                       |
| (Increase) in other financial assets                                      | (132,966)             | (187,555)                                       |
| (Increase)/Decrease in other assets                                       | (8,785)               | 249,169   |
| Decrease in other bank balances   | -                     | 40,032  |
| Increase/(Decrease) in trade payables                                     | 1,188,692             | (1,876,146)                                     |
| (Decrease)/Increase in other financial liabilities                        | (509,606)             | 2,828,891                                       |
| Increase in provisions  | 109,424               | 60,387  |
| (Decrease)/Increase in other liabilities                                  | (749,993)             | 4,735,659                                       |
| <b>Cash generated from operations</b>                                     | <b>6,825,339</b>      | <b>11,638,020</b>                               |
| Tax (paid)/refund   | (986,201)             | 154,731   |
| <b>Net cash generated from operating activities (A)</b>                   | <b>5,839,138</b>      | <b>11,792,751</b>                               |
| <b>CASH FLOW FROM INVESTING ACTIVITIES:</b>                               |                       |   |
| Purchase of property, plant and equipment (including Capital Advances)    | (648,116)             | (206,142)                                       |
| Investment in subsidiary  | (1,000,000)           | (500,000)                                       |
| Interest received   | 27,415                | 8   |
| Dividend Income from Subsidiaries (refer note 33)                         | 200,000               | -   |
| Loan given to related party   | (1,500,000)           | -   |
| <b>Net cash flow used in Investing activities (B)</b>                     | <b>(2,920,701)</b>    | <b>(706,134)</b>                                |
| <b>CASH FLOW FROM FINANCING ACTIVITIES:</b>                               |                       |   |
| Decrease in deferred liabilities  | (537,917)             | (784,204)                                       |
| Line of credit paid during the year (net)                                 | -                     | (4,000,000)                                     |
| Payment of lease liabilities  | (297,819)             | (546,972)                                       |
| Interest paid   | (32,082)              | (159,754)                                       |
| <b>Net cash (used in) financing activities (C)</b>                        | <b>(867,818)</b>      | <b>(5,490,930)</b>                              |
| <b>Net increase in cash &amp; cash equivalents (A) + (B) + (C)</b>        | <b>2,050,619</b>      | <b>5,595,688</b>                                |
| Cash and cash equivalents as at the beginning of the year (refer note 12) | 7,029,070             | 1,433,382                                       |
| <b>Cash and cash equivalents as at the year end (refer note 12)</b>       | <b>9,079,689</b>      | <b>7,029,070</b>                                |

**Notes:**

- Figures in parenthesis indicate cash outflow.
- The cash flows statement has been prepared using the indirect method as set out in Ind-AS 7.

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

**Sanjay Bachchani**  
Partner  
Membership No. 400419

**P R Subramanian**  
Director

**Sapnesh Lalla**  
Director

**Vijay K Thadani**  
Director

Place: Gurugram  
Date: May 19, 2022

Place: Atlanta  
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Date: May 19, 2022

**NIIT (USA), Inc.**  
**Special Purpose Statement of Changes in Equity for the year ended March 31, 2022**  
(All amounts are in USD, unless otherwise stated)

**i) Equity Share Capital:**

| Particulars                            | No. of Shares     | Amount            |
|--|-------------------|-------------------|
| <b>As at April 1, 2020</b>             | <b>10,662,113</b> | <b>10,662,113</b> |
| Issue of share capital during the year | -                 | -                 |
| <b>As at March 31, 2021</b>            | <b>10,662,113</b> | <b>10,662,113</b> |
| Issue of share capital during the year | -                 | -                 |
| <b>As at March 31, 2022</b>            | <b>10,662,113</b> | <b>10,662,113</b> |

**ii) Other Equity**

| Particulars                                 | Reserves and Surplus |                  | Total            |
|---|----------------------|------------------|------------------|
|   | Retained Earnings    | Capital Reserve  |                  |
| <b>Balance as at April 1, 2020</b>          | 776,001              | -                | 776,001          |
| Addition due to acquisition (Refer note 34) | -                    | (552,742)        | (552,742)        |
| <b>Restated balance as at April 1, 2020</b> | <b>776,001</b>       | <b>(552,742)</b> | <b>223,259</b>   |
| Profit for the year                         | 1,079,134            | -                | 1,079,134        |
| <b>Balance as at March 31, 2021</b>         | <b>1,855,135</b>     | <b>(552,742)</b> | <b>1,302,393</b> |
| Profit for the year                         | 7,413,599            | -                | 7,413,599        |
| <b>Balance as at March 31, 2022</b>         | <b>9,268,734</b>     | <b>(552,742)</b> | <b>8,715,992</b> |

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

**Sanjay Bachchani**  
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Place: Gurugram  
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Date: May 19, 2022

## **NIIT (USA), Inc.**

### **Notes to the Special Purpose Financial Statements for the year ended March 31, 2022**

#### **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. The registered place of business of the Company is : 3, Ravinia Drive, NE , Suite 1930, Atlanta , Georgia 30346.

#### **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 ('financial statements') have been prepared in accordance with the Indian Accounting Standard ('Ind AS') notified under section 133 of the Companies Act, 2013, read with the Companies (Indian Accounting Standards) Rules as amended from time to time.

###### **(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 parent Company (NIIT Limited) in preparing their consolidated financial statements. The financial statements were approved for issue by the board of directors on May 19, 2022.

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.

##### **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.



## **NIIT (USA), Inc.**

### **Notes to the Special Purpose Financial Statements for the year ended March 31, 2022**

#### **2.3 Current - non-current classification**

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

##### **Assets**

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

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

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

##### **Liabilities**

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

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

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

##### **Operating cycle**

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

#### **2.4 Critical accounting estimates and judgements**

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

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

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

Note 2.11 - measurement of useful life and residual values of property, plant and equipment.

Note 27 - fair value measurement of financial instruments.

Note 2.8 - judgement required to determine probability of recognition of deferred tax assets and MAT credit entitlement.

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

## **NIIT (USA), Inc.**

### **Notes to the Special Purpose Financial Statements for the year ended March 31, 2022**

#### **2.5 Revenue from Contracts with Customers**

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

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

##### **Income from services**

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

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

Estimates of revenues, costs or extent of progress towards completion are revised if circumstances change. Any resulting increase or decrease in estimated revenues or costs are reflected in profit or loss in the period in which the circumstances that give rise to the revision become known to management.

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

#### **2.6 Other Income**

Interest income is recognised on a time proportion basis taking into account the amount outstanding and applicable rate of interest. Interest income from debt instruments is recognised using the effective 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.

## **NIIT (USA), Inc.**

### **Notes to the Special Purpose Financial Statements for the year ended March 31, 2022**

#### **2.7 Dividend Income**

Dividend Income is recognised when the right to receive dividend is established .

#### **2.8 Income Tax**

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

##### **Current income taxes**

The current income tax expense includes income taxes payable by the Company, its branches and its subsidiaries in India and overseas. The current tax payable by the Company and its subsidiaries in India is Indian income tax payable on worldwide income after taking credit for tax relief available.

The current income tax expense for overseas subsidiaries has been computed based on the tax laws applicable to each subsidiary in the respective jurisdiction in which it operates.

Advance taxes and provisions for current income taxes are presented in the balance sheet after off-setting advance tax paid and income tax provision arising in the same tax jurisdiction and where the relevant tax paying unit intends to settle the asset and liability on a net basis.

##### **Deferred income taxes**

Deferred income tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the end of the reporting period and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

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

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

## **NIIT (USA), Inc.**

### **Notes to the Special Purpose Financial Statements for the year ended March 31, 2022**

#### **2.9 Leases**

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

##### **(a) Company as a lessee**

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

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

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

The practical expedient applies only to rent concessions occurring as a direct consequence of COVID-19 and only if all of the following conditions are met:

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

##### **b) Company as a lessor**

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

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

## NIIT (USA), Inc.

### Notes to the Special Purpose Financial Statements for the year ended March 31, 2022

#### 2.10 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.

#### 2.11 Property, plant and equipment and Depreciation

The Company had applied for the one-time transition exemption of considering the carrying cost on the transition date i.e. April 01, 2016 as the deemed cost under IND AS, regarded thereafter as historical cost.

Property, plant & equipments 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 property, plant & equipment 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 property, plant & equipment:

| Description of Assets                         | Useful life                                   |
|---|---|
| Plant and Equipment including:                |   |
| - Computers, Printers and related Accessories | 3 years                                       |
| - Computer Servers and Networks               | 5 years                                       |
| - Air Conditioners                            | 10 years                                      |
| Office Equipment                              | 5 years                                       |
| Furniture & Fixtures                          | 7 years                                       |
| Leasehold Improvements                        | 3-5 years or lease period, whichever is lower |

#### 2.12 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 Intangible Assets

Expenditure on research activities is recognised as an expense in the period in which it is incurred.

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

## **NIIT (USA), Inc.**

### **Notes to the Special Purpose Financial Statements for the year ended March 31, 2022**

#### **Goodwill and Brand**

Goodwill and Brand on acquisitions of subsidiaries/business are included in intangible assets. Goodwill and Brand are not amortised but they are tested for impairment annually, or more frequently if events or changes in circumstances indicate that it might be impaired, and is carried at cost less accumulated impairment losses. Gains and losses on the disposal of an entity/business include the carrying amount of goodwill and brand relating to the entity/business sold.

#### **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.

#### **Impairment testing of goodwill and intangible assets**

Goodwill is allocated to cash-generating units for the purpose of impairment testing. The allocation is made to those cash-generating units or Company's cash-generating units that are expected to benefit from the business combination in which the goodwill arose. The units or Company's units are identified at the lowest level at which goodwill is monitored for internal management purposes, which in our case are the operating segments.

Other assets including brand are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs of disposal and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash inflows which are largely independent of the cash inflows from other assets or groups of assets (cash-generating units).

### **2.13 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, 2022**

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

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

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

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

## **NIIT (USA), Inc.**

### **Notes to the Special Purpose Financial Statements for the year ended March 31, 2022**

#### **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.

#### **2.14 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.



## **NIIT (USA), Inc.**

### **Notes to the Special Purpose Financial Statements for the year ended March 31, 2022**

#### **Compensated Absences**

Accumulated compensated absences are expected to be availed within 12 months from the end of the year. The obligation towards the same is measured on the basis of actuarial valuation at year end.

#### **Share-based payments**

The parent company has a share option scheme for certain employees of the Company. Options are exercisable at a price equal to the market price of the shares in NIIT Limited (India), the parent company on the date of grant. If the options remain unexercised after a period of five years from the date of granting, the options expire. Options are forfeited if the employee leaves the company before the options vest. The fair value determined at the vest date of the share based payments is expensed on a straight- line basis over the vesting period, based on the Company's estimate of shares that will eventually vest and adjusted for the effect of non-market based vesting conditions. Fair value is measured by use of the Black sholes model.

The cost of the options is amortized over the period of vests for which expenses are debited by the parent company and charged to profit and loss.

#### **2.15 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.

#### **2.16 Borrowing Costs**

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

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

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

## **NIIT (USA), Inc.**

### **Notes to the Special Purpose Financial Statements for the year ended March 31, 2022**

#### **2.17 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.

#### **2.18 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.

#### **2.19 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.

#### **2.20 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

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

**NIIT (USA), Inc.**
**Notes to the Special Purpose Financial Statements for the year ended March 31, 2022**

(All amounts are in USD, unless otherwise stated)

**3 Property, Plant and Equipment**

| Particulars   | Plant & Equipments | Leasehold Improvements | Furniture & Fixtures | Office Equipments | Total            |
|---|--------------------|------------------------|----------------------|-------------------|------------------|
| <b>Year ended March 31, 2021</b>  |                    |                        |                      |                   |                  |
| <b>Gross carrying amount</b>  |                    |                        |                      |                   |                  |
| <b>Opening gross carrying amount as on April 1, 2020</b>                | <b>718,201</b>     | <b>75,315</b>          | <b>106,567</b>       | <b>2,671</b>      | <b>902,754</b>   |
| Addition due to acquisition (refer note 34)                             | 241,682            | 18,526                 | 23,113               | 3,260             | 286,581          |
| <b>Restated Opening gross carrying amount as on April 1, 2020</b>       | <b>959,883</b>     | <b>93,841</b>          | <b>129,680</b>       | <b>5,931</b>      | <b>1,189,335</b> |
| Additions   | 181,941            | -                      | -                    | 1,200             | 183,141          |
| Disposals   | 138,882            | 11,035                 | 84,561               | 2,879             | 237,357          |
| <b>Closing gross carrying amount (A)</b>                                | <b>1,002,942</b>   | <b>82,806</b>          | <b>45,119</b>        | <b>4,252</b>      | <b>1,135,119</b> |
| <b>Accumulated depreciation</b>   |                    |                        |                      |                   |                  |
| <b>Opening accumulated depreciation as on April 1, 2020</b>             | <b>587,541</b>     | <b>75,311</b>          | <b>74,850</b>        | <b>925</b>        | <b>738,627</b>   |
| Addition in accumulated depreciation due to acquisition (refer note 34) | 174,384            | 14,755                 | 7,924                | 2,661             | 199,724          |
| <b>Restated opening accumulated depreciation as on April 1, 2020</b>    | <b>761,925</b>     | <b>90,066</b>          | <b>82,774</b>        | <b>3,586</b>      | <b>938,351</b>   |
| Depreciation charged during the year                                    | 118,118            | 924                    | 17,524               | 989               | 137,555          |
| Disposals   | 138,136            | 11,035                 | 76,439               | 2,811             | 228,421          |
| <b>Closing accumulated depreciation (B)</b>                             | <b>741,907</b>     | <b>79,955</b>          | <b>23,859</b>        | <b>1,764</b>      | <b>847,485</b>   |
| <b>Net carrying amount (A-B)</b>  | <b>261,035</b>     | <b>2,851</b>           | <b>21,260</b>        | <b>2,488</b>      | <b>287,634</b>   |
| <b>Year ended March 31, 2022</b>  |                    |                        |                      |                   |                  |
| <b>Gross carrying amount</b>  |                    |                        |                      |                   |                  |
| <b>Opening gross carrying amount as on April 1, 2021</b>                | <b>1,002,942</b>   | <b>82,806</b>          | <b>45,119</b>        | <b>4,252</b>      | <b>1,135,119</b> |
| Additions   | 76,918             | -                      | -                    | -                 | 76,918           |
| Disposals   | 436,752            | 82,805                 | 39,288               | 1,996             | 560,841          |
| <b>Closing Gross Carrying Amount (C)</b>                                | <b>643,108</b>     | <b>1</b>               | <b>5,831</b>         | <b>2,256</b>      | <b>651,196</b>   |
| <b>Accumulated depreciation</b>   |                    |                        |                      |                   |                  |
| <b>Opening accumulated depreciation as on April 1, 2021</b>             | <b>741,907</b>     | <b>79,955</b>          | <b>23,859</b>        | <b>1,764</b>      | <b>847,485</b>   |
| Depreciation charged during the year                                    | 132,032            | 925                    | 3,860                | 831               | 137,648          |
| Disposals   | 422,285            | 80,879                 | 25,012               | 1,675             | 529,851          |
| <b>Closing accumulated depreciation (D)</b>                             | <b>451,654</b>     | <b>1</b>               | <b>2,707</b>         | <b>920</b>        | <b>455,282</b>   |
| <b>Net carrying amount (C-D)</b>  | <b>191,454</b>     | <b>0</b>               | <b>3,124</b>         | <b>1,336</b>      | <b>195,914</b>   |

**NIIT (USA), Inc.**
**Notes to the Special Purpose Financial Statements for the year ended March 31, 2022**

(All amounts are in USD, unless otherwise stated)

**4 Other Intangible Assets and Goodwill**

| Particulars   | Content/Software Internally Generated | Software Acquired | Brand            | Total Intangibles Assets other than Goodwill | Goodwill         | Total Intangible Assets |
|---|---------------------------------------|-------------------|------------------|--|------------------|-------------------------|
| <b>Year ended March 31, 2021</b>  |                                       |                   |                  |  |                  |                         |
| <b>Gross carrying amount</b>  |                                       |                   |                  |  |                  |                         |
| <b>Opening gross carrying amount as on April 1, 2020</b>                | <b>2,032,887</b>                      | <b>1,397,086</b>  | <b>1,210,000</b> | <b>4,639,973</b>                             | <b>4,534,548</b> | <b>9,174,521</b>        |
| Addition due to acquisition (refer note 34)                             | 134,794                               | 69,468            | -                | 204,262                                      | -                | 204,262                 |
| <b>Restated Opening gross carrying amount as on April 1, 2020</b>       | <b>2,167,681</b>                      | <b>1,466,554</b>  | <b>1,210,000</b> | <b>4,844,235</b>                             | <b>4,534,548</b> | <b>9,378,783</b>        |
| Additions   | -                                     | 23,000            | -                | 23,000                                       | -                | 23,000                  |
| Disposals   | -                                     | 385,301           | -                | 385,301                                      | -                | 385,301                 |
| <b>Closing gross carrying amount (A)</b>                                | <b>2,167,681</b>                      | <b>1,104,253</b>  | <b>1,210,000</b> | <b>4,481,934</b>                             | <b>4,534,548</b> | <b>9,016,482</b>        |
| <b>Accumulated amortisation</b>   |                                       |                   |                  |  |                  |                         |
| <b>Opening accumulated depreciation as on April 1, 2020</b>             | <b>1,963,644</b>                      | <b>1,385,183</b>  | <b>-</b>         | <b>3,348,827</b>                             | <b>-</b>         | <b>3,348,827</b>        |
| Addition in accumulated depreciation due to acquisition (refer note 34) | 22,466                                | 49,952            | -                | 72,418                                       | -                | 72,418                  |
| <b>Restated opening accumulated depreciation as on April 1, 2020</b>    | <b>1,986,110</b>                      | <b>1,435,135</b>  | <b>-</b>         | <b>3,421,245</b>                             | <b>-</b>         | <b>3,421,245</b>        |
| Amortisation charge for the year  | 181,568                               | 37,482            | -                | 219,050                                      | -                | 219,050                 |
| Disposals   | -                                     | 385,286           | -                | 385,286                                      | -                | 385,286                 |
| <b>Closing accumulated amortisation (B)</b>                             | <b>2,167,678</b>                      | <b>1,087,331</b>  | <b>-</b>         | <b>3,255,009</b>                             | <b>-</b>         | <b>3,255,009</b>        |
| <b>Net carrying amount (A-B)</b>  | <b>3</b>                              | <b>16,922</b>     | <b>1,210,000</b> | <b>1,226,925</b>                             | <b>4,534,548</b> | <b>5,761,473</b>        |
| <b>Year ended March 31, 2022</b>  |                                       |                   |                  |  |                  |                         |
| <b>Gross carrying amount</b>  |                                       |                   |                  |  |                  |                         |
| <b>Opening gross carrying amount as on April 1, 2021</b>                | <b>2,167,681</b>                      | <b>1,104,253</b>  | <b>1,210,000</b> | <b>4,481,933</b>                             | <b>4,534,548</b> | <b>9,016,481</b>        |
| Additions   | -                                     | -                 | -                | -  | -                | -                       |
| Disposals   | -                                     | 58,165            | -                | 58,165                                       | -                | 58,165                  |
| <b>Closing Gross Carrying Amount (C)</b>                                | <b>2,167,681</b>                      | <b>1,046,088</b>  | <b>1,210,000</b> | <b>4,423,768</b>                             | <b>4,534,548</b> | <b>8,958,316</b>        |
| <b>Accumulated amortisation</b>   |                                       |                   |                  |  |                  |                         |
| <b>Opening accumulated amortisation as on April 1, 2021</b>             | <b>2,167,678</b>                      | <b>1,087,331</b>  | <b>-</b>         | <b>3,255,009</b>                             | <b>-</b>         | <b>3,255,009</b>        |
| Amortisation charge for the year  | 3                                     | 7,936             | -                | 7,939  | -                | 7,939                   |
| Disposals   | -                                     | 58,168            | -                | 58,168                                       | -                | 58,168                  |
| <b>Closing accumulated amortisation (D)</b>                             | <b>2,167,681</b>                      | <b>1,037,099</b>  | <b>-</b>         | <b>3,204,780</b>                             | <b>-</b>         | <b>3,204,780</b>        |
| <b>Net carrying amount (C-D)</b>  | <b>-</b>                              | <b>8,989</b>      | <b>1,210,000</b> | <b>1,218,989</b>                             | <b>4,534,548</b> | <b>5,753,537</b>        |

**4(a) Impairment testing of goodwill and other intangible assets having indefinite useful lives**

For impairment testing, goodwill is allocated to a Cash Generating Unit (CGU) representing the lowest level within the Company at which goodwill is monitored for internal management purposes, and which is not higher than the Company's operating segment. Goodwill is tested for impairment at least annually in accordance with the Company's procedure for determining the recoverable value of each CGU.

The following table sets out the carrying amount of goodwill & brand allocated to CGUs:

| Particulars          | Life Sciences Practice |
|----------------------|------------------------|
| As at March 31, 2022 | 4,534,548              |
| As at March 31, 2021 | 4,534,548              |

The recoverable amount of the CGU is determined on the basis of discounted cash flows (DCF). The DCF of the CGU is determined based on estimation of the cash flows, the Group is expected to generate in next five years projections approved by the senior management.

**Life Sciences Practice**

The recoverable amount of the Life Science Practice CGU has been determined based on a value in use calculation using cash flow projections approved by senior management. Based on which, it was concluded that the recoverable amount exceeds the carrying value. As a result of this analysis, the Company has not recognised any impairment charge against goodwill and brand in the statement of profit and loss for the year ended March 31, 2022.

**Key Assumptions used in calculations of impairment testing:**

- i) Discount rates - Discount rates represent the current market assessment of the risks specific to each CGU, taking into consideration the time value of money and individual risks of the underlying assets that have not been incorporated in the cash flow estimates. The discount rate calculation is based on the specific circumstances of the Company and its operating segments and is derived from its weighted average cost of capital (WACC). The WACC takes into account both debt and equity. The cost of equity is derived from the expected return on investment by the Company's investors. The cost of debt is based on the interest-bearing borrowings the Company is obliged to service. Segment-specific risk is incorporated by applying individual beta factors. The beta factors are evaluated annually based on publicly available market data.

**Assumptions of discount rates used in impairment testing is as under:**

| CGU Unit               | March 31, 2022 | March 31, 2021 |
|------------------------|----------------|----------------|
| Life Sciences Practice | 6.56%          | 5.70%          |

A rise in the pre-tax discount rate by 5% in the respective CGUs would not result in any impairment of assets as there is sufficient headroom.

- ii) Growth rate estimates – Rates are based on published industry research. Management recognises that the possibility of new entrants can have a significant impact on growth rate assumptions. The effect of new entrants is not expected to have an adverse impact on the forecasts.

**Assumptions of growth rates used in impairment testing is as under:**

| CGU Unit               | March 31, 2022 | March 31, 2021 |
|------------------------|----------------|----------------|
| Life Sciences Practice | 2%             | 2%             |

A reduction by 5% in the long-term growth rate in the respective CGUs would not result in any impairment.

**NIIT (USA), Inc.****Notes to the Special Purpose Financial Statements for the year ended March 31, 2022**

(All amounts are in USD, unless otherwise stated)

**5 Leases**

- 5(i)** Aggregate amounts during the year for short term leases in respect of equipments, vehicles and premises for office and employees accommodation amounting to USD 205,204 (Previous year USD 352,315).

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

| Particulars                                 | Total            |
|---|------------------|
| <b>As at April 1, 2020</b>                  | <b>2,038,867</b> |
| Addition due to acquisition (refer note 34) | 1,036,327        |
| <b>Restated balance as at April 1, 2020</b> | <b>3,075,194</b> |
| Additions                                   | -                |
| Deletion                                    | (1,003,755)      |
| Depreciation                                | (503,991)        |
| <b>As at April 1, 2021</b>                  | <b>1,567,448</b> |
| Additions                                   | -                |
| Deletion                                    | (1,297,418)      |
| Depreciation                                | (270,030)        |
| <b>As at March 31, 2022</b>                 | <b>-</b>         |

The following are the carrying amount of Lease liabilities and movement during the year and previous year :-

| Particulars                                 | Total            |
|---|------------------|
| <b>As at April 1, 2020</b>                  | <b>2,107,216</b> |
| Addition due to acquisition (refer note 34) | 1,078,886        |
| <b>Restated balance as at April 1, 2020</b> | <b>3,186,102</b> |
| Additions                                   | -                |
| Deletion                                    | (1,045,050)      |
| Accretion of interest                       | 105,945          |
| Payments of lease liability                 | (546,972)        |
| <b>As at April 1, 2021</b>                  | <b>1,700,025</b> |
| Additions                                   | -                |
| Deletion                                    | (1,443,683)      |
| Accretion of interest                       | 41,477           |
| Payments of lease liability                 | (297,819)        |
| <b>As at March 31, 2022</b>                 | <b>-</b>         |

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**NIIT (USA), Inc.****Notes to the Special Purpose Financial Statements for the year ended March 31, 2022**

(All amounts are in USD, unless otherwise stated)

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

| <b>Particulars</b>            | <b>March 31, 2022</b> | <b>March 31, 2021<br/>(Restated refer note 34)</b> |
|-------------------------------|-----------------------|--|
| Current Lease liabilities     | -                     | 379,867  |
| Non Current Lease liabilities | -                     | 1,320,158  |
| <b>Total</b>                  | <b>-</b>              | <b>1,700,025</b>                                   |

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

| <b>Particulars</b>                          | <b>March 31, 2022</b> | <b>March 31, 2021<br/>(Restated refer note 34)</b> |
|---|-----------------------|--|
| Depreciation expense of right-of-use assets | 270,030               | 503,991  |
| Interest expense on lease liabilities       | 41,477                | 105,945  |
| Gain on modification of lease assets (net)* | (148,393)             | (43,942)   |

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

| <b>Particulars</b>  | <b>March 31, 2022</b> | <b>March 31, 2021<br/>(Restated refer note 34)</b> |
|---------------------|-----------------------|--|
| Less than one year  | -                     | 379,867  |
| One to Two years    | -                     | 425,814  |
| More than Two years | -                     | 894,344  |
| <b>Total Amount</b> | <b>-</b>              | <b>1,700,025</b>                                   |

\*During the year, the Company has decided to vacate Atlanta and Rochester leased premise in USA. Accordingly, net of carrying amount of right-of-use assets, lease liabilities and security deposit in respect of such leased premises amounting to USD 148,393 have been reversed and included in as other income.

**6 Depreciation and Amortization expense**

Depreciation on tangible assets (refer note 3)  
Amortization on intangible assets (refer note 4)  
Depreciation n right-of-use assets [refer note 5(ii)]

| <b>Year ended</b>     |  |
|-----------------------|--|
| <b>March 31, 2022</b> | <b>March 31, 2021<br/>(Restated refer note 34)</b> |
| 137,648               | 137,555  |
| 7,939                 | 219,050  |
| 270,030               | 503,991  |
| <b>415,617</b>        | <b>860,596</b>                                     |

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**NHIT (USA), Inc.**
**Notes to the Special Purpose Financial Statements for the year ended March 31, 2022**

(All amounts are in USD, unless otherwise stated)

| <b>7 Financial assets</b>              |  | <b>As at</b>                    |                       |                                 |                       |
|--|--|---------------------------------|-----------------------|---------------------------------|-----------------------|
| <b>7 (i) Other financial assets</b>    |  | <b>March 31, 2022</b>           | <b>March 31, 2021</b> | <b>March 31, 2022</b>           | <b>March 31, 2021</b> |
|  |  | <b>(Restated refer note 34)</b> |                       | <b>(Restated refer note 34)</b> |                       |
|  |  | <b>Non Current</b>              |                       | <b>Current</b>                  |                       |
| <b>a) Security deposits receivable</b> |  |                                 |                       |                                 |                       |
| Unsecured, considered good             |  | -                               | 7,868                 | -                               | 17,314                |
|  |  | -                               | <b>7,868</b>          | -                               | <b>17,314</b>         |
| <b>b) Contract assets</b>              |  |                                 |                       |                                 |                       |
| -Unbilled revenue (refer note 32)#     |  | -                               | -                     | 3,046,651                       | 1,902,613             |
|  |  | -                               | -                     | <b>3,046,651</b>                | <b>1,902,613</b>      |
| <b>c) Interest Receivable</b>          |  |                                 |                       |                                 |                       |
|  |  | -                               | -                     | 222                             | 18,378                |
|  |  | -                               | -                     | <b>222</b>                      | <b>18,378</b>         |
| <b>d) Other receivables*</b>           |  |                                 |                       |                                 |                       |
|  |  | -                               | -                     | 960,551                         | 1,944,219             |
|  |  | -                               | -                     | <b>960,551</b>                  | <b>1,944,219</b>      |
| <b>Total</b>                           |  | <b>-</b>                        | <b>7,868</b>          | <b>4,007,424</b>                | <b>3,882,524</b>      |

\*Includes receivables relating to strategic sourcing.

**#Ageing of undisputed unbilled revenue from transaction date**

| Particulars           | Less than 6 Months | 6 months – 1 year | 1-2 years | 2-3 years | More than 3 years | Total     |
|-----------------------|--------------------|-------------------|-----------|-----------|-------------------|-----------|
| As at March 31, 2022  | 3,046,651          | -                 | -         | -         | -                 | 3,046,651 |
| As at March 31, 2021* | 1,880,265          | 22,348            | -         | -         | -                 | 1,902,613 |

\* Restated refer note 34

|  |  | <b>As at</b>          |                       | <b>As at</b>          |                       |
|--|--|-----------------------|-----------------------|-----------------------|-----------------------|
| <b>7 (ii) Loans to related parties*</b>    |  | <b>March 31, 2022</b> | <b>March 31, 2021</b> | <b>March 31, 2022</b> | <b>March 31, 2021</b> |
|  |  | <b>Non Current</b>    |                       | <b>Current</b>        |                       |
|  |  |                       |                       |                       |                       |
| Unsecured, considered good (refer note 33) |  | 1,500,000             | -                     | -                     | -                     |
| <b>Total</b>                               |  | <b>1,500,000</b>      | <b>-</b>              | <b>-</b>              | <b>-</b>              |

\*The loan of USD 1,500,0000 was facilitated to Stackroute Learning Inc. to meet its cashflow requirement at the interest rate of 1.75% per annum. The borrower shall pay the entire outstanding loan together with the accrued interest before the expiry of the agreement.

| Type of Borrower          | Amount of loan in the nature of loan outstanding |                | Percentage to the total Loans in the nature of loans |                |
|---------------------------|--|----------------|--|----------------|
|                           | March 31, 2022                                   | March 31, 2021 | March 31, 2022                                       | March 31, 2021 |
| Related Parties           |  |                |  |                |
| Stackroute Learning, Inc. | 1,500,000  | -              | 100%   | 0%             |
| <b>Total</b>              | <b>1,500,000</b>                                 | <b>-</b>       | <b>100%</b>  | <b>0%</b>      |

**NIIT (USA), Inc.**
**Notes to the Special Purpose Financial Statements for the year ended March 31, 2022**

(All amounts are in USD, unless otherwise stated)

**8 Trade Receivables**

|  | As at             |  |
|--|-------------------|--|
|  | March 31, 2022    | March 31, 2021<br>(Restated refer note 34) |
|  | Current           |  |
| Unsecured, considered good                       | 10,718,408        | 9,335,405                                  |
| Unsecured, considered doubtful                   | 707,381           | 704,381                                    |
| Less: Provision for doubtful debts               | (707,381)         | (704,381)                                  |
| Receivables from related parties (refer note 33) | 4,124,700         | 3,681,341                                  |
| <b>Total</b>                                     | <b>14,843,108</b> | <b>13,016,746</b>                          |

Trade receivables are non-interest bearing and are generally on terms upto 45 days.

**Ageing of trade receivables as at March 31, 2022**

| Particulars                                    | Not due           | Outstanding for following periods from due date of payment |                   |               |               |                   | Total             |
|--|-------------------|--|-------------------|---------------|---------------|-------------------|-------------------|
|  |                   | Less than 6 Months   | 6 months – 1 year | 1-2 years     | 2-3 years     | More than 3 years |                   |
| Undisputed Trade Receivables - Considered Good | 13,820,593        | 990,039  | 21,585            | 10,891        | -             | -                 | 14,843,108        |
| Undisputed Trade Receivables – credit impaired | -                 | -  | 1,466             | -             | 16,112        | 689,802           | 707,381           |
| <b>Total</b>                                   | <b>13,820,593</b> | <b>990,039</b>   | <b>23,051</b>     | <b>10,891</b> | <b>16,112</b> | <b>689,802</b>    | <b>15,550,489</b> |
| Less: Allowance for doubtful debts             |                   |  |                   |               |               |                   | (707,381)         |
| <b>Total</b>                                   |                   |  |                   |               |               |                   | <b>14,843,108</b> |

**Ageing of trade receivables as at March 31, 2021**

| Particulars                                    | Not due           | Outstanding for following periods from due date of payment |                   |               |               |                   | Total             |
|--|-------------------|--|-------------------|---------------|---------------|-------------------|-------------------|
|  |                   | Less than 6 Months   | 6 months – 1 year | 1-2 years     | 2-3 years     | More than 3 years |                   |
| Undisputed Trade Receivables - Considered Good | 12,097,426        | 899,872  | 8,005             | 11,442        | -             | -                 | 13,016,746        |
| Undisputed Trade Receivables – credit impaired | -                 | -  | 1,479             | -             | 18,799        | 684,104           | 704,381           |
| <b>Total</b>                                   | <b>12,097,426</b> | <b>899,872</b>   | <b>9,484</b>      | <b>11,442</b> | <b>18,799</b> | <b>684,104</b>    | <b>13,721,127</b> |
| Less: Allowance for doubtful debts             |                   |  |                   |               |               |                   | (704,381)         |
| <b>Total *</b>                                 |                   |  |                   |               |               |                   | <b>13,016,746</b> |

\* Restated refer note 34

**9 Investments**
**Investments in equity instruments**

|   | As at            |  |
|---|------------------|--|
|   | March 31, 2022   | March 31, 2021<br>(Restated refer note 34) |
|   | Non Current      |  |
| 1,500,000 (March 31, 2021: 500,000) shares of USD 1 each fully paid-up in Stackroute Learning Inc., USA | 1,500,000        | 500,000                                    |
| 3,630 (March 31, 2021: 3,630) shares of USD 1 each fully paid-up in Eagle Training Spain, S.L.          | 3,630            | 3,630                                      |
| <b>Total</b>  | <b>1,503,630</b> | <b>503,630</b>                             |

During the year the Company contributed in subsidiary Stackroute Learning Inc., USA USD 1,000,000 (FY 2020-21 USD 500,000).



**NIIT (USA), Inc.**
**Notes to the Special Purpose Financial Statements for the year ended March 31, 2022**

(All amounts are in USD, unless otherwise stated)

|  |   | As at          |  |
|--|---|----------------|--|
|  |   | March 31, 2022 | March 31, 2021<br>(Restated refer note 34) |
| <b>10</b>  | <b>Deferred tax assets (net)</b>  |                |  |
| <b>i) The balance comprises temporary differences attributable to:</b> |   |                |  |
|  | Provision for compensated absences  | 156,753        | 128,177                                    |
|  | Unrealised foreign currency   | (8,839)        | 9,602                                      |
|  | Carried forward losses  | 382,890        | 382,890                                    |
|  | Lease Assets (net)  | -              | 35,176                                     |
|  | <b>Total deferred tax asset</b>   | <b>530,804</b> | <b>555,845</b>                             |
|  | Less: Tax impact of difference between carrying amount of property, plant & equipment in the financial statements and as per the income tax | (1,107)        | (22,072)                                   |
|  | <b>Deferred tax asset (net)</b>   | <b>529,697</b> | <b>533,773</b>                             |

Deferred tax assets on timing differences have been recognised as at March 31, 2022 owing to reasonable certainty of future taxable income based on business plans of the Company.

| ii) Movement in deferred tax asset          |  | Property, plant & equipment | Employee benefit | Unrealised foreign currency | Carried forward losses | Lease asset   | Minimum Alternate Tax | Total            |
|---|--|-----------------------------|------------------|-----------------------------|------------------------|---------------|-----------------------|------------------|
| <b>As at April 1, 2020</b>                  |  | <b>10,441</b>               | <b>112,408</b>   | <b>(19,024)</b>             | <b>382,890</b>         | <b>19,244</b> | <b>415,186</b>        | <b>921,145</b>   |
| Addition due to acquisition (refer note 34) |  | (26,243)                    | -                | 2,010                       | -                      | 11,113        | -                     | (13,120)         |
| <b>Restated as at April 1, 2020</b>         |  | <b>(15,802)</b>             | <b>112,408</b>   | <b>(17,014)</b>             | <b>382,890</b>         | <b>30,357</b> | <b>415,186</b>        | <b>908,025</b>   |
| (charged)/credited:                         |  |                             |                  |                             |                        |               |                       |                  |
| - to profit or loss                         |  | (6,270)                     | 15,769           | 26,616                      | -                      | 4,819         | -                     | <b>40,934</b>    |
| - others                                    |  | -                           | -                | -                           | -                      | -             | (415,186)             | <b>(415,186)</b> |
| <b>As at March 31, 2021</b>                 |  | <b>(22,072)</b>             | <b>128,177</b>   | <b>9,602</b>                | <b>382,890</b>         | <b>35,176</b> | <b>-</b>              | <b>533,773</b>   |
| (charged)/credited:                         |  |                             |                  |                             |                        |               |                       |                  |
| - to profit or loss                         |  | 20,965                      | 28,576           | (18,441)                    | -                      | (35,176)      | -                     | <b>(4,076)</b>   |
| - others                                    |  | -                           | -                | -                           | -                      | -             | -                     | -                |
| <b>As at March 31, 2022</b>                 |  | <b>(1,107)</b>              | <b>156,753</b>   | <b>(8,839)</b>              | <b>382,890</b>         | <b>-</b>      | <b>-</b>              | <b>529,697</b>   |

**NIIT (USA), Inc.****Notes to the Special Purpose Financial Statements for the year ended March 31, 2022**

(All amounts are in USD, unless otherwise stated)

| 11 Other Assets                                      | As at                    |                          |                          |                          |
|--|--------------------------|--------------------------|--------------------------|--------------------------|
|  | March 31, 2022           | March 31, 2021           | March 31, 2022           | March 31, 2021           |
|  | (Restated refer note 34) | (Restated refer note 34) | (Restated refer note 34) | (Restated refer note 34) |
|  | Non Current              |                          | Current                  |                          |
| <b>11(i) Advances recoverable in cash or in kind</b> |                          |                          |                          |                          |
| Unsecured, considered good                           | -                        | -                        | 333,817                  | 325,033                  |
|  | -                        | -                        | <b>333,817</b>           | <b>325,033</b>           |
| <b>11(ii) Capital Advances</b>                       |                          |                          |                          |                          |
| Unsecured, considered good                           | 571,199                  | -                        | -                        | -                        |
|  | <b>571,199</b>           | -                        | -                        | -                        |
| <b>11(iii) Income Tax Assets/ Liabilities (net)</b>  |                          |                          |                          |                          |
| Advance income tax                                   | 1,283,199                | 674,737                  | 499,525                  | 284,981                  |
| Less : Provision for income tax                      | (144,426)                | (37,820)                 | (1,087,441)              | (150,308)                |
|  | <b>1,138,773</b>         | <b>636,917</b>           | <b>(587,916)</b>         | <b>134,673</b>           |

| 12 Cash and Cash Equivalents | As at                    |                          |
|------------------------------|--------------------------|--------------------------|
|                              | March 31, 2022           | March 31, 2021           |
|                              | (Restated refer note 34) | (Restated refer note 34) |
|                              | Current                  |                          |
| Balance with banks           |                          |                          |
| -Current Accounts            | 9,079,689                | 7,029,070                |
| <b>Total</b>                 | <b>9,079,689</b>         | <b>7,029,070</b>         |

| 13 Other Bank Balances   | As at                    |                          |
|--|--------------------------|--------------------------|
|  | March 31, 2022           | March 31, 2021           |
|  | (Restated refer note 34) | (Restated refer note 34) |
|  | Current                  |                          |
| Bank deposits  |                          |                          |
| -With original maturity of more than 3 months and upto 12 months * | 2,751,243                | 2,751,243                |
| <b>Total</b>   | <b>2,751,243</b>         | <b>2,751,243</b>         |

\*Pledged as a collateral for letter of credit arranged by the Company on behalf of its affiliate NIIT Learning Solutions (Canada) Limited.

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**NIIT (USA), Inc.**

Notes to the Special Purpose Financial Statements for the year ended March 31, 2022

(All amounts are in USD, unless otherwise stated)

**14 EQUITY SHARE CAPITAL**
**i) Authorised Equity share capital**

|                       | No. of shares | Amount     |
|-----------------------|---------------|------------|
| As at April 1, 2020   | 25,000,000    | 25,000,000 |
| Issue during the year | -             | -          |
| As at March 31, 2021  | 25,000,000    | 25,000,000 |
| Issue during the year | -             | -          |
| As at March 31, 2022  | 25,000,000    | 25,000,000 |

**ii) Issued Equity share capital**

|                       | No. of shares | Amount     |
|-----------------------|---------------|------------|
| As at April 1, 2020   | 10,662,113    | 10,662,113 |
| Issue during the year | -             | -          |
| As at March 31, 2021  | 10,662,113    | 10,662,113 |
| Issue during the year | -             | -          |
| As at March 31, 2022  | 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, 2022 | March 31, 2021 |
|--|---------------------|------------------------------------|----------------|----------------|
|  |                     |                                    | No. of shares  | No. of shares  |
| Holding Company  | NIIT Limited        | Equity                             | 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, 2022    |              | March 31, 2021    |              |
|                     | No. of shares     | % of holding | No. of shares     | % of holding |
| NIIT Limited        | 10,662,113        | 100%         | 10,662,113        | 100%         |
| <b>Total</b>        | <b>10,662,113</b> | <b>100%</b>  | <b>10,662,113</b> | <b>100%</b>  |

**(v) Details of shares held by promoters**
**As at March 31, 2021**

| Particulars                            | Promoter name | No. of shares at the beginning of the year | Change during the year | No. of shares at the end of the year | % of Total Shares | % change during the year |
|--|---------------|--|------------------------|--------------------------------------|-------------------|--------------------------|
| Equity shares of USD 1 each fully paid | NIIT Limited  | 10,662,113                                 | -                      | 10,662,113                           | 100%              | 0%                       |
| <b>Total</b>                           |               | <b>10,662,113</b>                          | <b>-</b>               | <b>10,662,113</b>                    | <b>100%</b>       | <b>0%</b>                |

**As at March 31, 2022**

| Particulars                            | Promoter name | No. of shares at the beginning of the year | Change during the year | No. of shares at the end of the year | % of Total Shares | % change during the year |
|--|---------------|--|------------------------|--------------------------------------|-------------------|--------------------------|
| Equity shares of USD 1 each fully paid | NIIT Limited  | 10,662,113                                 | -                      | 10,662,113                           | 100%              | 0%                       |
| <b>Total</b>                           |               | <b>10,662,113</b>                          | <b>-</b>               | <b>10,662,113</b>                    | <b>100%</b>       | <b>0%</b>                |

**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 entitled to one vote per share held. In the event of liquidation of the Company, the equity shareholders are eligible to receive the remaining assets of the Company after distribution of all preferential amounts, in proportion to their shareholding.

**15 Reserves and Surplus**
**Retained Earnings**
**Opening Balance**

Add: Profit/(loss) for the year

**Closing Balance**
**Capital Reserve**
**Opening Balance**

Addition due to acquisition (refer note 34)

**Restated opening balance**

Addition during the year

**Closing Balance**
**Total**

|   | As at          |  |
|---|----------------|--|
|   | March 31, 2022 | March 31, 2021<br>(Restated refer note 34) |
| Retained Earnings                           |                |  |
| Opening Balance                             | 1,855,135      | 776,001                                    |
| Add: Profit/(loss) for the year             | 7,413,599      | 1,079,134                                  |
| Closing Balance                             | 9,268,734      | 1,855,135                                  |
| Capital Reserve                             |                |  |
| Opening Balance                             | (552,742)      | -  |
| Addition due to acquisition (refer note 34) | -              | (552,742)                                  |
| Restated opening balance                    | (552,742)      | (552,742)                                  |
| Addition during the year                    | -              | -  |
| Closing Balance                             | (552,742)      | (552,742)                                  |
| Total                                       | 8,715,992      | 1,302,393                                  |

**NIIT (USA), Inc.**
**Notes to the Special Purpose Financial Statements for the year ended March 31, 2022**

(All amounts are in USD, unless otherwise stated)

| 16 Financial Liabilities     | As at          |  | As at          |  |
|------------------------------|----------------|--|----------------|--|
|                              | March 31, 2022 | March 31, 2021<br>(Restated refer note 34) | March 31, 2022 | March 31, 2021<br>(Restated refer note 34) |
|                              |                | Non Current                                |                | Current maturities                         |
| Borrowings (Unsecured)       |                |  |                |  |
| Deferred payment liabilities | -              | 419,593                                    | 419,593        | 537,917                                    |
| <b>Total</b>                 | -              | <b>419,593</b>                             | <b>419,593</b> | <b>537,917</b>                             |

The Company had obtained loan from Bob Cannan and his relatives (erstwhile promotor of Eagle International Institute Inc., USA, which was acquired by the Company in January 2018) for an amount of USD 1.1 Mn which is repayable in 36 EMI's starting January 2018. The loan was obtained at the interest rate of 4.5% per annum and is discounted using the same rate.

| 17 Trade Payables                                 | As at            |  |
|---|------------------|--|
|   | March 31, 2022   | March 31, 2021<br>(Restated refer note 34) |
|   |                  | Current                                    |
| Trade Payables                                    | 2,130,074        | 2,014,388                                  |
| Trade payables to related parties (refer note 33) | 7,026,356        | 5,985,442                                  |
| <b>Total</b>                                      | <b>9,156,430</b> | <b>7,999,830</b>                           |

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

**Ageing of trade payables as at March 31, 2022**

| Particulars                 | Not due          | Outstanding for following periods from due date of payment |           |           |                   | Total            |
|-----------------------------|------------------|--|-----------|-----------|-------------------|------------------|
|                             |                  | Less than 1 year   | 1-2 years | 2-3 years | More than 3 years |                  |
| Undisputed Trade Payables   | 7,786,954        | 541,932  | -         | -         | -                 | 8,328,886        |
| <b>Total</b>                | <b>7,786,954</b> | <b>541,932</b>   | <b>-</b>  | <b>-</b>  | <b>-</b>          | <b>8,328,886</b> |
| Add: Unbilled dues          |                  |  |           |           |                   | 827,544          |
| <b>Total Trade Payables</b> |                  |  |           |           |                   | <b>9,156,430</b> |

**Ageing of trade payables as at March 31, 2021**

| Particulars                   | Not due          | Outstanding for following periods from due date of payment |            |           |                   | Total            |
|-------------------------------|------------------|--|------------|-----------|-------------------|------------------|
|                               |                  | Less than 1 year   | 1-2 years  | 2-3 years | More than 3 years |                  |
| Undisputed Trade Payables     | 6,055,143        | 1,317,405  | 727        | -         | -                 | 7,373,275        |
| <b>Total</b>                  | <b>6,055,143</b> | <b>1,317,405</b>   | <b>727</b> | <b>-</b>  | <b>-</b>          | <b>7,373,275</b> |
| Add: Unbilled dues            |                  |  |            |           |                   | 626,555          |
| <b>Total Trade Payables *</b> |                  |  |            |           |                   | <b>7,999,830</b> |

\* Restated refer note 34

**NIIT (USA), Inc.****Notes to the Special Purpose Financial Statements for the year ended March 31, 2022**

(All amounts are in USD, unless otherwise stated)

| <b>18 Other Financial Liabilities</b> | <b>As at</b>                    |                       |
|---------------------------------------|---------------------------------|-----------------------|
|                                       | <b>March 31, 2022</b>           | <b>March 31, 2021</b> |
|                                       | <b>(Restated refer note 34)</b> |                       |
|                                       | <b>Current</b>                  |                       |
| Payable to employees*                 | 3,573,514                       | 3,871,961             |
| Other payables**                      | 2,055,882                       | 2,267,040             |
| <b>Total</b>                          | <b>5,629,396</b>                | <b>6,139,001</b>      |

\*Includes salary payable to employees for the month of March.

\*\*Includes Payables relating to strategic sourcing

| <b>19 Provisions</b>               | <b>As at</b>                    |                       |
|------------------------------------|---------------------------------|-----------------------|
|                                    | <b>March 31, 2022</b>           | <b>March 31, 2021</b> |
|                                    | <b>(Restated refer note 34)</b> |                       |
|                                    | <b>Current</b>                  |                       |
| Provision for compensated absences | 600,241                         | 490,817               |
| <b>Total</b>                       | <b>600,241</b>                  | <b>490,817</b>        |

| <b>20 Other Liabilities</b>                 | <b>As at</b>                    |                       |
|---|---------------------------------|-----------------------|
|   | <b>March 31, 2022</b>           | <b>March 31, 2021</b> |
|   | <b>(Restated refer note 34)</b> |                       |
|   | <b>Current</b>                  |                       |
| <b>Contract liabilities (refer note 32)</b> |                                 |                       |
| - Deferred revenue                          | 5,175,785                       | 5,499,581             |
| - Advances from customers                   | 535,290                         | 84,945                |
| Statutory dues*                             | 725,275                         | 1,601,817             |
| <b>Total</b>                                | <b>6,436,350</b>                | <b>7,186,343</b>      |

\*Statutory dues mainly includes withholding tax and payroll tax etc.

**NIIT (USA), Inc.****Notes to the Special Purpose Financial Statements for the year ended March 31, 2022**

(All amounts are in USD, unless otherwise stated)

**21 Revenue from Contract with Customers**

|                                  | <b>Year ended</b>     |  |
|----------------------------------|-----------------------|--|
|                                  | <b>March 31, 2022</b> | <b>March 31, 2021<br/>(Restated refer note 34)</b> |
| Sale of Services (refer note 32) | 83,428,724            | 62,036,578   |
| <b>Total</b>                     | <b>83,428,724</b>     | <b>62,036,578</b>                                  |

**22 Other Income**

|   | <b>Year ended</b>     |  |
|---|-----------------------|--|
|   | <b>March 31, 2022</b> | <b>March 31, 2021<br/>(Restated refer note 34)</b> |
| Interest income   |                       |  |
| -Interest Income on Bank and other Deposits carried at amortized cost | 3,290                 | 18,239   |
| -Interest Income on loan to related party (refer note 33)             | 5,969                 | -  |
| -Unwinding of Interest on Security Deposit                            | 93                    | 595  |
| Other non-operating income  | 4,241,015             | 3,491,603  |
| Dividend Income from Subsidiaries (refer note 33)                     | 200,000               | -  |
| <b>Total</b>  | <b>4,450,368</b>      | <b>3,510,437</b>                                   |

**23 Employee Benefit Expenses**

|   | <b>Year ended</b>     |  |
|---|-----------------------|--|
|   | <b>March 31, 2022</b> | <b>March 31, 2021<br/>(Restated refer note 34)</b> |
| Salaries, Wages and Bonus                                   | 36,717,597            | 29,015,417   |
| Contribution to provident and other funds (refer note 23.1) | 877,184               | 388,630  |
| Share Based Payments* (refer note 33)                       | 702,367               | 229,994  |
| Staff Welfare Expense                                       | 298,590               | 148,501  |
| <b>Total</b>  | <b>38,595,738</b>     | <b>29,782,542</b>                                  |

\*Shares based payments are charged by the Holding Company.

**NIIT (USA), Inc.**

**Notes to the Special Purpose Financial Statements for the year ended March 31, 2022**

(All amounts are in USD, unless otherwise stated)

**23.1 Employee Benefit**

**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:

| <b>Particulars</b>  | <b>Year ended</b>     |                       |
|---|-----------------------|-----------------------|
|   | <b>March 31, 2022</b> | <b>March 31, 2021</b> |
| Employers' contribution to provident fund                 | 23,354                | 26,290                |
| Employers' contribution to superannuation fund            | 61,727                | 35,847                |
| Employers' contribution to employees pension scheme(401K) | 792,103               | 326,493               |
| <b>Total</b>  | <b>877,184</b>        | <b>388,630</b>        |

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

|   | <b>Year ended</b>     |                       |
|---|-----------------------|-----------------------|
|   | <b>March 31, 2022</b> | <b>March 31, 2021</b> |
| Employers' contribution to employees pension scheme(401K) | 46,749                | 41,043                |
| <b>Total</b>  | <b>46,749</b>         | <b>41,043</b>         |

**NIIT (USA), Inc.****Notes to the Special Purpose Financial Statements for the year ended March 31, 2022**

(All amounts are in USD, unless otherwise stated)

**24 Finance Costs**

|  | <b>Year ended</b>     |  |
|--|-----------------------|--|
|  | <b>March 31, 2022</b> | <b>March 31, 2021<br/>(Restated refer note 34)</b> |
| Interest on borrowings                           | -                     | 80,539   |
| Interest on lease liabilities (refer note 5(ii)) | 41,477                | 105,945  |
| Other borrowing costs                            | 32,083                | 55,710   |
| <b>Total</b>                                     | <b>73,560</b>         | <b>242,194</b>                                     |

**25 Other Expenses**

|   | <b>Year ended</b>     |  |
|---|-----------------------|--|
|   | <b>March 31, 2022</b> | <b>March 31, 2021<br/>(Restated refer note 34)</b> |
| Rent [refer note 5(i)]                                      | 205,204               | 352,315  |
| Rates and taxes   | 50,494                | 69,790   |
| Power and fuel  | 28,619                | 2,409  |
| Communication Costs   | 330,059               | 386,287  |
| Legal and professional (refer note 25.1)                    | 640,641               | 718,790  |
| Management cost recovery by Holding Company (refer note 33) | 1,834,041             | 1,672,462  |
| Travelling and conveyance                                   | 277,032               | 111,174  |
| Allowance for doubtful debts (refer note 28)                | 3,000                 | 11,426   |
| Allowance for doubtful advances                             | -                     | 1,346  |
| Insurance   | 158,786               | 147,855  |
| Repairs and Maintenance                                     |                       |  |
| - Plant and machinery                                       | 10,007                | 52,525   |
| - Others  | 20,189                | 14,394   |
| Consumables   | 113,213               | 109,185  |
| Loss on sale of property, plant & equipment                 | 30,987                | 8,951  |
| Exchange Differences (net)                                  | 127,415               | 153,780  |
| Marketing and advertising expenses                          | 759,803               | 925,972  |
| Bank Charges  | 150,167               | 135,294  |
| Subscription and Membership Fee                             | 600,018               | 445,699  |
| Sundry expenses   | 14,636                | 14,197   |
| <b>Total</b>  | <b>5,354,311</b>      | <b>5,333,851</b>                                   |

**25.1 Details of payments to auditors (excluding taxes)**

|                           | <b>Year ended</b>     |  |
|---------------------------|-----------------------|--|
|                           | <b>March 31, 2022</b> | <b>March 31, 2021<br/>(Restated refer note 34)</b> |
| Audit fee                 | 9,826                 | 9,228  |
| Reimbursement of expenses | -                     | 2,192  |
| <b>Total</b>              | <b>9,826</b>          | <b>11,420</b>                                      |



# NIIT (USA), Inc.

## Notes to the Special Purpose Financial Statements for the year ended March 31, 2022

(All amounts are in USD, unless otherwise stated)

### 26 Income Tax Expense

#### (a) Income tax expense

##### Current tax

Current tax on profits of the year

Branch taxes

Foreign tax credit written off

**Total current tax expense [A]**

##### Deferred tax

Deferred tax charge/ (credit)

**Total deferred tax expense/(benefit) [B]**

**Income tax expense [A+B]**

#### (b) Reconciliation of tax expense and the accounting profit multiplied by US tax rate:

**Profit before tax**

Tax at the US tax rate @ 21%

**Tax effect of amounts which are not deductible/ (taxable) in calculating taxable income:**

- Tax impact of permanent difference (Expenses / Income)
- Impact of state tax
- Foreign tax credit written off
- Branches tax credit written off / (Reversals)
- Unrecognized Deferred Tax Asset on losses of subsidiary
- Others

**Total**

| Year ended       |  |
|------------------|--|
| March 31, 2022   | March 31, 2021<br>(Restated refer note 34) |
|                  |  |
| 1,087,441        | 129,873                                    |
| -                | 27,592                                     |
| 119,493          | 463,465                                    |
| <b>1,206,934</b> | <b>620,930</b>                             |
|                  |  |
| 4,076            | (40,934)                                   |
| <b>4,076</b>     | <b>(40,934)</b>                            |
| <b>1,211,010</b> | <b>579,996</b>                             |
|                  |  |
| Year ended       |  |
| March 31, 2022   | March 31, 2021<br>(Restated refer note 34) |
| <b>8,624,609</b> | <b>1,659,130</b>                           |
| 1,811,168        | 348,417                                    |
|                  |  |
| (85,922)         | (39,647)                                   |
| 293,832          | 104,102                                    |
| 119,493          | 463,607                                    |
| (7,053)          | 27,450                                     |
| (921,447)        | (338,242)                                  |
| 939              | 14,309                                     |
| <b>1,211,010</b> | <b>579,996</b>                             |

**NIIT (USA), Inc.****Notes to the Special Purpose Financial Statements for the year ended March 31, 2022**

(All amounts are in USD, unless otherwise stated)

**27 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 the three levels prescribed under the accounting standard explained below:

Level 1: Level 1 hierarchy includes financial instruments measured using quoted prices. This includes listed equity instruments, traded bonds and mutual funds that have quoted price. The mutual funds are valued using the closing net asset value.

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

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

**ii) Fair value of financial assets and liabilities measured at amortised cost****Financial instruments by category and hierarchy of measurement**

|                                    | <b>As at</b>                    |                       |
|------------------------------------|---------------------------------|-----------------------|
|                                    | <b>March 31, 2022</b>           | <b>March 31, 2021</b> |
|                                    | <b>(Restated refer note 34)</b> |                       |
|                                    | <b>Carrying value</b>           | <b>Carrying value</b> |
| <b>Financial assets</b>            |                                 |                       |
| Trade receivables                  | 14,843,108                      | 13,016,746            |
| Cash and bank balances             | 9,079,689                       | 7,029,070             |
| Other bank balances                | 2,751,243                       | 2,751,243             |
| Other financial assets             | 4,007,424                       | 3,890,392             |
| Loans to related parties           | 1,500,000                       | -                     |
| <b>Total financial assets</b>      | <b>32,181,464</b>               | <b>26,687,451</b>     |
| <b>Financial liabilities</b>       |                                 |                       |
| Borrowings                         | 419,593                         | 957,510               |
| Trade payables                     | 9,156,430                       | 7,999,830             |
| Other financial liabilities        | 5,629,396                       | 6,139,001             |
| Lease liabilities                  | -                               | 1,700,025             |
| <b>Total financial liabilities</b> | <b>15,205,419</b>               | <b>16,796,366</b>     |

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

## NIIT (USA), Inc.

### Notes to the Special Purpose Financial Statements for the year ended March 31, 2022

(All amounts are in USD, unless otherwise stated)

#### 28 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 14,843,108 and USD 13,016,746 as of March 31, 2022 and March 31, 2021 respectively and unbilled revenue amounting to USD 3,046,651 and USD 1,902,613 as of March 31, 2022 and March 31, 2021 respectively.

The following table gives the movement in allowance for provision for doubtful debts for the year ended March 31, 2022:

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

| Particulars                             | Amount         |
|---|----------------|
| Loss allowance on April 1, 2020         | 692,955        |
| Add: Changes in loss allowance          | 11,426         |
| <b>Loss allowance on March 31, 2021</b> | <b>704,381</b> |
| Add: Changes in loss allowance          | 3,000          |
| <b>Loss allowance on March 31, 2022</b> | <b>707,381</b> |

**NIIT (USA), Inc.****Notes to the Special Purpose Financial Statements for the year ended March 31, 2022**

(All amounts are in USD, unless otherwise stated)

**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:

|  | <b>Less than 1 year</b> | <b>1-2 Years</b> | <b>2-5 Years</b> | <b>Total</b>      |
|--|-------------------------|------------------|------------------|-------------------|
| <b>March 31, 2022</b>                          |                         |                  |                  |                   |
| Borrowings                                     | 419,593                 | -                | -                | 419,593           |
| Trade payables                                 | 9,156,430               | -                | -                | 9,156,430         |
| Other financial liabilities                    | 5,629,396               | -                | -                | 5,629,396         |
| Lease liabilities                              | -                       | -                | -                | -                 |
|  | <b>15,205,419</b>       | <b>-</b>         | <b>-</b>         | <b>15,205,419</b> |
| <b>March 31, 2021 (Restated refer note 34)</b> |                         |                  |                  |                   |
| Borrowings                                     | 537,917                 | 419,593          | -                | 957,510           |
| Trade payables                                 | 7,999,830               | -                | -                | 7,999,830         |
| Other financial liabilities                    | 6,139,001               | -                | -                | 6,139,001         |
| Lease liabilities                              | 379,867                 | 425,814          | 894,344          | 1,700,025         |
|  | <b>15,056,615</b>       | <b>845,407</b>   | <b>894,344</b>   | <b>16,796,366</b> |

**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 arising from future commercial transactions and recognised assets and liabilities denominated in a currency that is not the company's functional currency (USD). 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.

**NIIT (USA), Inc.****Notes to the Special Purpose Financial Statements for the year ended March 31, 2022**

(All amounts are in USD, unless otherwise stated)

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

| <b>Financial assets</b>                                    | <b>March 31, 2022</b> | <b>March 31, 2021</b> |
|--|-----------------------|-----------------------|
| <b>Receivables</b>   |                       |                       |
| AUD  | 52,787                | 215,198               |
| CHF  | 101,642               | -                     |
| EUR  | 488,574               | 467,122               |
| SGD  | 35,498                | 67,568                |
| GBP  | -                     | 40,513                |
| Others   | 5,573                 | 13,679                |
|  | <b>684,073</b>        | <b>804,080</b>        |
| <b>Bank</b>  |                       |                       |
| AUD  | 289,986               | 377,017               |
| SGD  | 843,972               | 909,338               |
|  | <b>1,133,958</b>      | <b>1,286,355</b>      |
| <b>Net exposure to foreign currency risk (assets)</b>      | <b>1,818,031</b>      | <b>2,090,435</b>      |
| <b>Financial Liabilities</b>                               | <b>March 31, 2022</b> | <b>March 31, 2021</b> |
| <b>Trade Payables</b>                                      |                       |                       |
| AUD  | 127,101               | 169,475               |
| CAD  | 4                     | 424,672               |
| EUR  | 561                   | 362,417               |
| SGD  | 62,757                | 27,879                |
| GBP  | 27,715                | 232,639               |
| Others   | 7,882                 | 41,185                |
| <b>Net exposure to foreign currency risk (liabilities)</b> | <b>226,020</b>        | <b>1,258,267</b>      |

**Sensitivity**

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

| <b>Particulars</b>   | <b>Impact on Profit and Loss<br/>for the year ended March 31, 2022</b> |  | <b>Impact on Profit and Loss<br/>for the year ended March 31, 2021</b> |  |
|--|--|--|--|--|
|  | <b>Gain / (Loss) on<br/>appreciation</b>                               | <b>Gain / (Loss) on<br/>Depreciation</b> | <b>Gain / (Loss) on<br/>appreciation</b>                               | <b>Gain / (Loss) on<br/>Depreciation</b> |
| 1% appreciation / depreciation in USD against<br>following foreign currencies *: |  |  |  |  |
| AUD  | 2,157  | (2,157)                                  | 4,227  | (4,227)                                  |
| CAD  | -  | -  | (4,247)  | 4,247                                    |
| CHF  | 1,016  | (1,016)                                  | -  | -  |
| EUR  | 4,880  | (4,880)                                  | 1,047  | (1,047)                                  |
| SGD  | 8,167  | (8,167)                                  | 9,490  | (9,490)                                  |
| GBP  | (277)  | 277                                      | (1,921)  | 1,921                                    |
| Others   | (23)   | 23                                       | (275)  | 275                                      |
|  | <b>15,920</b>  | <b>(15,920)</b>                          | <b>8,321</b>   | <b>(8,321)</b>                           |

\* Holding all other variables constant

GBP: Great Britain Pound sterling, EUR: Euro, AUD: Australian Dollar, CAD: Canadian Dollar, SGD: Singapore Dollar

**NIIT (USA), Inc.****Notes to the Special Purpose Financial Statements for the year ended March 31, 2022**

(All amounts are in USD, unless otherwise stated)

**29 Commitments and Contingent Liabilities**

|  | As at          |                |
|--|----------------|----------------|
|  | March 31, 2022 | March 31, 2021 |
| <b>(i) Claims against the Company not acknowledged as debts:</b> |                |                |
| Tax Matters  | 164,162        | 187,519        |
| <b>Total contingent liabilities</b>                              | <b>164,162</b> | <b>187,519</b> |

- (ii) 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.

**30 Earnings Per Share**

| Particular  | As at          |                |
|---|----------------|----------------|
|   | March 31, 2022 | March 31, 2021 |
| Profit attributable to equity shareholders (USD) - (A)*                           | 7,413,599      | 1,079,134      |
| 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              |
| <b>Basic and diluted earnings per share (USD) (A/B)</b>                           | <b>0.70</b>    | <b>0.10</b>    |

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

\*Restated refer note 34.

**31 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 'Operating Segment', 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 'Operating Segment'.

**NIIT (USA), Inc.****Notes to the Special Purpose Financial Statements for the year ended March 31, 2022**

(All amounts are in USD, unless otherwise stated)

**32 Disclosure under Ind AS - 115 (Revenue from contracts with customers)****a. Disaggregated revenue information****Type of Services**

Sale of Services

**Total****Timing of Revenue Recognition**

Services transferred over time

**Total****b. Contract Balances**

Trade Receivables (refer note 8)

Contract Assets (refer note 7)

Contract Liabilities (refer note 20)

Revenue for ongoing services at the reporting date yet to be invoiced is recorded as unbilled revenue.

Trade receivables are non-interest bearing and are generally on terms of 0- 45 days.

A receivables is right to consideration that is unconditional upon passage of time.

Contract assets includes unbilled revenue.

Contract liabilities includes deferred revenue and advance from customers.

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

|                                 | <b>Year ended</b>     |  |
|---------------------------------|-----------------------|--|
|                                 | <b>March 31, 2022</b> | <b>March 31, 2021<br/>(Restated refer note 34)</b> |
| Revenue as per contracted price | 83,435,912            | 62,114,593   |
| <b>Adjustments</b>              |                       |  |
| Discount & Rebates              | (7,188)               | (78,015)   |
|                                 | <b>83,428,724</b>     | <b>62,036,578</b>                                  |

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

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

## **NIIT (USA), Inc.**

### **Notes to the Special Purpose Financial Statements for the year ended March 31, 2022**

(All amounts are in USD, unless otherwise stated)

#### **33 Related Party Transactions :**

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

###### **Holding Company - NIIT Limited, India**

###### **Subsidiaries**

1. Eagle Training Spain, S.L.U
2. Stackroute Learning Inc.

##### **B. Fellow subsidiaries**

1. NIIT Institute of Finance Banking and Insurance Training Limited
2. NIIT Learning Systems Limited (Formerly known as Mindchampion Learning Systems Limited, name changed w.e.f January 18, 2022)
3. NIIT Yuva Jyoti Limited (Liquidated on February 25, 2022)
4. NIIT Institute of Process Excellence Limited (Under Voluntary Liquidation w.e.f. February 19, 2020)
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. PT NIIT Indonesia, Indonesia (under liquidation)
12. NIIT China (Shanghai) Limited, Shanghai (subsidiary of entity at serial no. 8)
13. NIIT Wuxi Service Outsourcing Training School, China (Deregistered on June 24, 2020) (subsidiary of entity at serial no. 12)
14. Wuxi NIIT Information Technology Consulting Limited, China (Closed on October 30, 2020) (subsidiary of entity at serial no. 12)
15. Su Zhou NIIT Information Technology Consulting Limited, China (subsidiary of entity at serial no. 14)
16. Changzhou NIIT Information Technology Consulting Limited, China (subsidiary of entity at serial no. 14)
17. Chengmai NIIT Information Technology Company Limited (Under Closure) (subsidiary of entity at serial no. 12)
18. Chongqing An Dao Education Consulting Limited, China (subsidiary of entity at serial no. 12)
19. Chongqing NIIT Education Consulting Limited (Closed on January 20, 2021) (subsidiary of entity at serial no. 12)
20. Ningxia NIIT Education Technology Company Limited, China (subsidiary of entity at serial no. 12)
21. Guizhou NIIT information technology consulting Co., Limited, China (subsidiary of entity at serial no. 12)
22. NIIT (Guizhou) Education Technology Co., Limited, China (subsidiary of entity at serial no. 12)
23. RPS Consulting Private Limited (w.e.f. October 01, 2021)

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

###### **Key management personnel:**

1. Mr. Sapnesh Lalla (Chief Executive and Director)
2. Mr. P R Subramanian (Director)
3. Mr. Abhas Kumar (Director)
4. Mr. Sailesh Lalla (Director)
5. Mr. Devenderjit Chadha (Director)

##### **D. Terms and conditions**

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

All outstanding balances are unsecured and are repayable in cash.



**NIIT (USA), Inc.**
**Notes to the Special Purpose Financial Statements for the year ended March 31, 2022**

(All amounts are in USD, unless otherwise stated)

**33 E. Detail of significant transactions with related parties carried out in ordinary course of business.**

| Nature of Transactions                   | Holding Company | Subsidiaries | Fellow Subsidiaries | Key Management Personnel | Total        |
|--|-----------------|--------------|---------------------|--------------------------|--------------|
| <b>Service received</b>                  |                 |              |                     |                          |              |
| NIIT Limited, India                      | 18,648,421      | -            | -                   | -                        | 18,648,421   |
|  | (17,106,217)    | -            | -                   | -                        | (17,106,217) |
| NIIT Limited UK                          | -               | -            | 3,157,288           | -                        | 3,157,288    |
|  | -               | -            | (1,648,347)         | -                        | (1,648,347)  |
| NIIT Ireland Limited                     | -               | -            | 593,117             | -                        | 593,117      |
|  | -               | -            | (672,384)           | -                        | (672,384)    |
| NIIT Learning Solutions (Canada) Limited | -               | -            | 1,732,210           | -                        | 1,732,210    |
|  | -               | -            | (1,172,914)         | -                        | (1,172,914)  |
| NIIT Malaysia Sdn. Bhd, Malaysia         | -               | -            | 241,217             | -                        | 241,217      |
|  | -               | -            | (91,450)            | -                        | (91,450)     |
| NIIT China (Shanghai) Limited            | -               | -            | 308,525             | -                        | 308,525      |
|  | -               | -            | (261,029)           | -                        | (261,029)    |
| Eagle Training Spain, S.L.               | -               | 682,450      | -                   | -                        | 682,450      |
|  | -               | (788,100)    | -                   | -                        | (788,100)    |
| RPS Consulting Private Limited           | -               | -            | 55,845              | -                        | 55,845       |
|  | -               | -            | -                   | -                        | -            |
| <b>Service rendered</b>                  |                 |              |                     |                          |              |
| NIIT Limited, India                      | 452,630         | -            | -                   | -                        | 452,630      |
|  | (824,974)       | -            | -                   | -                        | (824,974)    |
| NIIT Limited UK                          | -               | -            | 134,527             | -                        | 134,527      |
|  | -               | -            | (59,460)            | -                        | (59,460)     |
| Stackroute Learning Inc.                 | -               | 287,725      | -                   | -                        | 287,725      |
|  | -               | (3,520)      | -                   | -                        | (3,520)      |
| NIIT Ireland Limited                     | -               | -            | 3,468,932           | -                        | 3,468,932    |
|  | -               | -            | (1,372,600)         | -                        | (1,372,600)  |
| Eagle Training Spain, S.L.               | -               | 14,605       | -                   | -                        | 14,605       |
|  | -               | (786,364)    | -                   | -                        | (786,364)    |
| NIIT Learning Solutions (Canada) Limited | -               | -            | 1,047,513           | -                        | 1,047,513    |
|  | -               | -            | (973,821)           | -                        | (973,821)    |
| NIIT Malaysia Sdn. Bhd, Malaysia         | -               | -            | 2,636               | -                        | 2,636        |
|  | -               | -            | -                   | -                        | -            |
| <b>Other Income</b>                      |                 |              |                     |                          |              |
| NIIT Limited, India                      | 1,050,385       | -            | -                   | -                        | 1,050,385    |
|  | (1,012,001)     | -            | -                   | -                        | (1,012,001)  |
| NIIT Limited UK                          | -               | -            | 684,199             | -                        | 684,199      |
|  | -               | -            | (661,201)           | -                        | (661,201)    |
| NIIT Malaysia SDN BHD                    | -               | -            | 6,427               | -                        | 6,427        |
|  | -               | -            | (9,314)             | -                        | (9,314)      |
| NIIT Ireland Limited                     | -               | -            | 766,512             | -                        | 766,512      |
|  | -               | -            | (639,568)           | -                        | (639,568)    |
| NIIT Learning Solutions (Canada) Ltd     | -               | -            | 1,563,813           | -                        | 1,563,813    |
|  | -               | -            | (1,029,704)         | -                        | (1,029,704)  |
| Stackroute Learning Inc.                 | -               | 5,969        | -                   | -                        | 5,969        |
|  | -               | (8,755)      | -                   | -                        | (8,755)      |

**NIIT (USA), Inc.**
**Notes to the Special Purpose Financial Statements for the year ended March 31, 2022**

(All amounts are in USD, unless otherwise stated)

| Nature of Transactions                                     | Holding Company | Subsidiaries | Fellow Subsidiaries | Key Management Personnel | Total     |
|--|-----------------|--------------|---------------------|--------------------------|-----------|
| <b>Recovery of expenses From</b>                           |                 |              |                     |                          |           |
| <b>- Professional Technical &amp; Outsourcing Services</b> |                 |              |                     |                          |           |
| NIIT Limited UK  | -               | -            | -                   | -                        | -         |
|  | -               | -            | (93,155)            | -                        | (93,155)  |
| NIIT Ireland Limited                                       | -               | -            | -                   | -                        | -         |
|  | -               | -            | (6,736)             | -                        | (6,736)   |
| <b>- Other Expenses</b>                                    |                 |              |                     |                          |           |
| NIIT Limited, India  | 126,065         | -            | -                   | -                        | 126,065   |
|  | (93,987)        | -            | -                   | -                        | (93,987)  |
| NIIT Limited UK  | -               | -            | 278,417             | -                        | 278,417   |
|  | -               | -            | (676,776)           | -                        | (676,776) |
| NIIT Ireland Limited                                       | -               | -            | 10,739              | -                        | 10,739    |
|  | -               | -            | (13,445)            | -                        | (13,445)  |
| NIIT China (Shanghai) Limited                              | -               | -            | 25,724              | -                        | 25,724    |
|  | -               | -            | (1,004)             | -                        | (1,004)   |
| NIIT Malaysia SDN BHD                                      | -               | -            | 16,425              | -                        | 16,425    |
|  | -               | -            | (11,533)            | -                        | (11,533)  |
| Stackroute Learning Inc.                                   | -               | 769,950      | -                   | -                        | 769,950   |
|  | -               | (9,667)      | -                   | -                        | (9,667)   |
| Eagle Training Spain, S.L.                                 | -               | 1,670        | -                   | -                        | 1,670     |
|  | -               | -            | -                   | -                        | -         |
| NIIT Learning Solutions (Canada) Ltd                       | -               | -            | 143,286             | -                        | 143,286   |
|  | -               | -            | (93,590)            | -                        | (93,590)  |
| <b>- Employee Cost</b>                                     |                 |              |                     |                          |           |
| NIIT Limited   | -               | -            | -                   | -                        | -         |
|  | -               | -            | -                   | -                        | -         |
| NIIT Limited UK  | -               | -            | 132,642             | -                        | 132,642   |
|  | -               | -            | (12,810)            | -                        | (12,810)  |
| NIIT Ireland Limited                                       | -               | -            | -                   | -                        | -         |
|  | -               | -            | (2,712)             | -                        | (2,712)   |
| NIIT Limited, India  | 820             | -            | -                   | -                        | 820       |
|  | -               | -            | -                   | -                        | -         |
| Sapnesh Lalla (Chief Executive and Director)               | 484             | -            | -                   | -                        | 484       |
|  | -               | -            | -                   | -                        | -         |

**NIIT (USA), Inc.**
**Notes to the Special Purpose Financial Statements for the year ended March 31, 2022**

(All amounts are in USD, unless otherwise stated)

| Nature of Transactions                       | Holding Company | Subsidiaries | Fellow Subsidiaries | Key Management Personnel | Total       |
|--|-----------------|--------------|---------------------|--------------------------|-------------|
| <b>Recovery of expenses by</b>               |                 |              |                     |                          |             |
| <b>- Other Expenses</b>                      |                 |              |                     |                          |             |
| NIIT Limited, India                          | 32,416          | -            | -                   | -                        | 32,416      |
|  | 65,488          | -            | -                   | -                        | 65,488      |
| NIIT Limited UK                              | -               | -            | 140,402             | -                        | 140,402     |
|  | -               | -            | (212,371)           | -                        | (212,371)   |
| NIIT Ireland Limited                         | -               | -            | 49,421              | -                        | 49,421      |
|  | -               | -            | (117)               | -                        | (117)       |
| NIIT Learning Solutions (Canada) Ltd         | -               | -            | 11,600              | -                        | 11,600      |
|  | -               | -            | (1,610)             | -                        | (1,610)     |
| NIIT Malaysia SDN BHD                        | -               | -            | -                   | -                        | -           |
|  | -               | -            | (59,069)            | -                        | (59,069)    |
| Sapnesh Lalla (Chief Executive and Director) | -               | -            | -                   | 10,075                   | 10,075      |
|  | -               | -            | -                   | (4,136)                  | (4,136)     |
| NIIT China (Shanghai) Limited                | -               | -            | 2,887               | -                        | 2,887       |
|  | -               | -            | -                   | -                        | -           |
| <b>- Employee Cost</b>                       |                 |              |                     |                          |             |
| NIIT Limited, India                          | 702,367         | -            | -                   | -                        | 702,367     |
|  | (230,783)       | -            | -                   | -                        | (230,783)   |
| Sapnesh Lalla (Chief Executive and Director) | -               | -            | -                   | 13                       | 13          |
|  | -               | -            | -                   | (1,340)                  | (1,340)     |
| <b>Management Cost Recovery By :</b>         |                 |              |                     |                          |             |
| NIIT Limited, India                          | 1,834,041       | -            | -                   | -                        | 1,834,041   |
|  | (1,672,462)     | -            | -                   | -                        | (1,672,462) |
| <b>Issue of Share Capital</b>                |                 |              |                     |                          |             |
| Stackroute Learning Inc.                     | -               | 1,000,000    | -                   | -                        | 1,000,000   |
|  | -               | (500,000)    | -                   | -                        | (500,000)   |
| <b>Loans given to Subsidiary</b>             |                 |              |                     |                          |             |
| Stackroute Learning Inc.                     | -               | 1,500,000    | -                   | -                        | 1,500,000   |
|  | -               | -            | -                   | -                        | -           |

| Remuneration to Directors | Year Ended     |                |
|---------------------------|----------------|----------------|
|                           | March 31, 2022 | March 31, 2021 |
| Sapnesh Lalla             | 586,642        | 367,882        |
| P R Subramanian           | 265,225        | 223,523        |
| Abhas Kumar               | 271,932        | 245,381        |
| Sailesh Lalla             | 530,662        | 422,357        |
| Devenderjit Chadha        | 348,382        | -              |

Refer note 29 for Guarantees and commitments

Figures in parenthesis represent previous year figures (Restated where applicable - refer note 34)

**F. Details of outstanding balances with related parties**

| Particular        | As at          |   |
|-------------------|----------------|---|
|                   | March 31, 2022 | March 31, 2021<br>(Restated refer note) |
| Trade Receivables | 4,124,700      | 3,681,341                               |
| Trade Payables    | 7,026,356      | 5,985,442                               |
| Other payables    | 653            | -                                       |

**NIIT (USA), Inc.****Notes to the Special Purpose Financial Statements for the year ended March 31, 2022**

(All amounts are in USD, unless otherwise stated)

**34 Business combinations****(i) Business Combination of NIIT USA, Inc. and Eagle international Institute Inc. USA (Eagle)**

Board of Directors of the Company at its meeting held on May 24, 2021, has approved the merger of Eagle International Institute, Inc., USA (step down subsidiary of the Company) with NIIT (USA) Inc., USA (a wholly owned subsidiary of the Company), effective July 1, 2021.

| Name of the Subsidiary                 | %Holding | Details of activities  | Relationship History                                  |
|--|----------|--|---|
| Eagle international Institute Inc. USA | 100%     | Cloud-based software application rollouts space, as well as in the pharmaceutical and life sciences verticals. | Subsidiary before beginning of the comparative period |

These transactions have been treated as business combination and the Company has applied pooling of interest method to account for such Business Combination. Based on the requirements of Appendix C to Ind AS 103, the Company has restated financial information appearing in these financial results in respect of previous periods as if the business combination had occurred from the beginning of the preceding period in the financial statements i.e. April 1, 2020, irrespective of the date of the transaction.

**(ii) Following Assets and Liabilities have been acquired by the Company pursuant to Transfer Agreements:**

(All amounts are in USD, unless otherwise stated)

| Particulars  | April 1, 2020      |
|--|--------------------|
| <b>Non Current Assets</b>  |                    |
| Property, plant and equipment  | 86,852             |
| Other intangible assets  | 131,844            |
| Right-of-use Assets  | 1,036,327          |
| Investments  | 3,630              |
| Brand  | 1,210,000          |
| Goodwill   | 4,534,548          |
| <b>Current Assets</b>  |                    |
| Inventories  |                    |
| Trade receivables  | 779,218            |
| Cash and cash equivalents  | 324,109            |
| Other financial assets   | 410,325            |
| Other current assets   | 96,490             |
| <b>Total Assets</b>  | <b>8,613,343</b>   |
| <b>Non-current liabilities</b>   |                    |
| Deferred tax liabilities (net)   | 13,119             |
| Lease Liabilities  | 852,154            |
| <b>Current liabilities</b>   |                    |
| Borrowings   | 1,044,914          |
| Lease Liabilities  | 226,732            |
| Trade payables   | 1,305,741          |
| Income Tax Liabilities (net)   | 4,267              |
| Other current liabilities  | 538,420            |
| <b>Total Liabilities</b>   | <b>3,985,347</b>   |
| <b>Net Assets taken over (A)</b>   | <b>4,627,996</b>   |
| Cash Consideration paid  | -                  |
| Value of Investment given up (net of opening losses of Eagle international Institute Inc. USA) | (5,180,742)        |
| <b>Total Consideration paid (B)</b>  | <b>(5,180,742)</b> |
| <b>Capital Reserves assumed on Business Combination (A-B)</b>                                  | <b>(552,746)</b>   |

**(iii) Reconciliation of profits as per this financial statements and the audited standalone financial statements for the year ended March 31, 2021 adopted at the meeting of Board of Directors dated May 24, 2021:**

| Particulars   | Amount           |
|---|------------------|
| Profit for the year ended March 31, 2021 of the Company as per financial statement issued on May 24, 2021 | 1,924,211        |
| Eagle for the year ended March 31, 2021   | (845,077)        |
| <b>Restated Profit for the year ended March 31, 2021</b>  | <b>1,079,134</b> |

**NIIT (USA), Inc.****Notes to the Special Purpose Financial Statements for the year ended March 31, 2022**

(All amounts are in USD, unless otherwise stated)

**35 Capital Management**

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

There is no default on the repayment of borrowings (including interest thereon) during the year ended March 31, 2022.

**Debt equity ratio:**

| Particulars                             | March 31, 2022    | March 31, 2021<br>(Restated refer note 34) |
|---|-------------------|--|
| Borrowings (refer note 16)              | 419,593           | 957,510                                    |
| Laese Liabilities (refer note 5)        | -                 | 1,700,025                                  |
| <b>Total Debt (A)</b>                   | <b>419,593</b>    | <b>2,657,535</b>                           |
| Equity share capital (refer note 14)    | 10,662,113        | 10,662,113                                 |
| Other equity (refer note 15)            | 8,715,992         | 1,302,393                                  |
| <b>Total Equity (B)</b>                 | <b>19,378,105</b> | <b>11,964,506</b>                          |
| <b>Profit after tax (C)</b>             | <b>7,413,599</b>  | <b>1,079,134</b>                           |
| Opening Shareholders equity             | 11,964,506        | 10,885,372                                 |
| Closing Shareholders equity             | 19,378,105        | 11,964,506                                 |
| <b>Average Shareholder's Equity (D)</b> | <b>15,671,306</b> | <b>11,424,939</b>                          |
| <b>Debt equity ratio (A/B)</b>          | 0.02              | 0.22                                       |
| <b>Return on equity Ratio (%) (C/D)</b> | 47.3%             | 9.4%                                       |

**36 Additional Regulatory Information**

- (i) There is no immovable property included in Property Plant and Equipment and Right of use assets, held by the Company.
- (ii) The Company has not revalued its Property, Plant and Equipment (including Right of use assets) and intangible assets during the year ended March 31, 2022.
- (iii) The Company has not traded or invested in cryptocurrency transactions during the financial year and there is no balance as at year end.
- (iv) The Company has not been declared wilful defaulter by any bank or financial institution or government or any government authority, as per the available information.

(This space has been intentionally left blank)

**NIIT (USA), Inc.****Notes to the Special Purpose Financial Statements for the year ended March 31, 2022****(v) Ratio Analysis and its elements**

| Particulars                      | Numerator  | Denominator  | As at          |                | % Change | Reasons for variance  |
|----------------------------------|--|--|----------------|----------------|----------|---|
|                                  |  |  | March 31, 2022 | March 31, 2021 |          |   |
| Current Ratio                    | Current Assets   | Current Liabilities  | 1.4            | 1.2            | -17%     |   |
| Debt equity ratio                | Total Debt = Borrowings + Lease liabilities  | Shareholder's Equity   | 0.02           | 0.22           | -91%     | Repayment of loan and termination of lease liabilities                                      |
| Debt service coverage ratio      | Earnings available for debt service=Net Profit after taxes + Non-cash operating expenses + Interest + Other non-cash adjustments | Debt service   | 4.9            | 0.6            | 717%     | Repayment of loan and termination of lease liabilities.                                     |
| Return on equity Ratio           | Net Profits after taxes  | Average Shareholder's Equity   | 47.3%          | 9.4%           | 403%     | Revenue growth has increased profitability which has resulted in improvement of this ratio. |
| Trade receivables turnover ratio | Total Sales  | Closing balance of trade receivables   | 5.6            | 4.8            | -17%     |   |
| Trade payables turnover ratio    | Total Purchases  | Closing balance of trade payables  | 4.4            | 4.1            | 7%       |   |
| Net capital turnover ratio       | Net Sales  | Average Working Capital (i.e. Total current assets less Total current liabilities) | 13.3           | 14.4           | -8%      |   |
| Net profit ratio                 | Net profit   | Net Sales  | 8.9%           | 1.7%           | 424%     | Revenue growth has increased profitability which has resulted in improvement of this ratio. |
| Return on capital employed       | Earning before interest and taxes  | Capital employed = Tangible Net worth + Lease liabilities + Borrowing              | 61.9%          | 21.5%          | 188%     | Revenue growth has increased profitability which has resulted in improvement of this ratio. |
| Return on investments            | Interest (Finance Income)  | Investment   | 0.1%           | 0.7%           | 82%      | Reduction in rate of interest.  |

(This space has been intentionally left blank)

**NIIT (USA), Inc.**

**Notes to the Special Purpose Financial Statements for the year ended March 31, 2022**

(All amounts are in USD, unless otherwise stated)

- (vi) The Company has not advanced or loaned or invested funds to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding that the Intermediary shall:
- (a) Directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company (Ultimate Beneficiaries) or
  - (b) Provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries.
- (vii) The Company has not received any fund from any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Company shall:
- (a) Directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries) or
  - (b) Provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
- (viii) The Company doesn't have any transactions with companies struck off under Section 248 of Companies Act, 2013 or Section 560 of Companies Act, 1956.

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

Signature to Notes '1' to '37' of these special purpose financial statements.

**For S. R. Batliboi & Associates LLP**

Chartered Accountants

ICAI Firm Registration No.: 101049W/E300004

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

**Sanjay Bachchani**

Partner

Membership No. 400419

**P R Subramanian**

Director

**Sapnesh Lalla**

Director

**Vijay K Thadani**

Director

Place: Gurugram

Date: May 19, 2022

Place: Atlanta

Date: May 19, 2022

Place: Gurugram

Date: May 19, 2022

Place: Gurugram

Date: May 19, 2022