

**DUPLICATE**

**NIIT Learning Solutions (Canada) Limited**

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

**DUPLICATE****Independent Auditors' Report on Special Purpose Financial Statements****To the Board of Directors of NIIT Learning Solutions (Canada) Limited**

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

**Management's Responsibility for the financial statements**

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

**Auditor's Responsibility**

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

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

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

**Opinion**

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





# **S.R. BATLIBOI & ASSOCIATES LLP**

Chartered Accountants

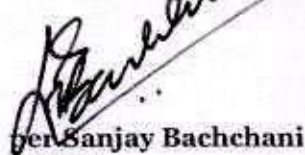
## **Basis of Accounting and Restriction on distribution**

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

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

Chartered Accountants

ICAI Firm Registration Number: 101049W/E300004

  
per Sanjay Bachchani

Partner

Membership Number: 4004



Place: Gurugram

Date: May 14, 2018

NIIT Learning Solutions (Canada) Limited  
Special Purpose Balance Sheet  
(All amounts in Canadian Dollars ("CAD"), unless specified otherwise)

	Notes	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
<b>ASSETS</b>				
<b>Non-current assets</b>				
Property, plant and equipment	3	140,564	78,271	-
Intangible assets under development	4	2,715,468	-	-
Financial assets				
Other financial assets	5	9,497	4,060	-
<b>Total non-current assets</b>		<b>2,865,529</b>	<b>82,331</b>	<b>-</b>
<b>Current assets</b>				
Financial assets				
Trade receivables	6	270,950	551,557	-
Cash and cash equivalents	7	53,319	146,037	-
Other financial assets	5	150,928	186,305	100
Other current assets	8	79,883	64,917	-
<b>Total current assets</b>		<b>554,080</b>	<b>948,816</b>	<b>100</b>
<b>TOTAL ASSETS</b>		<b>3,429,609</b>	<b>1,031,147</b>	<b>100</b>
<b>EQUITY AND LIABILITIES</b>				
<b>EQUITY</b>				
Equity share capital	9	100	100	100
Other equity	10	(1,145,472)	(279,873)	-
<b>TOTAL EQUITY</b>		<b>(1,145,372)</b>	<b>(279,773)</b>	<b>100</b>
<b>LIABILITIES</b>				
<b>Current liabilities</b>				
Financial liabilities				
Trade payables	11	2,777,418	709,458	-
Other financial liabilities	12	99,380	447,252	-
Provisions	14	52,333	19,884	-
Other current liabilities	13	1,645,850	134,326	-
<b>Total current liabilities</b>		<b>4,574,981</b>	<b>1,310,920</b>	<b>-</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>3,429,609</b>	<b>1,031,147</b>	<b>100</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

Per Sanjay Bachchani  
Partner  
Membership No. 400419



Place: Gurugram  
Date: May 14, 2018

For and on behalf of the Board of Directors of  
NIIT Learning Solutions (Canada) Limited

*[Signature of Sapnesh Lalla]*  
*[Signature of Vijay K Thadani]*

Sapnesh Lalla  
Director

Vijay K Thadani  
Director

*[Signature of P R Subramanian]*  
P R Subramanian  
Director

Place: *Atlanta*  
Date:





NIIT Learning Solutions (Canada) Limited  
Special Purpose Statement of Profit and Loss  
(All amounts in CAD, unless specified otherwise)

	Notes	For the year ended March 31, 2018	For the year ended March 31, 2017
<b>Income</b>			
Revenue from operations	15	1,002,890	1,166,697
<b>Total revenue</b>		<b>1,002,890</b>	<b>1,166,697</b>
<b>Expenses</b>			
Employee benefits expense	16	1,329,086	853,605
Outsourced professional faculty		65,256	179,742
Depreciation and amortisation expense	3	40,629	17,447
Other expenses	17	433,518	395,776
<b>Total expenses</b>		<b>1,868,489</b>	<b>1,446,570</b>
<b>Loss before tax</b>		<b>(865,599)</b>	<b>(279,873)</b>
Other comprehensive income		-	-
<b>Total comprehensive income for the year</b>		<b>(865,599)</b>	<b>(279,873)</b>
<b>Loss per equity share (face value CAD 1 each)</b>	19		
-Basic		(8,656)	(2,799)
-Diluted		(8,656)	(2,799)

The accompanying notes form an integral part of these special purpose financial statements.

As per our report of even date.

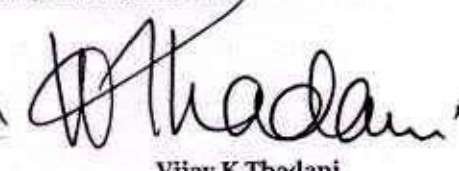
For S.R. Batliboi & Associates LLP  
Chartered Accountants,  
ICAI Firm Registration No.: 101049W/E3000004


  
Sanjay Bachchani  
Partner  
Membership No. 400419



For and on behalf of the Board of Directors of  
NIIT Learning Solutions (Canada) Limited

  
Sapnesh Lalla  
Director

  
Vijay K Thadani  
Director

  
P R Subramanian  
Director

Place: *Atlanta*  
Date:

Place: Gurugram  
Date: May 14, 2018





NIIT Learning Solutions (Canada) Limited  
Special Purpose Statement of Cash Flow  
(All amounts in CAD, unless specified otherwise)

	For the year ended March 31, 2018	For the year ended March 31, 2017
<b>Cash flow from operating activities</b>		
Loss before Tax	(865,599)	(279,873)
Adjustment for:		
Depreciation	40,629	17,447
Unrealized foreign exchange gain/(loss)	42,757	(4,415)
<b>Operating loss before working capital changes</b>	<b>(782,213)</b>	<b>(266,841)</b>
Movement in working capital:		
Decrease/(Increase) in trade receivables	272,804	(545,583)
(Increase) in other current assets	(14,966)	(64,917)
Decrease/(Increase) in other financial assets	20,940	(190,265)
Increase in trade payables	2,067,960	709,458
Increase in provisions	32,449	19,884
Increase in other current liabilities	1,511,524	134,326
(Decrease)/Increase in other financial liabilities	(382,826)	445,693
<b>Cash generated from operations</b>	<b>2,725,672</b>	<b>241,755</b>
Taxes paid (including withholding taxes)	-	-
<b>Net cash flow from operating activities (A)</b>	<b>2,725,672</b>	<b>241,755</b>
<b>Cash flow from investing activities</b>		
Purchase of fixed assets	(102,922)	(95,718)
Intangible assets under development	(2,715,468)	-
<b>Net cash used in investing activities (B)</b>	<b>(2,818,390)</b>	<b>(95,718)</b>
<b>Cash flow from financing activities</b>		
<b>Net cash from financing activities (C)</b>	<b>-</b>	<b>-</b>
<b>Net increase/(decrease) in Cash &amp; Cash equivalents (A + B + C)</b>	<b>(92,718)</b>	<b>146,037</b>
Cash and Cash equivalents at the beginning of the year	146,037	-
Cash and Cash equivalents at the end of the year (refer note 7)	53,319	146,037

Summary of significant accounting policies 2

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

*S. R. Batliboi*  
S. R. Batliboi  
Partner  
Membership No. 400419



For and on behalf of the Board of Directors of  
NIIT Learning Solutions (Canada) Limited

*Sapnesh Lalla*  
Sapnesh Lalla  
Director

*Vijay K Thadani*  
Vijay K Thadani  
Director

*P R Subramanian*  
P R Subramanian  
Director

Place: Gurugram  
Date: May 14, 2018

Place: *Atlanta*  
Date:





NIIT Learning Solutions (Canada) Limited  
Special Purpose Statement of Changes in Equity  
(All amounts in CAD, unless specified otherwise)

a) Equity share capital

Particulars	Note	No. of shares	Amount
Balance as at April 1, 2016	9	100	100
Changes in equity share capital during the year		-	-
Balance as at March 31, 2017	9	100	100
Changes in equity share capital during the year		-	-
Balance as at March 31, 2018	9	100	100

b) Other equity

Particulars	Note	Reserves and Surplus Retained Earnings	Total
Balance as at April 1, 2016	10	-	-
Profit / (Loss) for the year		(279,873)	(279,873)
Other comprehensive income / (expense) (net of tax)		-	-
Balance as at March 31, 2017	10	(279,873)	(279,873)
Change in equity for 2018			
Profit / (Loss) for the year		(865,599)	(865,599)
Other comprehensive income / (expense) (net of tax)		-	-
Balance as at March 31, 2018	10	(1,145,472)	(1,145,472)

Notes:

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. 100049W/E300004

Satish Kumar Bachchani  
Partner  
Membership No. 400419



Place: Gurugram  
Date: May 14, 2018

For and on behalf of the Board of Directors of  
NIIT Learning Solutions (Canada) Limited

Sapnesh Lalla  
Director

Vijay K Thadani  
Director

P R Subramanian  
Director

Place: Atlanta  
Date:





## 1 CORPORATE INFORMATION

NIIT Learning Solutions (Canada) Ltd, Canada (the Company) incorporated under the laws of province of British Columbia, Canada on March 10, 2016 and is a wholly owned subsidiary of NIIT Ireland Limited, a leading global talent management Company is in the learning business providing services to customers in Canada.

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

#### (ii) Historical cost convention

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

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

The Company has accumulated losses aggregating to CAD 1,145,472 as at the year-end as against shareholders' funds of CAD (1,145,372) and negative current liability of CAD 4,010,901. NIIT Limited, India the ultimate holding Company has confirmed its continuous financial and operational support. In view of the commitment received and management's business plans these special purpose financial statements are prepared on a going concern basis.

All assets and liabilities have been classified as current or non-current as per the Company's normal operating cycle and other criteria set out in the Schedule III to the Companies Act, 2013. Based on the nature of products and the time between the acquisition of assets for processing and their realisation in cash and cash equivalents, the Company has ascertained its operating cycle as 12 months for the purpose of current and non current classification of assets and liabilities.

The said special purpose financial statements for the year ended March 31, 2018 are the first Ind AS financial statements of the Company. The transition to Ind AS has been carried out from accounting standards notified under section 133 of the Companies Act 2013, read together with paragraph 7 of the Companies (Accounts) Rules, 2014 ('IGAAP') which is considered as Previous GAAP, for the purposes of Ind AS 101. Refer note 25 for an explanation on how the transition from previous GAAP to Ind AS has affected the Company's financial position, financial performance and cash flows.

### 2.2 Foreign currency translation

#### Foreign currency transactions and balances

##### (i) Initial recognition

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

##### (ii) Conversion

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

##### (iii) Exchange differences

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

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

### 2.3 Use of estimates

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

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

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

Note 2.0 - Measurement of useful life and residual values of property, plant and equipment.

Note 2.1 - Fair value measurement of financial instruments.

Note 2.5 - Judgment 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.

## 2.4 Revenue Recognition

Revenue is measured at the fair value of the consideration received or receivable. Amounts disclosed as revenue are net of returns, trade allowances, rebates, value added taxes and amounts collected on behalf of third parties. The Company recognises revenue when the amount of revenue can be reliably measured, it is probable that future economic benefits will flow to the entity.

### Income from services

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

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

## 2.5 Other Income

### Interest income

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

## 2.6 Income Tax

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

### Current income tax

Tax expense, comprising of both current tax and deferred tax are included in determining the net results for the period. Current Tax is measured at the amount expected to be paid to the tax authorities in accordance with the prevailing taxation laws.

### Deferred Tax Assets

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

## 2.7 Leases

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

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

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

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

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

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

## 2.8 Trade receivables

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

## 2.9 Property, plant and equipment and Depreciation

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

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

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





## 2.10 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.

#### Debt instruments

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

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

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

### iii) Impairment of financial assets

The Company assesses on a forward looking basis the expected credit losses associated with its assets carried at amortised cost and FVOCI debt instruments. The impairment methodology applied depends on whether there has been a significant increase in credit risk. Note 23 details how the Company determines whether there has been a significant increase in credit risk.

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

### iv) Derecognition of financial assets

A financial asset is derecognised only when

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

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

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

## 2.11 Employee Benefits

### Pension fund

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

### Compensated Absences

Liability in respect of compensated absences is provided for both encashable leave and those expected to be availed. Accumulated compensated absences, not exceeding 5 days per calendar year, are carried forward to the next calendar year and can be availed or encashed on separation. The obligation towards the same is measured at the base salary on every cut-off. Such obligations are disclosed as short term in the financials.

## 2.12 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.

## 2.13 Borrowing Costs

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





## 2.14 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 special purpose financial statements.

## 2.15 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.

## 2.16 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.

## 2.17 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.

## 2.18 Recent accounting pronouncements

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

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

The new revenue standard will supersede all current revenue recognition requirements under Ind AS. This new standard requires revenue to be recognized when promised goods or services are transferred to customers in amounts that reflect the consideration to which the Company expects to be entitled in exchange for those goods or services. Adoption of the new rules could affect the timing of revenue recognition for certain transactions of the Company. Ind AS 115 is effective for the Company in the first quarter of fiscal 2019 using either one of two methods:

- (i) retrospectively to each prior reporting period presented in accordance with Ind AS 8 Accounting Policies, Changes in Accounting Estimates and Errors, with the option to elect certain practical expedients as defined within Ind AS 115 (the full retrospective method); or (ii) retrospectively with the cumulative effect of initially applying Ind AS 115 recognized at the date of initial application (April 1, 2018) and providing certain additional disclosures as defined in Ind AS 115 (the modified retrospective method).

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





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

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**NIIT Learning Solutions (Canada) Limited**  
**Notes to the special purpose financial statements for the year ended March 31, 2018**  
**(All amounts in CAD, unless specified otherwise)**

**3 PROPERTY, PLANT AND EQUIPMENT**

Particulars	Plant & Equipments	Leasehold Improvements	Furniture & Fixtures	Office Equipments	Total
<b>Gross Carrying Amount</b>					
As at April 01, 2016	-	-	-	-	-
Additions	54,093	19,508	21,109	1,008	95,718
As at March 31, 2017	54,093	19,508	21,109	1,008	95,718
<b>Depreciation</b>					
As at April 01, 2016	-	-	-	-	-
Depreciation charged during the year	11,718	3,789	1,814	126	17,447
As at March 31, 2017	11,718	3,789	1,814	126	17,447
<b>Net Carrying Amount</b>					
As at March 31, 2017	42,375	15,719	19,295	882	78,271
<b>Gross Carrying Amount</b>					
As at April 01, 2017	54,093	19,508	21,109	1,008	95,718
Additions	64,220	12,735	24,488	1,479	102,922
As at Mar 31, 2018	118,313	32,243	45,597	2,487	198,640
<b>Depreciation</b>					
As at April 01, 2017	11,718	3,789	1,814	126	17,447
Depreciation charged during the year	27,648	8,072	4,495	414	40,629
As at March 31, 2018	39,366	11,861	6,309	540	58,076
<b>Net Carrying Amount</b>					
As at March 31, 2018	78,947	20,382	39,288	1,947	140,564

**4 INTANGIBLE ASSETS UNDER DEVELOPMENT**

The cost incurred and expenses capitalised in respect of intangible asset under development:-

Particulars	For the year ended March 31, 2018
Opening Capital - Work-in progress	-
Add:- Expenditure during the Year	
- Salaries and Benefits	1,188,676
- Professional outsourcing	1,350,729
- Other Expenses	176,093
Less:- Intangible capitalised during the year	-
<b>Closing Capital Work-in progress</b>	<b>2,715,468</b>



NIIT Learning Solutions (Canada) Limited  
Notes to the special purpose financial statements for the year ended March 31, 2018  
(All amounts in CAD, unless specified otherwise)

5 FINANCIAL ASSETS

	As at					
	March 31, 2018	March 31, 2017	April 1, 2016	March 31, 2018	March 31, 2017	April 1, 2016
	Non Current			Current		
<b>Other Financial Assets</b>						
a) <b>Security Deposits Receivable</b>						
Unsecured, considered good	9,497	4,060	-	-	-	-
	<b>9,497</b>	<b>4,060</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
b) <b>Unbilled Revenue</b>						
Unbilled Revenue	-	-	-	41,414	44,012	-
	<b>-</b>	<b>-</b>	<b>-</b>	<b>41,414</b>	<b>44,012</b>	<b>-</b>
c) <b>Other Receivables</b>						
	-	-	-	118,514	142,293	100
	<b>-</b>	<b>-</b>	<b>-</b>	<b>118,514</b>	<b>142,293</b>	<b>100</b>
<b>Total</b>	<b>9,497</b>	<b>4,060</b>	<b>-</b>	<b>159,928</b>	<b>186,305</b>	<b>100</b>





NITT Learning Solutions (Canada) Limited  
Notes to the special purpose financial statements for the year ended March 31, 2018  
(All amounts in CAD, unless specified otherwise)

6 TRADE RECEIVABLES

	March 31, 2018	As at March 31, 2017 Current	April 1, 2016
Unsecured, considered good*	270,950	551,557	-
<b>Total</b>	<b>270,950</b>	<b>551,557</b>	<b>-</b>

\* This includes CAD 91,029 ( March 31, 2017 CAD 166,843) recoverable from related parties (Refer note 24).

7 CASH AND CASH EQUIVALENTS

	March 31, 2018	As at March 31, 2017 Current	April 1, 2016
Balance with banks			
-Current Accounts	53,319	146,037	-
<b>Total</b>	<b>53,319</b>	<b>146,037</b>	<b>-</b>

8 OTHER ASSETS

	March 31, 2018	As at March 31, 2017 Current	April 1, 2016
Advances recoverable in cash or in kind			
Unsecured, considered good	79,883	64,917	-
<b>Total</b>	<b>79,883</b>	<b>64,917</b>	<b>-</b>



NIIT Learning Solutions (Canada) Limited  
Notes to the special purpose financial statements for the year ended March 31, 2018  
(All amounts in CAD, unless specified otherwise)

9 EQUITY SHARE CAPITAL

a) Authorised share capital

Particulars	Equity shares	
	No. of shares	Amount
As at April 1, 2016	100	100
Issue during the year	-	-
As at March 31, 2017	100	100
Issue during the year	-	-
As at March 31, 2018	100	100

b) Issued share capital

Particulars	Equity shares	
	No. of shares	Amount
As at April 1, 2016	100	100
Issue during the year	-	-
As at March 31, 2017	100	100
Issue during the year	-	-
As at March 31, 2018	100	100

c) 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	As at			
			March 31, 2018	March 31, 2017	April 1, 2016	
			No. of shares	No. of shares	No. of shares	% of holding
Holding Company	NIIT Ireland Limited	Equity	100	100	100	100%

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

Particulars	As at			
	March 31, 2018	March 31, 2017	April 1, 2016	
	No. of shares	No. of shares	No. of shares	% of holding
NIIT Ireland Limited	100	100	100	100%
Total	100	100	100	100%

e) Terms/rights attached to equity shares

The Company has one class of equity shares having a par value of CAD 1 per share. Each shareholder is eligible for one vote per share held. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the Company in proportion to their holding.





NIIT Learning Solutions (Canada) Limited  
Notes to the special purpose financial statements for the year ended March 31, 2018  
(All amounts in CAD, unless specified otherwise)

10 OTHER EQUITY

	As at		
	March 31, 2018	March 31, 2017	April 1, 2016
Surplus in Statement of Profit and Loss	(1,145,472)	(279,873)	-
<b>Total</b>	<b>(1,145,472)</b>	<b>(279,873)</b>	<b>-</b>

10(1) RESERVES AND SURPLUS DETAILS

	As at		
	March 31, 2018	March 31, 2017	April 1, 2016
Surplus in Statement of Profit and Loss			
Balance Brought Forward from Previous year	(279,873)	-	-
Add: Total comprehensive income for the year	(865,599)	(279,873)	-
<b>Total</b>	<b>(1,145,472)</b>	<b>(279,873)</b>	<b>-</b>



NIT Learning Solutions (Canada) Limited  
Notes to the special purpose financial statements for the year ended March 31, 2018  
(All amounts in CAD, unless specified otherwise)

11 TRADE PAYABLES	As at		
	March 31, 2018	March 31, 2017 Current	April 1, 2016
Sundry Creditors	2,777,418	709,458	-
<b>Total</b>	<b>2,777,418</b>	<b>709,458</b>	<b>-</b>

\* This includes CAD 2,519,089 (March 31, 2017 CAD 437,207) payable to related parties (Refer note 24).

12 OTHER FINANCIAL LIABILITIES	As at		
	March 31, 2018	March 31, 2017 Current	April 1, 2016
Other Payables	99,380	447,252	-
<b>Total</b>	<b>99,380</b>	<b>447,252</b>	<b>-</b>

13 OTHER LIABILITIES	As at		
	March 31, 2018	March 31, 2017 Current	April 1, 2016
Advances from Customers	-	67,145	-
Other Payable to Affiliates	1,643,783	-	-
Statutory Dues	2,067	67,181	-
<b>Total</b>	<b>1,645,850</b>	<b>134,326</b>	<b>-</b>

14 PROVISIONS	As at		
	March 31, 2018	March 31, 2017 Short-Term	April 1, 2016
Provision for Compensated Absences	52,333	19,884	-
<b>Total</b>	<b>52,333</b>	<b>19,884</b>	<b>-</b>





**NIIT Learning Solutions (Canada) Limited**

**Notes to the special purpose financial statements for the year ended March 31, 2018**

**(All amounts in CAD, unless specified otherwise)**

<b>15 REVENUE FROM OPERATIONS</b>	<b>For the year ended</b>	
	<b>March 31, 2018</b>	<b>March 31, 2017</b>
Sale of Services	1,002,890	1,166,697
<b>Total</b>	<b>1,002,890</b>	<b>1,166,697</b>

<b>16 EMPLOYEE BENEFITS EXPENSE</b>	<b>For the year ended</b>	
	<b>March 31, 2018</b>	<b>March 31, 2017</b>
Salaries and Benefits	1,259,555	806,589
Contribution to Provident and other Funds	62,000	44,894
Welfare and Other expenses	7,531	2,122
<b>Total</b>	<b>1,329,086</b>	<b>853,605</b>



NIIT Learning Solutions (Canada) Limited  
Notes to the special purpose financial statements for the year ended March 31, 2018  
(All amounts in CAD, unless specified otherwise)

17 OTHER EXPENSES

Rent
Rates and Taxes
Communication
Legal and Professional
Management Cost Recovery by Holding Company
Travelling and Conveyance
Insurance
Repairs and Maintenance
- Plant and Machinery
- Others
Net Foreign Exchange Losses
Bank Charges
Marketing & Advertising Expenses
Sundry Expenses
<b>Total</b>

For the year ended	
As at March 31, 2018	As at March 31, 2017
27,152	36,631
224	-
12,294	3,078
108,305	249,448
29,421	39,535
59,808	23,904
50,665	34,707
12,815	1,655
3,555	843
46,611	7,726
73,450	6,969
6,263	-
3,955	280
<b>433,518</b>	<b>395,776</b>

17.1 PAYMENT TO AUDITORS

As Auditor
- Audit Fee
Reimbursement of expenses (including service tax)
<b>Total</b>

For the year ended	
As at March 31, 2018	As at March 31, 2017
6,000	6,000
3,479	-
<b>9,479</b>	<b>6,000</b>





**NIIT Learning Solutions (Canada) Limited****Notes to the special purpose financial statements for the year ended March 31, 2018**

(All amounts in CAD, unless specified otherwise)

**18 CONTINGENT LIABILITIES**

Issuance of Performance Bank Guarantee of CAD 3,000,000 [Previous year CAD 3,000,000] 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.

**19 EARNINGS PER SHARE**

Particular	As at	
	March 31, 2018	March 31, 2017
Profit attributable to equity shareholders (A)	(865,599)	(279,873)
Weighted average number of equity shares outstanding during the year (Nos.) – (B)	100	100
Nominal value of equity shares	1	1
Basic and diluted earnings per share (A/B)	(8,656)	(2,799)

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

**20 SEGMENTAL REPORTING**

The Company is engaged in imparting education and training services for the corporate sector which is viewed by the management as a single segment, i.e. learning solutions in accordance with Ind AS 108 'Segment Reporting', the chief operating decision maker evaluates the performance and allocates resources based on the analysis of performance of the Company as a whole. Its operations are, therefore, considered to constitute a single segment in the context of Ind AS 108 'Segment Reporting'.

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

**21 LEASES****Operating Leases:**

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

Particular	As at	
	March 31, 2018	March 31, 2017
Not later than 1 year	92,952	40,167
Later than 1 year but not later than 5 years	159,468	140,184
Later than 5 years	-	-
<b>Total</b>	<b>252,420</b>	<b>180,351</b>

Aggregate payments made during the year under operating leases in respect of premises for office amounting to CAD 57,482 (Previous year CAD 36,631).



**NIFT Learning Solutions (Canada) Limited****Notes to the special purpose financial statements for the year ended March 31, 2018**

(All amounts in CAD, unless specified otherwise)

**22 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:**

	March 31, 2018 Carrying value	As at March 31, 2017 Carrying value	April 1, 2016 Carrying value
<b>Financial assets</b>			
Trade receivables	270,950	551,557	-
Cash and Bank Balances	53,319	146,037	-
Other Financial Assets	169,425	190,365	100
<b>Total financial assets</b>	<b>493,694</b>	<b>887,959</b>	<b>100</b>
<b>Financial liabilities</b>			
Trade payables	2,777,418	709,458	-
Other financial Liabilities	99,380	447,252	-
<b>Total financial liabilities</b>	<b>2,876,798</b>	<b>1,156,710</b>	<b>-</b>

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

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





**23 FINANCIAL RISK MANAGEMENT**

The Company's principal financial liabilities, comprise 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. 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) 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.

**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.

**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 CAD 270,950 and CAD 551,557 as of March 31, 2018 and March 31, 2017, respectively and unbilled revenue amounting to CAD 41,414 and CAD 44,012 as of 31 March 2018 and 31 March 2017, respectively. Trade receivables and unbilled revenue are typically unsecured and are derived from revenue earned through affiliates and other corporate customers. The Company has used the expected credit loss model to assess the impairment loss or gain on trade receivables and unbilled revenue, and has provided it wherever appropriate.

**Foreign currency risk**

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

Particulars	Currency	2016-17		2017-18	
		Amount in Foreign Currency	Amount in CAD	Amount in Foreign Currency	Amount in CAD
Trade Payables	AUD	-	-	1,444	1,442
	EUR	601	845	57	60
	GBP	5,389	9,251	289,181	510,525
	USD	290,496	385,139	1,401,893	1,786,537
Other Payables	EUR	-	-	1,048	1,639
	GBP	-	-	14,636	25,848
	USD	-	-	5,327	6,822
Other Payable to Affiliates	EUR	-	-	250,000	393,783
<b>Total</b>		<b>296,486</b>	<b>395,235</b>	<b>1,963,586</b>	<b>2,726,656</b>

Particulars	Currency	2016-17		2017-18	
		Amount in Foreign Currency	Amount in CAD	Amount in Foreign Currency	Amount in CAD
Other Receivables	GBP	611	1,020	-	-
	USD	40,226	53,572	-	-
Trade Receivables	EUR	3,151	4,461	344	505
	GBP	-	-	1,586	2,801
	KRW	59,344,898	65,279	-	-
	USD	281	372	60,310	75,474
<b>Total</b>		<b>59,389,167</b>	<b>124,704</b>	<b>62,240</b>	<b>78,780</b>





**NIIT Learning Solutions (Canada) Limited**

**Notes to the special purpose financial statements for the year ended March 31, 2018**

**(All amounts in CAD, unless specified otherwise)**

**24 RELATED PARTY DISCLOSURES**

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

**Holding Company - NIIT Ireland Limited**

**Ultimate holding Company - NIIT Limited, India**

**Fellow subsidiaries**

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

**Key managerial personnel**

- 1 Mr. P R Subramanian( Director)
- 2 Mr. Vijay Kumar Thadani( Director)
- 3 Mr. Abhas Kumar( Director)
- 4 Mr. Sapnesh Kumar Lalla( Director)





## NIIT Learning Solutions (Canada) Limited

Notes to the special purpose financial statements for the year ended March 31, 2018

(All amounts in CAD, unless specified otherwise)

## 24 B. Detail of significant transactions with related parties carried out in ordinary course of business.

Nature of Transactions	Ultimate Holding Company	Holding Company	Fellow Subsidiaries	Total
<b>Purchase of services - professional technical &amp; outsourcing services</b>				
NIIT Ireland Limited	-	121	-	121
	-	(868)	-	(868)
NIIT Limited, UK	-	-	499,236	499,236
	-	-	-	-
NIIT (USA) Inc.	-	-	732,070	732,070
	-	-	-	-
NIIT Limited, India	41,384	-	-	41,384
	(100,201)	-	-	(100,201)
<b>Management cost recovery</b>				
NIIT Limited	29,421	-	-	29,421
	(30,535)	-	-	(30,535)
NIIT (USA) Inc.	-	-	-	-
	-	-	(33,516)	(33,516)
<b>Sales of services</b>				
NIIT Ireland Limited	-	67,265	-	67,265
	-	-	-	-
NIIT (USA) Inc.	-	-	212,033	212,033
	-	-	-	-
NIIT Limited, UK	-	-	13,323	13,323
	-	-	-	-
<b>Recovery of expenses by -employees cost</b>				
NIIT (USA) Inc.	-	-	61,968	61,968
	-	-	-	-
<b>Recovery of expenses by- professional technical &amp; outsourcing service</b>				
NIIT (USA) Inc.	-	-	-	-
	-	-	(679,038)	(679,038)
NIIT Limited, UK	-	-	-	-
	-	-	(23)	(23)
<b>Recovery of expenses from- professional technical &amp; outsourcing service</b>				
NIIT Ireland Limited	-	-	-	-
	-	(38,346)	-	(38,346)
NIIT (USA) Inc.	-	-	-	-
	-	-	-	-
NIIT Limited, UK	-	-	-	-
	-	-	(6,035)	(6,035)
<b>Recovery of expenses from - employees cost</b>				
NIIT Ireland Limited	-	-	-	-
	-	(154,835)	-	(154,835)
NIIT Limited, UK	-	-	626	626
	-	-	-	-

Figures in parenthesis represent Previous Year's figure.



Nature of Transactions	Ultimate Holding Company	Holding Company	Fellow Subsidiaries	Total
<b>Recovery of expenses from -other expenses</b>				
NIIT (USA) Inc.	-	-	2,145	2,145
	-	-	(372)	(372)
NIIT Limited, UK	-	-	119	119
	-	-	-	-
<b>Interest free advance, payable on demand</b>				
NIIT Ireland Limited	-	1,643,783	-	1,643,783
	-	-	-	-
<b>Recovery of expenses by - other expenses</b>				
NIIT (USA) Inc.	-	-	191,783	191,783
	-	-	-	-
NIIT Limited, UK	-	-	1,226	1,226
	-	-	-	-
NIIT Ireland Limited	-	-	-	-
	-	(7,787)	-	(7,787)

Figures in parenthesis represent Previous Year's figure.

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

Particular	As at	
	March 31, 2018	March 31, 2017
<b>Receivables</b>		
NIIT (USA) Inc.	29,736	11,164
NIIT Ireland Limited	58,163	146,704
NIIT Limited, UK	3,130	8,975
<b>Payables</b>		
NIIT Limited, India	55,006	89,896
NIIT (USA) Inc.	1,914,542	338,656
NIIT Ireland Limited	60	8,633
NIIT Limited, UK	549,481	22
<b>Other Payables</b>		
NIIT Ireland Limited	1,643,783	-





## 25 FIRST-TIME ADOPTION OF IND AS

### Transition to Ind AS

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

The accounting policies set out in note 2 have been applied in preparing the financial statements for the year ended March 31, 2018, the comparative information presented in these financial statements for the period ended March 31, 2017.

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

### A. Exemptions and exceptions availed

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

#### A.1 Ind AS optional exemptions

##### A.1.1 Deemed cost

Ind AS 101 permits a first-time adopter to elect to continue with the carrying value for all of its property, plant and equipment as recognised in the financial statements as at the date of transition to Ind AS, measured as per the previous GAAP and use that as its deemed cost as at the date of transition after making necessary adjustments. This exemption has also been used for intangible assets covered by Ind AS 38 Intangible Assets and investment property covered by Ind AS 40 Investment Properties.

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

#### A.2 Ind AS mandatory exceptions

##### A.2.1 Estimates

An entity's estimates in accordance with Ind ASs at the date of transition to Ind AS shall be consistent with estimates made for the same date in accordance with previous GAAP (after adjustments to reflect any difference in accounting policies), unless there is objective evidence that those estimates were in error.



NIIT Learning Solutions (Canada) Limited  
Notes to the special purpose financial statements for the year ended March 31, 2018  
(All amounts in CAD, unless specified otherwise)

25.1 Reconciliation of equity as at April 1, 2016\*

	Previous GAAP	Adjustments	Ind AS
<b>ASSETS</b>			
Current assets			
Financial assets			
Other financial assets	100	-	100
<b>Total current assets</b>	<b>100</b>	<b>-</b>	<b>100</b>
<b>TOTAL ASSETS</b>	<b>100</b>	<b>-</b>	<b>100</b>
<b>EQUITY AND LIABILITIES</b>			
Equity			
Equity share capital	100	-	100
<b>TOTAL EQUITY</b>	<b>100</b>	<b>-</b>	<b>100</b>
<b>LIABILITIES</b>			
<b>TOTAL LIABILITIES</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>100</b>	<b>-</b>	<b>100</b>

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





NIIT Learning Solutions (Canada) Limited  
Notes to the special purpose financial statements for the year ended March 31, 2018  
(All amounts in CAD, unless specified otherwise)

25.2 Reconciliation of equity as at March 31, 2017\*

	Notes to first time adoption	Previous GAAP	Adjustments	Ind AS
<b>ASSETS</b>				
<b>Non-current assets</b>				
Property, plant and equipment		78,271	-	78,271
<b>Financial assets</b>				
Other financial assets		4,060	-	4,060
<b>Total non-current assets</b>		<b>82,331</b>	<b>-</b>	<b>82,331</b>
<b>Current assets</b>				
<b>Financial assets</b>				
Trade receivables	Note 2	556,329	(4,772)	551,557
Cash and cash equivalent		146,037	-	146,037
Other financial assets	Note 2	181,533	4,772	186,305
Other current assets		64,917	-	64,917
<b>Total current assets</b>		<b>948,816</b>	<b>-</b>	<b>948,816</b>
<b>TOTAL ASSETS</b>		<b>1,031,147</b>	<b>-</b>	<b>1,031,147</b>
<b>EQUITY AND LIABILITIES</b>				
<b>Equity</b>				
Equity share capital		100	-	100
Other equity		(279,873)	-	(279,873)
<b>TOTAL EQUITY</b>		<b>(279,773)</b>	<b>-</b>	<b>(279,773)</b>
<b>LIABILITIES</b>				
<b>Current liabilities</b>				
<b>Financial liabilities</b>				
Trade payables	Note 2	1,156,648	(447,190)	709,458
Other financial liabilities	Note 2	62	447,190	447,252
Provisions		19,884	-	19,884
Other current liabilities		134,326	-	134,326
<b>TOTAL LIABILITIES</b>		<b>1,310,920</b>	<b>-</b>	<b>1,310,920</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>1,031,147</b>	<b>-</b>	<b>1,031,147</b>

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



NIT Learning Solutions (Canada) Limited  
Notes to the special purpose financial statements for the year ended March 31, 2018  
(All amounts in CAD, unless specified otherwise)

25.3 Reconciliation of Profit or Loss for the period ended March 31, 2017\*

	Notes to first time adoption	Previous GAAP	Adjustments	Ind AS
<b>INCOME</b>				
Revenue from operations	Note 1	1,782,687	(615,990)	1,166,697
<b>Total income</b>		<b>1,782,687</b>	<b>(615,990)</b>	<b>1,166,697</b>
<b>EXPENSES</b>				
Employee benefits expense		853,605	-	853,605
Professional outsourced faculty	Note 1	795,732	(615,990)	179,742
Depreciation and amortisation expense		17,447	-	17,447
Other expenses		395,776	-	395,776
<b>Total expenses</b>		<b>2,062,560</b>	<b>(615,990)</b>	<b>1,446,570</b>
<b>Loss before tax</b>		<b>(279,873)</b>	<b>-</b>	<b>(279,873)</b>
<b>Tax expense:</b>				
-Current tax		-	-	-
<b>Loss for the year</b>		<b>(279,873)</b>	<b>-</b>	<b>(279,873)</b>
<b>Other comprehensive income</b>				
Other comprehensive income for the year, net of tax		-	-	-
<b>Total comprehensive income for the year</b>		<b>(279,873)</b>	<b>-</b>	<b>(279,873)</b>

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





25.4 Notes to first-time adoption of Ind AS

**Note 1: Revenue and Professional outsourced faculty**

Under the previous GAAP, for non-agency arrangement with certain customers, the company was recording gross revenue which includes vendor fees and own service fees. Under the Ind AS, this has been considered that the Company is acting like as an agent and accordingly the revenue is recognised on net basis. Consequently, the revenue for the year ended March 31, 2017 has reduced by CAD 615,990 with a corresponding impact in professional outsourced faculty by the same amount.

**Note 2: Trade receivable and Trade Payable**

The corresponding receivables, as on March 31, 2017, amounting to CAD 4,772 has been reclassified as other receivables and the corresponding payables of CAD 447,190 is reclassified as other payables.

26 Deferred tax assets are recognized for deductible timing differences only to the extent that there is reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realized. The Company is in initial phase of operations and has accumulated losses and unabsorbed depreciation as on March 31, 2018. Further, there is no reasonable certainty exists for future taxable profits accordingly no deferred tax assets has been recognised

27 The Company has adopted Ind AS during the year with a transition date of April 1, 2016. As on transition date, there was only one transaction of share capital infusion of CAD 100. The management has extracted the comparative financial information for the period April 1, 2016 to March 31, 2017 from the previous year audited financial statements, which was prepared for the period of March 10, 2016 to March 31, 2017, as adjusted for the differences in the accounting principles adopted by the Company on transition to the Ind AS.

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

Signature to Notes '1' to '28' of these financial statements.

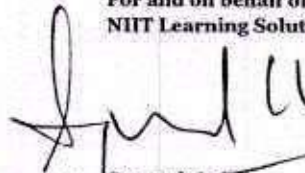
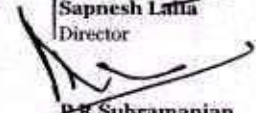
For S. R. Batliboi & Associates LLP  
Chartered Accountants  
ICAI Firm Registration No.: 101049W/E300004

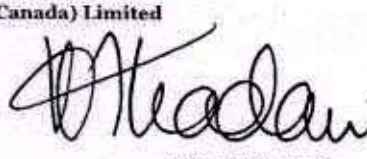
  
Mr. Sanjay Bachchani  
Partner  
Membership No. 400419

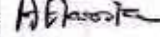


Place: Gurugram  
Date: May 14, 2018

For and on behalf of the Board of Directors of  
NIIT Learning Solutions (Canada) Limited

  
Sapnesh Lalia  
Director  
  
P. R. Subramanian  
Director

  
Vijay K Thadani  
Director

Place:   
Date:

