

NIIT (USA) Inc.

Audit of special purpose financial statements for the year ended  
March 31, 2020

## 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, 2020, 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 solely for its internal use to assist its ultimate 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 special purpose Ind AS financial statements give the information in the manner so required and give a true 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, 2020, 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 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 the 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, 2020 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 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: 20400419AAAACH5070  
Place: Gurugram  
Date: June 01, 2020

**NIIT (USA), Inc.**  
**Special Purpose Balance Sheet as at March 31, 2020**  
**(All amounts are in USD, unless otherwise stated)**

	Notes	As at March 31, 2020	As at March 31, 2019
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property plant and equipment	3	222,287	210,963
Intangible assets	4	22,986	323,095
Right-of-use assets	31 (ii)	2,038,867	-
<b>Financial assets</b>			
Investments	7	6,467,459	6,467,459
Other financial assets	5 (i)	21,940	27,404
Deferred tax assets (net)	8	921,145	1,276,624
<b>Total non-current assets</b>		<b>9,694,684</b>	<b>8,305,545</b>
<b>Current Assets</b>			
<b>Financial assets</b>			
Loans to related parties	5 (ii)	775,000	-
Trade receivables	6	15,702,284	11,932,034
Cash and cash equivalents	10	1,109,273	2,603,768
Other bank balances	11	2,791,275	2,791,266
Other financial assets	5 (i)	2,017,686	3,107,707
Other current assets	9	477,713	672,276
Income Tax assets (net )	9	1,136,331	1,176,000
<b>Total current assets</b>		<b>24,009,562</b>	<b>22,283,051</b>
<b>Total Assets</b>		<b>33,704,246</b>	<b>30,588,596</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
Equity share capital	12	10,662,113	10,662,113
Other equity	13	2,062,717	3,272,039
<b>Total equity</b>		<b>12,724,830</b>	<b>13,934,152</b>
<b>Liabilities</b>			
<b>Non-Current liabilities</b>			
<b>Financial liabilities</b>			
Borrowings	14(i)	957,510	1,567,500
Lease Liabilities	31 (ii)	1,715,614	-
<b>Total non-current liabilities</b>		<b>2,673,124</b>	<b>1,567,500</b>
<b>Current liabilities</b>			
<b>Financial liabilities</b>			
Borrowings	14(ii)	4,514,290	1,070,000
Lease Liabilities	31 (ii)	391,602	-
Trade payables	15	8,978,846	7,957,602
Other financial liabilities	16	3,283,617	4,860,814
Provisions	17	430,430	281,184
Other current liabilities	18	707,507	917,344
<b>Total current liabilities</b>		<b>18,306,292</b>	<b>15,086,944</b>
<b>Total liabilities</b>		<b>20,979,416</b>	<b>16,654,444</b>
<b>Total Equity and Liabilities</b>		<b>33,704,246</b>	<b>30,588,596</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**  
Partner  
Membership No. 400419

**Sapnesh Lalla**  
Director

**Vijay K Thadani**  
Director

**P R Subramanian**  
Director

Place: Gurugram  
Date: June 1, 2020

Place: Gurugram  
Date: June 1, 2020

Place: Gurugram  
Date: June 1, 2020

Place: Atlanta  
Date: June 1, 2020

**NIIT (USA), Inc.****Special Purpose Statement of Profit and Loss for the year ended March 31, 2020**

(All amounts are in USD, unless otherwise stated)

	Notes	For the year ended March 31, 2020	For the year ended March 31, 2019
Revenue from Contracts with Customers	19	48,725,667	43,430,724
Other income	20	1,604,868	2,595,601
<b>Total income</b>		<b>50,330,535</b>	<b>46,026,325</b>
<b>Expenses</b>			
Employee benefit expenses	21	21,825,875	17,414,609
Professional & technical outsourcing expenses		22,893,142	20,019,290
Finance costs	22	390,731	373,343
Depreciation and amortisation expense	24	820,476	744,964
Other expenses	23	5,513,432	5,738,070
<b>Total expenses</b>		<b>51,443,656</b>	<b>44,290,276</b>
<b>Profit/(Loss) before tax</b>		<b>(1,113,121)</b>	<b>1,736,049</b>
Income tax expense:	25		
-Current Tax		95,585	307,771
-Adjustment of tax relating to earlier years		616	-
<b>Total comprehensive income for the year</b>		<b>(1,209,322)</b>	<b>1,428,278</b>
<b>Earnings per Equity Share (Face value USD 1 Each)</b>	29		
Basic		(0.11)	0.13
Diluted		(0.11)	0.13

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

**Sapnesh Lalla**

Director

**Vijay K Thadani**

Director

**P R Subramanian**

Director

Place: Gurugram

Date: June 1, 2020

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Date: June 1, 2020

Place: Atlanta

Date: June 1, 2020

NIIT (USA), Inc.  
**Special Purpose Statement of Cash Flow for the year ended March 31, 2020**  
(All amounts are in USD, unless otherwise stated)

	For the year ended March 31, 2020	For the year ended March 31, 2019
<b>CASH FLOW FROM OPERATING ACTIVITIES:</b>		
<b>Profit before tax</b>	<b>(1,113,121)</b>	<b>1,736,049</b>
<b>Adjustment to reconcile profit before tax to net cash flows:</b>		
Depreciation and amortisation	820,476	744,964
Finance cost	390,731	373,343
Interest income	(66,195)	(64,710)
Loss on property, plant & equipment sold	131	-
Provision for doubtful debts	38,016	-
Provision for unbilled revenue	66,975	-
Unrealised Foreign Exchange (Gain)/ Loss (Net)	(69,898)	47,743
Dividend Income	-	(1,250,000)
	<b>1,180,236</b>	<b>(148,660)</b>
<b>Operating profit before working capital changes(Net)</b>	<b>67,115</b>	<b>1,587,389</b>
Working capital adjustments:		
(Increase)/Decrease in trade receivables	(3,809,218)	265,332
Decrease in other financial assets	1,023,046	551,437
(Increase)/Decrease in other assets	194,563	(40,256)
(Increase) in other bank balances	(9)	(23)
Increase in trade payables	1,092,094	1,374,840
(Decrease) in other financial liabilities	(1,583,523)	(2,427,677)
Increase/(Decrease) in provisions	149,246	(126,917)
Increase/(Decrease) in other liabilities	(209,837)	380,189
	<b>(3,143,638)</b>	<b>(23,075)</b>
<b>Cash generated from operations</b>	<b>(3,076,523)</b>	<b>1,564,313</b>
Taxes Refund/(Paid)	298,946	406,802
<b>Net cash from/(used in) operating activities (A)</b>	<b>(2,777,577)</b>	<b>1,971,115</b>
<b>CASH FLOW FROM INVESTING ACTIVITIES:</b>		
Purchase of property, plant and equipment	(94,197)	(14,635)
Dividend Received from subsidiary	-	1,250,000
Interest received	65,179	64,181
<b>Net cash flow from/(used in) Investing activities (B)</b>	<b>(29,018)</b>	<b>1,299,546</b>
<b>CASH FLOW FROM FINANCING ACTIVITIES:</b>		
loan to related party	(775,000)	(650,000)
Increase/(Decrease) in deferred liabilities	(665,700)	-
Line of credit raised/(paid) during the year (net)	3,500,000	(2,500,000)
Payment of Lease Liabilities	(470,450)	
Interest paid	(276,751)	(393,577)
<b>Net cash from/ (used in) financing activities (C)</b>	<b>1,312,100</b>	<b>(3,543,577)</b>
<b>Net decrease in cash &amp; cash equivalents (A) + (B) + (C)</b>	<b>(1,494,495)</b>	<b>(272,916)</b>
<b>Cash and cash equivalents as at the beginning of the year</b>	<b>2,603,768</b>	<b>2,876,684</b>
<b>Cash and cash equivalents as at the year end (refer note 10)</b>	<b>1,109,273</b>	<b>2,603,768</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**  
Partner  
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**Sapnesh Lalla**  
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Director

Place: Gurugram  
Date: June 1, 2020

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Place: Atlanta  
Date: June 1, 2020

**NIIT (USA), Inc.**

**Special Purpose Statement of Changes in Equity for the year ended March 31, 2020**

**(All amounts are in USD, unless otherwise stated)**

**i) Equity Share Capital**

<b>Particulars</b>	<b>No. of shares</b>	<b>Amount</b>
<b>As at April 1, 2018</b>	<b>10,662,113</b>	<b>10,662,113</b>
Changes in equity share capital	-	-
<b>As at March 31, 2019</b>	<b>10,662,113</b>	<b>10,662,113</b>
Changes in equity share capital	-	-
<b>As at March 31, 2020</b>	<b>10,662,113</b>	<b>10,662,113</b>

**ii) Other Equity**

<b>Particulars</b>	<b>Reserves and Surplus</b>	<b>Total</b>
	<b>Retained Earnings</b>	
<b>Balance as at April 1, 2018</b>	1,843,761	1,843,761
Profit/ (Loss) for the year	1,428,278	1,428,278
<b>Balance as at March 31, 2019</b>	<b>3,272,039</b>	<b>3,272,039</b>
Profit/(Loss) for the year	(1,209,322)	(1,209,322)
<b>Balance as at March 31, 2020</b>	<b>2,062,717</b>	<b>2,062,717</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**

Partner

Membership No. 400419

Place: Gurugram

Date: June 1, 2020

**Sapnesh Lalla**

Director

Place: Gurugram

Date: June 1, 2020

**Vijay K Thadani**

Director

Place: Gurugram

Date: June 1, 2020

**P R Subramanian**

Director

Place: Atlanta

Date: June 1, 2020

**NIIT (USA), Inc.**  
**Notes to the Special Purpose Financial Statements for the year ended March 31, 2020**

**1 CORPORATE INFORMATION**

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

**2 SIGNIFICANT ACCOUNTING POLICIES**

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

**2.1 Basis of preparation**

**(i) Compliance with Ind AS**

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

**(ii) Historical cost convention**

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

These special purpose financial statements have been prepared by the management solely for its internal use to assist its 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 financial statements were approved for issue by the board of directors on June 01, 2020.

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.

**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 2.6 - 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.

#### 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 exceeds 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.

#### 2.7 Dividend Income

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

#### 2.8 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 in USA adjusted by changes in deferred tax assets and liabilities attributable to temporary differences and to unused tax losses.

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted in USA at the end of the reporting period. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

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.

Current tax and deferred tax are recognized in Statement of Profit and Loss, except to the extent that it relates to items recognized in Other Comprehensive Income or directly in equity. Such cases, the tax is also recognized in Other Comprehensive Income or directly in equity, as the case may be.

**NIIT (USA), Inc.**  
**Notes to the Special Purpose Financial Statements for the year ended March 31, 2020**

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.

**2.9 Leases**

**Nature of the effect of adoption of Ind AS 116**

The Company has lease contracts building. Before the adoption of Ind AS 116, the Company classified each of its leases (as lessee) at the inception date as either a finance lease or an operating lease. A lease was classified as a finance lease if it transferred substantially all of the risks and rewards incidental to ownership of the leased asset to the Company; otherwise it was classified as an operating lease. Finance leases were 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 were apportioned between interest (recognised as finance costs) and reduction of the lease liability. In an operating lease, the leased property was not capitalised and the lease payments were recognised as rent expense in the statement of profit or loss on a straight-line basis over the lease term. Any prepaid rent and accrued rent were recognised under Prepayments and Trade and other payables, respectively.

Upon adoption of Ind AS 116, the Company applied a single recognition and measurement approach for all leases that it is the lessee, except for short-term leases and leases of low-value assets. The Company recognised lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

**As a lessee**

Ind AS 116 will replace the existing leases Standard, Ind AS 17 Leases, and related Interpretations. The Standard sets out the principles for the recognition, measurement, presentation and disclosure of leases for both parties to a contract i.e., the lessee and the lessor. Ind AS 116 introduces a single lessee accounting model and requires a lessee to recognize assets and liabilities for all leases with a term of more than 12 months, unless the underlying asset is of low value. Currently, operating lease expenses are charged to the statement of profit & loss. The Standard also contains enhanced disclosure requirements for lessees. Ind AS 116 substantially carries forward the lessor accounting requirements in Ind AS 17.

The effective date for adoption of Ind AS 116 is annual periods beginning on or after April 1, 2019. The standard permits two possible methods of transition:

- Full retrospective – Retrospectively to each prior period presented applying Ind AS 8 Accounting Policies, Changes in Accounting Estimates and Errors
- Modified retrospective – Retrospectively, with the cumulative effect of initially applying the Standard recognized at the date of initial application.

Under modified retrospective approach, the lessee records the lease liability as the present value of the remaining lease payments, discounted at the incremental borrowing rate and the right of use asset either as:

- Its carrying amount as if the standard had been applied since the commencement date, but discounted at lessee's incremental borrowing rate at the date of initial application or
  - An amount equal to the lease liability, adjusted by the amount of any prepaid or accrued lease payments related to that lease recognized under Ind AS 17 immediately before the date of initial application.
- Right-of-use assets

The Company recognises right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Unless the Company is reasonably certain to obtain ownership of the leased asset at the end of the lease term, the recognised right-of-use assets are depreciated on a straight-line basis over the shorter of its estimated useful life and the lease term. Right-of-use assets are subject to impairment.

- Lease liabilities

At the commencement date of the lease, the Company recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments The Company will continue to monitor any material changes to the operations based on future economic conditions. recognition and measurement approach for all leases that it is the lessee, except for short-term leases and leases of low-value assets. The Company recognised lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets. ting a lease, if the lease term reflects the Company exercising the option to terminate. The variable lease payments that do not depend on an index or a rate are recognised as expense in the period on which the event or condition that triggers the payment occurs.

**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.

**NIIT (USA), Inc.**  
**Notes to the Special Purpose Financial Statements for the year ended March 31, 2020**

**2.11 Property, plant and equipment and Depreciation**

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 - Computer Servers and Networks - Air Conditioners	3 Years 5 Years 10 years
Leasehold improvements	2-5 Years or lease period, whichever is shorter
Furniture & fixtures	7 Years
Office Equipment's	5 Years

**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**

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 Ind As 38, "Intangible Assets". Expenses incurred during research phase till the establishment of commercial feasibility are charged to the Statement of Profit and Loss.

**Amortization methods and periods**

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

**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.

**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 26 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.

**2.14 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.

**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**

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

Employee options

The fair value of options granted under Employee Stock Option Plan is recognized as an employee benefits expense with a corresponding

increase in equity. The total amount to be expensed is determined by reference to the fair value of the options granted:

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

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

**2.15 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 removed 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.

**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, 2020

(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, 2019</b>					
<b>Gross carrying amount</b>					
Opening gross carrying amount as on April 1, 2018	1,273,277	73,214	93,686	1,317	1,441,494
Additions	14,635	-	-	-	14,635
Disposals	-	-	-	-	-
<b>Closing gross carrying amount</b>	<b>1,287,912</b>	<b>73,214</b>	<b>93,686</b>	<b>1,317</b>	<b>1,456,129</b>
<b>Accumulated depreciation</b>					
<b>Opening accumulated depreciation as on April 1, 2018</b>	909,138	54,924	45,699	347	1,010,108
Depreciation charged during the year	199,316	18,286	17,191	265	235,058
Disposals	-	-	-	-	-
<b>Closing accumulated depreciation</b>	<b>1,108,454</b>	<b>73,210</b>	<b>62,890</b>	<b>612</b>	<b>1,245,166</b>
<b>Net carrying amount</b>	<b>179,457</b>	<b>4</b>	<b>30,797</b>	<b>705</b>	<b>210,963</b>

Particular	Plant & Equipments	Leasehold Improvements	Furniture & Fixtures	Office Equipments	Total
<b>Year ended March 31, 2020</b>					
<b>Gross carrying amount</b>					
Opening gross carrying amount as on April 1, 2019	1,287,912	73,214	93,686	1,317	1,456,129
Additions	82,843	-	10,000	1,355	94,198
Disposals	31,842	-	-	-	31,842
<b>Closing gross carrying amount</b>	<b>1,338,913</b>	<b>73,214</b>	<b>103,687</b>	<b>2,672</b>	<b>1,518,485</b>
<b>Accumulated depreciation</b>					
Opening accumulated depreciation as on April 1, 2019	1,108,454	73,210	62,890	612	1,245,166
Depreciation charged during the year	68,384	-	14,059	313	82,756
Disposals	31,724	-	-	-	31,724
<b>Closing accumulated depreciation</b>	<b>1,145,113</b>	<b>73,210</b>	<b>76,949</b>	<b>926</b>	<b>1,296,198</b>
<b>Net carrying amount</b>	<b>193,800</b>	<b>4</b>	<b>26,738</b>	<b>1,746</b>	<b>222,287</b>

NIIT (USA), Inc.

Notes to the Special Purpose Financial Statements for the year ended March 31, 2020

(All amounts are in USD, unless otherwise stated)

**4 INTANGIBLE ASSETS**

<b>Particulars</b>	<b>Content Internally Generated</b>	<b>Software Acquired</b>	<b>Total Intangibles other than assets under development</b>
<b>Year ended March 31, 2019</b>			
<b>Gross carrying amount</b>			
Opening gross carrying amount as on April 1, 2018	2,294,859	1,184,120	3,478,979
Additions	-	-	-
Disposals	-	-	-
<b>Closing gross carrying amount</b>	<b>2,294,859</b>	<b>1,184,120</b>	<b>3,478,979</b>
<b>Accumulated amortisation</b>			
Opening accumulated amortisation	1,461,858	1,184,120	2,645,978
Amortisation charge for the year	509,906	-	509,906
<b>Closing accumulated amortisation</b>	<b>1,971,764</b>	<b>1,184,120</b>	<b>3,155,884</b>
<b>Net carrying amount</b>	<b>323,095</b>	<b>-</b>	<b>323,095</b>
<b>Particulars</b>	<b>Content Internally Generated</b>	<b>Software Acquired</b>	<b>Total Intangibles other than assets under development</b>
<b>Year ended March 31, 2020</b>			
<b>Gross carrying amount</b>			
Opening gross carrying amount as on April 1, 2019	2,294,859	1,184,120	3,478,979
Additions	-	-	-
Disposals	14	-	14
<b>Closing gross carrying amount</b>	<b>2,294,845</b>	<b>1,184,120</b>	<b>3,478,965</b>
<b>Accumulated amortisation</b>			
Opening accumulated amortisation	1,971,764	1,184,120	3,155,884
Amortisation charge for the year	300,095	-	300,095
Disposals	-	-	-
<b>Closing accumulated amortisation</b>	<b>2,271,859</b>	<b>1,184,120</b>	<b>3,455,979</b>
<b>Net carrying amount</b>	<b>22,986</b>	<b>-</b>	<b>22,986</b>

NIIT (USA), Inc.

Notes to the Special Purpose Financial Statements for the year ended March 31, 2020

(All amounts are in USD, unless otherwise stated)

5 (i)	OTHER FINACIAL ASSETS	As at		March 31, 2020 Current	March 31, 2019
		March 31, 2020 Non Current	March 31, 2019		
i)	<b>Security deposits receivable</b>				
	Unsecured, considered good	21,940	27,404	-	-
		<b>21,940</b>	<b>27,404</b>	-	-
ii)	<b>Contract assets</b>				
	Unbilled revenue	-	-	1,056,878	1,583,992
	Less: Allowance for unbilled revenue	-	-	(66,975)	-
		-	-	<b>989,903</b>	<b>1,583,992</b>
iii)	<b>Interest Receivable</b>	-	-	147	529
		-	-	<b>147</b>	<b>529</b>
iv)	<b>Other receivables</b>	-	-	1,027,636	1,523,186
		-	-	<b>1,027,636</b>	<b>1,523,186</b>
	<b>Total</b>	<b>21,940</b>	<b>27,404</b>	<b>2,017,686</b>	<b>3,107,707</b>
5 (ii)	<b>Loans to related parties*</b>				
	Unsecured, considered doubtful	-	-	775,000	-
	<b>Total</b>	-	-	<b>775,000</b>	-

\* The loan of USD 1,000,000 was facilitated to Eagle International Institute Inc. to meet its cash flow requirement at the interest rate of 4.87% per annum. The borrower shall pay the entire outstanding loan together with accrued interest within one year from the effective date of the agreement unless it is rolled over for such period and terms as may be mutually agreed between the parties.



**NIIT (USA), Inc.****Notes to the Special Purpose Financial Statements for the year ended March 31, 2020****(All amounts are in USD, unless otherwise stated)**

6	TRADE RECEIVABLES	As at	
		March 31, 2020 Current	March 31, 2019
	Trade receivables	7,586,585	6,749,547
	Unsecured, considered doubtful	692,955	654,939
	Less: Provision for doubtful debts	(692,955)	(654,939)
	Receivables from related parties (Note 33)	8,115,699	5,182,487
	<b>Total</b>	<b>15,702,284</b>	<b>11,932,034</b>

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

7	INVESTMENTS	As at	
		March 31, 2020 Non Current	March 31, 2019
	<b>Investments in equity instruments</b>		
	Eagle International Institute Inc. USA*	6,467,459	6,467,459
	<b>Total</b>	<b>6,467,459</b>	<b>6,467,459</b>

\*In the financial year 2017-18, the Company acquired a US based learning company : Eagle International Institute Inc. for a cash consideration of USD 4,000,000.

The Company by way of the two separate agreements made an investment as below:

i) Equity purchase of the entire outstanding stock for a cash consideration of USD 4,000,000, of which USD 2,000,000 was paid on closing and the balance amount is payable in two equal annual instalments on January 3, 2019 and January 3, 2020. The amounts have since been paid.

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

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

NIIT (USA), Inc.

Notes to the Special Purpose Financial Statements for the year ended March 31, 2020

(All amounts are in USD, unless otherwise stated)

		As at	
8	DEFERRED TAX ASSETS (NET)	March 31, 2020	March 31, 2019
<b>i) The balance comprises temporary differences attributable to:</b>			
	Provision for compensated absences	112,408	73,431
	Unrealised foreign currency	(19,024)	12,468
	Carried forward losses	382,890	382,890
	Lease Assets (net)	19,244	-
<b>Other items</b>			
	MAT credit entitlement	415,186	828,761
	<b>Total deferred tax asset</b>	<b>910,704</b>	<b>1,297,550</b>
	Add: Tax impact of difference between carrying amount of property, plant & equipment in the financial statements and as per the income tax calculation.	<b>10,441</b>	<b>(20,926)</b>
	<b>Deferred tax asset (net) (A)</b>	<b>921,145</b>	<b>1,276,624</b>

Timing differences not recognized on account of prudence amounts to USD 1,204,744 (previous year amounting to USD 1,148,670)

Deferred tax assets on timing differences have been recognised as at March 31, 2020 owing to reasonable certainty of future taxable income based on business plans of the Company

	Property, plant & equipment	Employee benefit	Unrealised foreign currency	Others (C/f losses)	Minimum Alternate Tax	Lease asset	Total
<b>ii) Movement in deferred tax asset</b>							
<b>As at March 31, 2018</b>	(136,941)	106,576	(7,860)	619,917	941,833	-	<b>1,523,525</b>
(charged)/credited:							
- to profit or loss	116,015	(33,145)	20,328	(237,027)	(113,072)	-	<b>(246,901)</b>
<b>As at March 31, 2019</b>	<b>(20,926)</b>	<b>73,431</b>	<b>12,468</b>	<b>382,890</b>	<b>828,761</b>		<b>1,276,624</b>
(charged)/credited:							
- to profit or loss	31,367	38,977	(31,492)	-	(413,575)	19,244	<b>(355,479)</b>
<b>As at March 31, 2020</b>	<b>10,441</b>	<b>112,408</b>	<b>(19,024)</b>	<b>382,890</b>	<b>415,186</b>	<b>19,244</b>	<b>921,145</b>

**NIIT (USA), Inc.**

**Notes to the Special Purpose Financial Statements for the year ended March 31, 2020**

**(All amounts are in USD, unless otherwise stated)**

9	<b>OTHER CURRENT ASSETS</b>	<b>As at</b>	
		<b>March 31, 2020</b>	<b>March 31, 2019</b>
		<b>Current</b>	
	<b>Advances recoverable in cash or in kind</b>		
	Secured, considered good		
	Unsecured, considered good*	477,713	672,276
		<b>477,713</b>	<b>672,276</b>
	<b>Income Tax Assets (net )</b>		
	Advance income tax	1,284,704	1,272,767
	Less : Provision for income tax	(148,373)	(96,767)
		<b>1,136,331</b>	<b>1,176,000</b>

\*It primarily consist of prepayments to vendors and prepaid expenses.

10	<b>CASH AND CASH EQUIVALENTS</b>	<b>As at</b>	
		<b>March 31, 2020</b>	<b>March 31, 2019</b>
		<b>Current</b>	
	Balance with banks		
	-Current Accounts	1,109,273	2,603,768
	<b>Total</b>	<b>1,109,273</b>	<b>2,603,768</b>

11	<b>OTHER BANK BALANCES</b>	<b>As at</b>	
		<b>March 31, 2020</b>	<b>March 31, 2019</b>
		<b>Current</b>	
	Bank deposits		
	-With original maturity of more than 3 months and upto 12 months*	2,791,275	2,791,266
	<b>Total</b>	<b>2,791,275</b>	<b>2,791,266</b>

\*Out of which USD 2,751,243 (March 31, 2019 USD 2,751,243) pledged as a collateral for the letter of credit arranged by the Company on behalf of its affiliate NIIT Learning Solutions (Canada) Limited.

NIIT (USA), Inc.  
Notes to the Special Purpose Financial Statements for the year ended March 31, 2020  
(All amounts are in USD, unless otherwise stated)

12 EQUITY SHARE CAPITAL

i) Authorised Equity share capital

	No. of shares	Amount
As at April 1, 2018	25,000,000	25,000,000
Issue during the year	-	-
As at March 31, 2019	25,000,000	25,000,000
Issue during the year	-	-
As at March 31, 2020	25,000,000	25,000,000

ii) Issued Equity share capital( Equity share of USD 1 each issued, subscribed and fully paid up)

	No. of shares	Amount
As at April 1, 2018	10,662,113	10,662,113
Issue during the year	-	-
As at March 31, 2019	10,662,113	10,662,113
Issue during the year	-	-
As at March 31, 2020	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, 2020	March 31, 2020	March 31, 2019	March 31, 2019
			No. of shares	Value	No. of shares	Value
Holding Company	NIIT Limited	Equity	10,662,113	10,662,113	10,662,113	10,662,113

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

Name of shareholder	Equity Shares			
	March 31, 2020		March 31, 2019	
	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) 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.

13	OTHER EQUITY	March 31, 2020	March 31, 2019
	Surplus in statement of profit and loss	2,062,717	3,272,039
		<b>2,062,717</b>	<b>3,272,039</b>

13.1	Reserves and surplus	March 31, 2020	March 31, 2019
	<b>Surplus in statement of profit and loss</b>		
	Balance brought forward from previous year	3,272,039	1,843,761
	Add: Profit/(loss) for the year	(1,209,322)	1,428,278
	<b>Total</b>	<b>2,062,717</b>	<b>3,272,039</b>

NIIT (USA), Inc.

Notes to the Special Purpose Financial Statements for the year ended March 31, 2020

(All amounts are in USD, unless otherwise stated)

**14 Financial Liabilities**

		<b>As at</b>	
<b>14(i)</b>	<b>Non - Current Borrowings</b>	<b>March 31, 2020</b>	<b>March 31, 2019</b>
	From other Parties		
	- Deferred payment liabilities	957,510	1,567,500
	<b>Total</b>	<b>957,510</b>	<b>1,567,500</b>
<b>14(ii)</b>	<b>Current Borrowings</b>	<b>March 31, 2020</b>	<b>March 31, 2019</b>
	<b>UNSECURED</b>		
	<b>From Bank</b>		
	Working capital loan	4,000,000	500,000
	From other Parties		
	- Deferred payment liabilities	514,290	570,000
	<b>Total</b>	<b>4,514,290</b>	<b>1,070,000</b>

The Company has taken Uncommitted Line of Credit with a limit up to USD 9,000,000 at a rate of interest of Libor + 2.25 % from Citibank, NA to finance the acquisition of the Eagle International Institute Inc. and to meet the need of working capital. As at the closing date the Company had outstanding balance of USD 4,000,000 out of this limit.

**NIIT (USA), Inc.**
**Notes to the Special Purpose Financial Statements for the year ended March 31, 2020**
**(All amounts are in USD, unless otherwise stated)**

15	<b>TRADE PAYABLES</b>	<b>As at</b>	
		<b>March 31, 2020</b>	<b>March 31, 2019</b>
		<b>Current</b>	
	Trade Payables	2,438,104	3,337,304
	Trade payables to related parties(Note 33)	6,540,742	4,620,298
	<b>Total</b>	<b>8,978,846</b>	<b>7,957,602</b>

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

16	<b>OTHER FINANCIAL LIABILITIES</b>	<b>As at</b>	
		<b>March 31, 2020</b>	<b>March 31, 2019</b>
		<b>Current</b>	
	Interest accrued but not due on borrowings	23,506	17,180
	Other payables *	3,260,111	4,843,634
	<b>Total</b>	<b>3,283,617</b>	<b>4,860,814</b>

\*Includes Payable to Employees amounting to USD 1,693,622 (Previous year USD 2,082,788 ) and Strategic Sourcing payables amounting to USD 1,566,489 (Previous year USD 2,760,846)

17	<b>PROVISIONS</b>	<b>As at</b>	
		<b>March 31, 2020</b>	<b>March 31, 2019</b>
		<b>Current</b>	
	Provision for compensated absences	430,430	281,184
	<b>Total</b>	<b>430,430</b>	<b>281,184</b>

18	<b>OTHER LIABILITIES</b>	<b>As at</b>	
		<b>March 31, 2020</b>	<b>March 31, 2019</b>
		<b>Current</b>	
	<b>Contract Liabilities</b>		
	-Deferred Revenue	407,039	78,425
	-Advances from Customers	11,380	5,862
	Advances from related party	-	250,000
	Statutory dues*	289,088	583,057
	<b>Total</b>	<b>707,507</b>	<b>917,344</b>

\*Statutory Dues primarily pertains to GST and Statutory Contributions.

NIIT (USA), Inc.

Notes to the Special Purpose Financial Statements for the year ended March 31, 2020

(All amounts are in USD, unless otherwise stated)

<b>19</b>	<b>REVENUE FROM CONTRACT WITH CUSTOMERS</b>	<b>Year ended March 31, 2020</b>	<b>Year ended March 31, 2019</b>
	Revenue as per Contracted price	48,725,667	43,430,724
	<b>Total</b>	<b>48,725,667</b>	<b>43,430,724</b>
<b>20</b>	<b>OTHER INCOME</b>	<b>Year ended March 31, 2020</b>	<b>Year ended March 31, 2019</b>
	Interest income		
	Interest Income on Bank and other Deposits carried at amortized cost	65,179	64,710
	Unwinding of Interest on Security Deposit	1,016	-
	Interest income on loan to related party(refer note 33)	21,998	-
	Dividend Income from Investments in Subsidiary	-	1,250,000
	Other non-operating income	1,516,675	1,280,891
	<b>Total</b>	<b>1,604,868</b>	<b>2,595,601</b>
<b>21</b>	<b>EMPLOYEE BENEFIT EXPENSE</b>	<b>Year ended March 31, 2020</b>	<b>Year ended March 31, 2019</b>
	Salaries, Wages and Bonus	21,027,259	16,637,202
	Contribution to provident and other funds	537,782	432,464
	Share Based Payments*	173,805	208,491
	Staff Welfare Expense	87,029	136,452
	<b>Total</b>	<b>21,825,875</b>	<b>17,414,609</b>

\*Shares based payments has been paid to the Holding Company.

NIIT (USA), Inc.

**Notes to the Special Purpose Financial Statements for the year ended March 31, 2020**

(All amounts are in USD, unless otherwise stated)

**21.1 EMPLOYEE BENEFITS**

**Defined contribution plans**

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

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

<b>Particulars</b>	<b>Year ended</b>	
	<b>March 31, 2020</b>	<b>March 31, 2019</b>
Employers' contribution to provident fund	30,349	31,776
Employers' contribution to superannuation fund	35,021	30,967
Employers' contribution to employees pension scheme(401K)	472,412	369,721
<b>Total</b>	<b>537,782</b>	<b>432,464</b>

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

	<b>Year ended</b>	
	<b>March 31, 2020</b>	<b>March 31, 2019</b>
Employers' contribution to employees pension scheme(401K)	46,220	41,181
<b>Total</b>	<b>46,220</b>	<b>41,181</b>



**NIIT (USA), Inc.**
**Notes to the Special Purpose Financial Statements for the year ended March 31, 2020**
**(All amounts are in USD, unless otherwise stated)**

<b>22</b>	<b>FINANCE COSTS</b>	<b>Year ended March 31, 2020</b>	<b>Year ended March 31, 2019</b>
	Interest on debts and borrowings	171,653	197,857
	Interest on lease liabilities(refer note 31(ii))	107,653	-
	Other Borrowing Costs	111,425	175,486
	<b>Total</b>	<b>390,731</b>	<b>373,343</b>
<b>23</b>	<b>OTHER EXPENSES</b>	<b>Year ended March 31, 2020</b>	<b>Year ended March 31, 2019</b>
	Rent	61,023	490,578
	Rates and taxes	134,052	78,151
	Power and fuel	2,398	2,265
	Communication Costs	200,918	174,298
	Legal and professional( refer note 23.1)	510,775	267,507
	Management cost recovery by Holding Company(refer note 33.1)	1,228,241	1,287,009
	Travelling and conveyance	1,971,145	2,143,809
	Provision for doubtful debts	38,016	-
	Provision for unbilled revenue	66,975	-
	Insurance	94,861	92,220
	- Plant and machinery	15,130	37,390
	- Others	10,209	7,044
	Consumables	3,000	-
	Loss on sale of property, plant & equipment	131	-
	Exchange Differences (net)	43,888	114,463
	Security and Administration Services	-	243
	Marketing and advertising expenses	683,004	746,077
	Bank charges	148,202	98,436
	Sundry expenses	301,464	198,580
	<b>Total</b>	<b>5,513,432</b>	<b>5,738,070</b>
<b>23.1</b>	<b>Details of payments to auditors (excluding taxes)</b>		
	Audit fee	9,228	10,000
	Reimbursement of expenses	2,192	6,050
	<b>Total payments to auditors</b>	<b>11,420</b>	<b>16,050</b>
<b>24</b>	<b>Depreciation and Amortization expense</b>	<b>March 31, 2020</b>	<b>March 31, 2019</b>
	Depreciation of tangible assets(refer note 3)	82,756	235,058
	Amortization of intangible assets(refer note 4)	300,095	509,906
	Depreciation of Right-of-use assets(refer note 31(ii))	437,625	-
		<b>820,476</b>	<b>744,964</b>

NIIT (USA), Inc.  
Notes to the Special Purpose Financial Statements for the year ended March 31, 2020  
(All amounts are in USD, unless otherwise stated)

25	INCOME TAX EXPENSE	Year ended March 31, 2020	Year ended March 31, 2019
i)	<b>Tax expense recognized in statement of profit and loss</b>		
	Current tax	153,682	173,942
	Deferred tax	(58,097)	133,829
	Tax Adjustment for Earlier years	616	-
	<b>Total</b>	<b>96,201</b>	<b>307,771</b>
ii)	<b>Effective tax reconciliation</b>		
	This note provides an analysis of the Company's income tax expense, show amounts that are recognized directly in in equity and how the tax expense is affected by non-assessable and non-deductible items. It also explains significant estimates made in relation to the Company's tax positions.		
	<b>(a) Income tax expense</b>		
	<b>Current tax</b>		
	Current tax on operating profits of the year	123,143	142,585
	Branch taxes	30,539	31,357
	Tax Adjustment for Earlier years	616	-
	<b>Total current tax expense</b>	<b>154,298</b>	<b>173,942</b>
	<b>Deferred tax</b>		
	Decrease / (increase) in deferred tax assets	(58,097)	133,829
	<b>Total deferred tax expense/(benefit)</b>	<b>(58,097)</b>	<b>133,829</b>
	<b>Income tax expense</b>	<b>96,201</b>	<b>307,771</b>
	<b>(b) Reconciliation of tax expense and the accounting profit multiplied by US rax rate:</b>		
		21%	21%
	Profit from continuing operations before income tax expense	(1,113,121)	1,736,049
	Tax at the US Tax	(233,755)	364,570
	<b>Tax effect of amounts which are not deductible (taxable) in calculating taxable income:</b>		
	- Timing difference on c/f losses	-	54,648
	- Permanent differences	24,993	(243,403)
	- State tax	31,259	47,904
	-Branch taxes	30,539	31,357
	-MAT recovery Adjustment	-	9,142
	- Unrecognized Timing Difference	183,720	25,469
	- impact of state tax	(6,564)	18,084
	- Adjustment of previous Year	616	-
	- FTC write off	91,884	-
	- Tax impact of FTC write off	(25,735)	-
	'Others	(756)	-
	<b>Total</b>	<b>96,201</b>	<b>307,771</b>

**NIIT (USA), Inc.****Notes to the Special Purpose Financial Statements for the year ended March 31, 2020****(All amounts are in USD, unless otherwise stated)****26 FAIR VALUE MEASUREMENTS****i) Fair value hierarchy**

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

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

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

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

	<b>As at March 31, 2020 Carrying value</b>	<b>As at March 31, 2019 Carrying value</b>
<b>Financial assets</b>		
Trade receivables	15,702,284	11,932,034
Cash and bank balances	1,109,273	2,603,768
Other bank balances	2,791,275	2,791,266
Other financial assets	2,039,626	3,135,112
Loans to related parties	775,000	-
<b>Total financial assets</b>	<b>22,417,458</b>	<b>20,462,180</b>
<b>Financial liabilities</b>		
Borrowings	5,471,800	2,637,500
Trade payables	8,978,846	7,957,602
Other financial liabilities	3,283,617	4,860,814
<b>Total financial liabilities</b>	<b>17,734,263</b>	<b>15,455,916</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.

**NIIT (USA), Inc.**  
**Notes to the Special Purpose Financial Statements for the year ended March 31, 2020**  
**(All amounts are in USD, unless otherwise stated)**

**27 FINANCIAL RISK MANAGEMENT**

The Company's principal financial liabilities, other than derivatives, comprise loans and borrowings, trade and other payables. The main purpose of these financial liabilities is to finance the Company's operations and to provide guarantees to support its operations. The Company's principal financial assets include loans, trade and other receivables, and cash and short-term deposits that derive directly from its operations.

The Company is exposed to market risk, credit risk and liquidity risk. The Company's senior management oversees the management of these risks. The Company's senior management is supported by a financial risk committee that advises on financial risks and the appropriate financial risk governance framework for the Company. The financial risk committee provides assurance to the Company's senior management that the Company's financial risk activities are governed by appropriate policies and procedures and that financial risks are identified, measured and managed in accordance with the Company's policies and risk objectives. All derivative activities for risk management purposes are carried out by specialist teams that have the appropriate skills, experience and supervision. It is the Company's policy that no trading in derivatives for speculative purposes may be undertaken. The Board of Directors reviews and agrees policies for managing each of these risks, which are summarised below:

**i) Credit risk**

Credit risk refers to the risk of default on its obligation by the counter party resulting in a financial loss. The maximum exposure to the credit risk at the reporting date is primarily from trade receivables amounting to USD 15,702,283 and USD 11,932,033 as of March 31, 2020 and March 31, 2019 respectively and unbilled revenue amounting to USD 989,903 and USD 1,583,992 as of March 31, 2020 and March 31, 2019 respectively.

The following table gives the movement in allowance for provision for doubtful debts for the year ended March 31, 2020:

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

Particulars	Amount (in USD.)
Loss allowance on April 1, 2018	654,339
Changes in loss allowance	-
Loss allowance on March 31, 2019	654,339
Changes in loss allowance	38,016
Loss allowance on March 31, 2020	692,355

**ii) Liquidity risk**

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

**(a) Maturities of financial liabilities**

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

Particular	Less than 1 year	1-2 Years	2-5 Years	Total
<b>March 31, 2020</b>				
Borrowings	4,514,290	537,917	419,593	5,471,800
Trade payables	8,978,846	-	-	8,978,846
Other financial liabilities	3,283,617	-	-	3,283,617
	<b>16,776,753</b>	<b>537,917</b>	<b>419,593.00</b>	<b>17,734,263</b>
<b>March 31, 2019</b>				
Borrowings	1,070,000	570,000	997,500	2,637,500
Trade payables	7,957,602	-	-	7,957,602
Other financial liabilities	4,860,814	-	-	4,860,814
	<b>13,888,416</b>	<b>570,000</b>	<b>-</b>	<b>15,455,916</b>

**NIIT (USA), Inc.**  
**Notes to the Special Purpose Financial Statements for the year ended March 31, 2020**  
**(All amounts are in USD, unless otherwise stated)**

**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.

Particulars	Currency	March 31, 2020		March 31, 2019	
		Amount in Foreign Currency	Amount in USD	Amount in Foreign Currency	Amount in USD
Trade Receivables	AUD	1,112,296	741,667	1,048,348	828,169
	CAD	586,562	443,569	653,876	501,219
	EUR	179,063	218,288	205,912	252,936
	GBP	22,077	28,198	42,134	56,347
	MYR	-	-	10,112	2,421
	PHP	75,000	1,470	-	-
	SGD	277,345	201,575	707,740	521,292
	THB	-	-	1,169,624	35,605
	VND	129,590,909	5,573	492,691,650	21,234
Bank	ZAR	-	-	5,909	446
	AUD	404,507	263,536	192,802	136,870
	SGD	622,700	446,912	214,936	158,988
Advance to vendors	GBP	-	-	1,319	1,751
Other Receivables	AUD	121,194	78,958	-	-
	EUR	5,762	6,882	-	-
<b>Total</b>		<b>132,999,185</b>	<b>2,437,048</b>	<b>496,944,362</b>	<b>2,517,278</b>

Particulars	Currency	March 31, 2020		March 31, 2019	
		Amount in Foreign Currency	Amount in USD	Amount in Foreign Currency	Amount in USD
Trade Payables	AUD	902,700	593,854	450,399	327,621
	BRL	31,390	7,016	71,996	19,201
	CAD	181,560	135,372	186,503	141,696
	CNY	21,675	3,149	-	-
	DKK	-	-	12,978	2,035
	EUR	764,090	858,053	415,649	477,633
	GBP	958,196	1,239,924	556,593	722,254
	INR	14,071	198	14,071	198
	MXN	86,913	4,615	170,387	8,947
	MYR	129,892	30,810	12,623	3,376
	NZD	-	-	8,214	5,592
	QAR	52,420	14,400	24,505	6,732
	RON	23,414	5,615	23,414	5,615
	SGD	105,232	76,240	204,423	151,035
	THB	59,183	1,876	1,495,813	47,417
Other Payables	AUD	-	-	17,843	12,667
	CNY	17,500	2,503	11,071	1,654
	CAD	216	161	-	-
	EUR	-	-	8,206	9,340
	GBP	133,226	170,651	138,203	183,478
	INR	362,000	5,032	-	-
	NZD	1,248	780	1,445	984
	ZAR	2,083	133	-	-
	SGD	11,384	8,170	46,777	34,601
<b>Total</b>		<b>3,858,391</b>	<b>3,158,552</b>	<b>3,871,114</b>	<b>2,162,076</b>

**NIIT (USA), Inc.****Notes to the Special Purpose Financial Statements for the year ended March 31, 2020**

(All amounts are in USD, unless otherwise stated)

**28 Commitments and Contingent Liabilities****Contingent liabilities**

	<b>March 31, 2020</b>	<b>March 31, 2019</b>
<b>Claims against the Company not acknowledged as debts:</b>		
Tax Matters	182,041	198,033
<b>Total contingent liabilities</b>	<b>182,041</b>	<b>198,033</b>

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

**29 EARNINGS PER SHARE**

	<b>March 31, 2020</b>	<b>March 31, 2019</b>
Profit attributable to equity shareholders (USD) (A)	(1,209,322)	1,428,278
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>-0.11</b>	<b>0.13</b>

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

**30 SEGMENTAL REPORTING**

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

**31 LEASES****31 (i) The following are the amounts recognised in the statement of profit and loss for short term leases:**

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

<b>Particular</b>	<b>As at</b>	
	<b>March 31, 2020</b>	<b>March 31, 2019</b>
In respect of premises	61,023	490,578
<b>Total</b>	<b>61,023</b>	<b>490,578</b>

NIT (USA), Inc.

Notes to the Special Purpose Financial Statements for the year ended March 31, 2020  
(All amounts are in USD, unless otherwise stated)

31 (ii) Finance Leases

The effect of adoption Ind AS 116 is as follows:

Particulars	Rent	Total
As at April 1, 2019		-
Additions	2,476,492	2,476,492
Deletion	-	-
Depreciation	(437,625)	(437,625)
As at March 31, 2020	2,038,867	2,038,867

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

Particulars	Total
As at April 1, 2019	-
Additions	2,470,012
Deletion	-
Accretion of interest	107,653
Lease rental	(470,449)
As at March 31, 2020	2,107,216

The following is the break-up of current and non-current lease liabilities as of March 31, 2020

Particulars	Total
Current Lease liabilities	391,602
Non Current Lease liabilities	1,715,614
As at March 31, 2020	2,107,216

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

Particulars	Total
Depreciation expense of right of use assets	437,625
Rent Expense (Included in other expense)	-
Interest expense on lease liabilities	107,653
Expense relate to short term leases (included in rent expense)	-
Gain/loss on Early termination	-
Total Amount	545,278

The table below provides details regarding the contractual maturities of lease liabilities as of March 31, 2020:

Particulars	Total
Less than one year	391,602
One to Two years	423,116
More than Two years	1,292,498
Total Amount	2,107,216

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

a. Disaggregated revenue information

Type of Services

Sale of Services

Total

March 31, 2020	March 31, 2019
48,725,667	43,430,724
48,725,667	43,430,724

Timing of Revenue Recognition

Services transferred over time (Training Services)

Total

48,725,667	43,430,724
48,725,667	43,430,724

b. Contract Balances

Trade Receivables (refer note 6)

Contract Assets(refer note 5)

Contract Liabilities (refer note 18)

15,702,284	11,932,034
989,903	1,583,992
418,419	84,287
17,110,605	13,600,312

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

The Company classifies the right to consideration in exchange for deliverables as either a receivable or as unbilled revenue.

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

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

c. 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, 2020, 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, 2020**  
**(All amounts are in USD, unless otherwise stated)**

**33 Related Party Transactions :**

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

Holding Company - NIIT Limited

**Subsidiaries**

- <sup>1</sup> Eagle International Institute Inc. USA
- <sup>2</sup> Eagle Training Spain, S.L.U

**Fellow subsidiaries**

- <sup>1</sup> NIIT Institute of Finance Banking and Insurance Training Limited
- <sup>2</sup> Mindchampion Learning Systems Limited
- <sup>3</sup> NIIT Yuva Jyoti Limited (Under Voluntary Liquidation w.e.f. February 19, 2020)
- <sup>4</sup> NIIT Institute of Process Excellence Limited (Under Voluntary Liquidation w.e.f. February 19, 2020)
- <sup>5</sup> NIIT Limited, UK
- <sup>6</sup> NIIT Malaysia Sdn. Bhd, Malaysia
- <sup>7</sup> NIIT West Africa Limited
- <sup>8</sup> NIIT GC Limited, Mauritius
- <sup>9</sup> NIIT (Ireland) Limited
- <sup>10</sup> NIIT Learning Solutions (Canada) Limited
- <sup>11</sup> PT NIIT Indonesia, Indonesia (under liquidation)
- <sup>12</sup> NIIT China (Shanghai) Limited, Shanghai
- <sup>13</sup> NIIT Wuxi Service Outsourcing Training School, China (Memorandum of Understanding was executed to sell on April 1, 2017)- (Under Closure)
- <sup>14</sup> Wuxi NIIT Information Technology Consulting Limited, China (agreement to sell entered on March 31, 2018)
- <sup>15</sup> Su Zhou NIIT Information Technology Consulting Limited, China (subsidiary of entity at serial no. 17)
- <sup>16</sup> Changzhou NIIT Information Technology Consulting Limited, China (subsidiary of entity at serial no. 18)
- <sup>17</sup> Zhangjiagang NIIT Information Services Limited, China (Closed w.e.f. August 12, 2019)
- <sup>18</sup> Chengmai NIIT Information Technology Company Limited, China (Under Closure)
- <sup>19</sup> Chongqing An Dao Education Consulting Limited, China
- <sup>20</sup> Chongqing NIIT Education Consulting Limited, China (Under Closure)
- <sup>21</sup> NIIT (NingXia) Education Technology Company Limited, China
- <sup>22</sup> Guizhou NIIT information technology consulting Co., Limited, China
- <sup>23</sup> NIIT (Guizhou) Education Technology Co., Limited, China

**B. Other related parties with whom Company has transacted**

**a) Associate of NIIT Limited (Parties in which Company has substantial interest)**

- <sup>1</sup> NIIT Technologies Limited (Till May 17, 2019)

**b) Key managerial personnel:**

- <sup>1</sup> Mr. Sapnesh Lalla (Chief Executive and Director)
- <sup>2</sup> Mr. P R Subramanian( Director)
- <sup>3</sup> Mr. Abhas Kumar ( Director)
- <sup>4</sup> Mr. Sailesh Lalla (relative of key managerial personnel)

**C. 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, 2020  
(All amounts are in USD, unless otherwise stated)

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

	Nature of Transactions*	Holding Company	Subsidiaries	Fellow Subsidiaries	Key Managerial Personnel	Parties in which Key Managerial Personnel of the Company are interested	Total
<b>1</b>	<b>Service received</b>						
	NIIT Limited	11,257,505	-	-	-	-	11,257,505
		(9,004,388)	-	-	-	-	(9,004,388)
	NIIT Limited UK	-	-	755,914	-	-	755,914
		-	-	(530,020)	-	-	(530,020)
	NIIT Ireland Limited	-	-	599,507	-	-	599,507
		-	-	(754,106)	-	-	(754,106)
	NIIT Learning Solutions (Canada) Limited	-	-	484,502	-	-	484,502
		-	-	(490,272)	-	-	(490,272)
	Eagle International Institute Inc. USA	-	56,346	-	-	-	56,346
		-	-	-	-	-	-
	NIIT China (Shanghai) Limited	-	-	206,435	-	-	206,435
		-	-	(436,363)	-	-	(436,363)
<b>2</b>	<b>Service rendered</b>						
	NIIT Limited	288,641	-	-	-	-	288,641
		(173,056)	-	-	-	-	(173,056)
	NIIT Limited UK	-	-	1,699	-	-	1,699
		-	-	-	-	-	-
	NIIT Ireland Limited	-	-	2,077,103	-	-	2,077,103
		-	-	(1,706,678)	-	-	(1,706,678)
	Eagle Training Spain, S.L.	-	2,929	-	-	-	2,929
		-	-	-	-	-	-
	NIIT Learning Solutions (Canada) Limited	-	-	2,163,429	-	-	2,163,429
		-	-	(942,745)	-	-	(942,745)
<b>3</b>	<b>Other Income</b>						
	NIIT Limited	465,485	-	-	-	-	465,485
		(386,480)	-	-	-	-	(386,480)
	NIIT Limited UK	-	-	455,144	-	-	455,144
		-	-	(459,301)	-	-	(459,301)
	NIIT Malaysia SDN BHD	-	-	12,682	-	-	12,682
		-	-	(9,964)	-	-	(9,964)
	NIIT Ireland Limited	-	-	389,184	-	-	389,184
		-	-	(375,030)	-	-	(375,030)
	Eagle International Institute Inc. USA	-	36,011	-	-	-	36,011
		-	(10,511)	-	-	-	(10,511)
	NIIT Learning Solutions (Canada) Ltd	-	-	176,967	-	-	176,967
		-	-	(10,540)	-	-	(10,540)
<b>4</b>	<b>Recovery of expenses From</b>						
<b>i)</b>	<b>- Professional Technical &amp; Outsourcing Services</b>						
	Eagle International Institute Inc. USA	-	36,069	-	-	-	36,069
		-	-	-	-	-	-
	Eagle Training Spain, S.L.	-	5,361	-	-	-	5,361
		-	-	-	-	-	-
	NIIT Learning Solutions (Canada) Ltd	-	-	57,217	-	-	57,217
		-	-	-	-	-	-
	NIIT Limited UK	-	-	186,268	-	-	186,268
		-	-	(13,014)	-	-	(13,014)
<b>ii)</b>	<b>- Other Expenses</b>						
	NIIT Limited	-	-	-	-	-	-
		(216,825)	-	-	-	-	(216,825)
	NIIT Limited UK	-	-	123	-	-	123
		-	-	(967,959)	-	-	(967,959)
	NIIT Ireland Limited	-	-	55,007	-	-	55,007
		-	-	(396,999)	-	-	(396,999)
	NIIT China (Shanghai) Limited	-	-	-	-	-	-
		-	-	(3,628)	-	-	(3,628)
	NIIT Malaysia SDN BHD	-	-	-	-	-	-
		-	-	(10,411)	-	-	(10,411)
	Eagle international Institute Inc. USA	-	5,622	-	-	-	5,622
		-	(275,808)	-	-	-	(275,808)
	NIIT Learning Solutions (Canada) Ltd	-	-	86,122	-	-	86,122
		-	-	(80,759)	-	-	(80,759)
<b>iii)</b>	<b>- Employee Cost</b>						
	NIIT Technologies Inc.	-	-	-	-	1,580	1,580
		-	-	-	-	(6,954)	(6,954)
	Eagle international Institute Inc. USA	-	104,494	-	-	-	104,494
		-	-	-	-	-	-

NIIT (USA), Inc.  
Notes to the Special Purpose Financial Statements for the year ended March 31, 2020  
(All amounts are in USD, unless otherwise stated)

	Nature of Transactions*	Holding Company	Subsidiaries	Fellow Subsidiaries	Key Managerial Personnel	Parties in which Key Managerial Personnel of the Company are interested	Total
5	<b>Recovery of expenses by</b>						
i)	<b>- Professional Technical &amp; Outsourcing Services</b>						
	NIIT Limited	33,658	-	-	-	-	33,658
	NIIT Limited UK	-	-	139,067	-	-	139,067
	Eagle international Institute Inc. USA	-	347,587	(86,467)	-	-	347,587
	NIIT Malaysia SDN BHD	-	-	43,760	-	-	43,760
	NIIT Technologies Ltd. Thailand	-	-	-	-	6,706	6,706
						(60,709)	(60,709)
ii)	<b>- Other Expenses</b>						
	NIIT Limited	151,620	-	-	-	-	151,620
	NIIT Limited UK	(401,793)	-	-	-	-	(401,793)
	NIIT Ireland Limited	-	-	80,095	-	-	80,095
	NIIT Learning Solutions (Canada) Ltd	-	-	(478,473)	-	-	(478,473)
	NIIT Malaysia SDN BHD	-	-	27,529	-	-	27,529
	NIIT Technologies Inc.	-	-	(230,469)	-	-	(230,469)
	Sapnesh Lalla (Chief Executive and Director)	-	-	4,671	-	-	4,671
	Eagle international Institute Inc. USA	-	-	(7,447)	-	-	(7,447)
		-	-	22	-	-	22
		-	-	(652,351)	-	-	(652,351)
		-	-	-	-	(59)	(59)
		-	-	-	52,807	-	52,807
		-	-	-	(18,005)	-	(18,005)
		-	4,572	-	-	-	4,572
		-	(22,261)	-	-	-	(22,261)
iii)	<b>- Employee Cost</b>						
	NIIT Limited	173,805	-	-	-	-	173,805
	NIIT Limited UK	(208,491)	-	-	-	-	(208,491)
	Eagle international Institute Inc. USA	-	16,087	-	-	-	16,087
	Sapnesh Lalla (Chief Executive and Director)	-	-	-	-	-	-
		-	-	-	(1,030)	-	(1,030)
6	<b>Management Cost Recovery By :</b>						
	NIIT Limited	1,464,476	-	-	-	-	1,464,476
		(1,652,952)	-	-	-	-	(1,652,952)
	<b>Management Cost Recovery From :</b>						
	Eagle international Institute Inc. USA	-	236,235	-	-	-	236,235
		-	(365,943)	-	-	-	(365,943)
7	<b>Finance Cost</b>						
	NIIT Malaysia SDN BHD	-	-	-	-	-	-
		-	-	(2,351)	-	-	(2,351)
8	<b>Advance from Affiliates</b>						
	Eagle International Institute Inc. USA	-	-	-	-	-	-
		-	(250,000)	-	-	-	(250,000)
9	<b>Dividend Income</b>						
	Eagle International Institute Inc. USA	-	-	-	-	-	-
		-	(1,250,000)	-	-	-	(1,250,000)
10	<b>Loans to Subsidiary</b>						
	Eagle International Institute Inc. USA	-	775,000	-	-	-	775,000
		-	-	-	-	-	-
11	<b>Loans repaid to Affiliates</b>						
	NIIT Malaysia SDN BHD	-	-	-	-	-	-
		-	-	(650,000)	-	-	(650,000)
12	<b>Remuneration</b>						
	Sapnesh Lalla (Chief Executive and Director)	-	-	-	399,605	-	399,605
		-	-	-	(412,041)	-	(412,041)
	P R Subramanian	-	-	-	224,569	-	224,569
		-	-	-	(214,468)	-	(214,468)
	Abhas Kumar	-	-	-	252,733	-	252,733
		-	-	-	(232,480)	-	(232,480)
	Sailesh Lalla**	-	-	-	402,837	-	402,837
		-	-	-	(400,707)	-	(400,707)

\*\* Relative of key managerial personnel

Refer note 27 for Guarantees and commitments

Figures in parenthesis represent previous year figures

NIIT (USA), Inc.  
Notes to the Special Purpose Financial Statements for the year ended March 31, 2020  
(All amounts are in USD, unless otherwise stated)

**Details of outstanding balances with related parties**

<b>Particular</b>	<b>March 31, 2020</b>	<b>March 31, 2019</b>
<b>Trade receivables(refer note 6)</b>		
NIIT Limited UK	760,891	438,294
NIIT Ireland Limited	1,310,938	1,398,678
NIIT Limited	366,258	410,162
NIIT Malaysia SDN BHD	1,755	35,624
NIIT China (Shanghai) Limited	9,819	3,628
NIIT Learning Solutions (Canada) Ltd	5,257,684	2,634,577
Eagle international Institute Inc. USA	395,953	261,524
Eagle Training Spain, S.L.	12,401	-
<b>Total</b>	<b>8,115,699</b>	<b>5,182,487</b>
<b>Trade payables(refer note 15)</b>		
NIIT Limited UK	1,782,949	1,165,727
NIIT Ireland Limited	645,179	333,809
NIIT Limited	3,734,817	2,899,241
NIIT Malaysia SDN BHD	30,810	5,457
NIIT China (Shanghai) Limited	145,290	19,978
NIIT Learning Solutions (Canada) Ltd	135,488	138,895
NIIT Technologies Ltd. Thailand	-	47,417
NIIT Technologies Inc.	-	9,774
Eagle international Institute Inc. USA	66,209	-
<b>Total</b>	<b>6,540,742</b>	<b>4,620,298</b>
<b>Advance received from Eagle international Institute Inc. USA(refer note 18)</b>	<b>-</b>	<b>250,000</b>
<b>Expenses payables</b>		
Key Managerial Personnel	140,058	27,405
<b>Total</b>	<b>140,058</b>	<b>27,405</b>

**NIIT (USA), Inc.**

**Notes to the Special Purpose Financial Statements for the year ended March 31, 2020**

- 34** The outbreak of Coronavirus (COVID-19) pandemic globally is causing a slowdown in economic activity. In many countries, businesses are being forced to cease or limit their operations for long or indefinite period of time. Measure taken to contain the spread of the virus including travel bans, quarantines, social distancing and closure of non-essential services have triggered disruptions to the business worldwide, resulting in an economic slowdown and uncertainties pertaining to future operations. The Company has considered the possible effects that may result from COVID-19 on the carrying amount of its assets. In developing the assumptions relating to possible uncertainties in the global conditions because of the pandemic, the Company, as on the date of approval of these financials results have used information from multiple sources as available. The Company has performed sensitivity analysis on the assumptions used and based on current estimates expects the carrying amount of other assets will be recovered. The Company will continue to monitor any material changes to the operations based on future economic conditions.
- 35** Previous year figures have been regrouped / reclassified to conform the current year classification.

Signature to Notes '1' to '35' 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

Place: Gurugram

Date: June 1, 2020

**Sapnesh Lalla**

Director

Place: Gurugram

Date: June 1, 2020

**Vijay K Thadani**

Director

Place: Gurugram

Date: June 1, 2020

**P R Subramanian**

Director

Place: Atlanta

Date: June 1, 2020