

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

### **To the Board of Directors of NIIT Learning Solutions (Canada) Limited**

#### **Opinion**

We have audited the accompanying special purpose Ind AS financial statements of NIIT Learning Solutions (Canada) Limited ("the Company"), comprising of the Balance sheet as at March 31, 2021, the Statement of Profit and Loss and the Cash Flow Statement for the year then ended and selected explanatory notes. These special purpose Ind AS financial statements have been prepared by the management of the Company solely for its internal use to assist its parent Company, NIIT Limited, in preparing their consolidated financial statements.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid special purpose Ind AS financial statements is prepared, in all material respects, in accordance with the basis of accounting set out in Note 2.1 of the state of affairs of the Company as at March 31, 2021, its profit and its cash flows for the year then ended.

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

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

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

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

#### **Auditor's Responsibility**

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

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

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

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the special purpose Ind AS financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

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

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

#### **Restriction on distribution**

This report covering the special purpose Ind AS financial statements of the Company for the year ended March 31, 2021 is intended solely for the information and use of the management of the Company in connection for its internal use to assist its parent Company, NIIT Limited, in preparing their consolidated financial statements. These special purpose Ind AS financial statements have been prepared in all material respects in accordance with the basis of preparation as set out in Note 2.1 to the special purpose Ind AS 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. This report should not be otherwise used or shown to or otherwise distributed to any other party or used for any other purpose except with our prior consent in writing. We neither accept nor assume any duty, responsibility or liability to any other party or for any other purpose.

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

Chartered Accountants

ICAI Firm Registration Number: 101049W/ E300004

#### **per Sanjay Bachchani**

Partner

Membership Number: 400419

UDIN: 21400419AAAACB7768

Place: Gurugram

Date: May 24, 2021

**NIIT Learning Solutions (Canada) Limited**  
**Special Purpose Balance Sheet as at March 31, 2021**

(All amounts are in CAD, unless stated otherwise)

|                                      |        | As at             |                   |
|--------------------------------------|--------|-------------------|-------------------|
|                                      | Notes  | March 31, 2021    | March 31, 2020    |
| <b>ASSETS</b>                        |        |                   |                   |
| <b>Non-Current Assets</b>            |        |                   |                   |
| Property, plant and equipment        | 3      | 44,198            | 80,557            |
| Other Intangible assets              | 4      | 13,353,023        | 11,807,611        |
| Right-of-use assets                  | 27(ii) | 72,421            | 115,885           |
| Intangible assets under development  | 4.1    | 610,078           | 2,388,956         |
| Financial Assets                     |        |                   |                   |
| Other financial assets               | 5      | 7,794             | 7,453             |
| <b>Total Non-Current Assets</b>      |        | <b>14,087,514</b> | <b>14,400,462</b> |
| <b>Current Assets</b>                |        |                   |                   |
| Financial Assets                     |        |                   |                   |
| Trade receivables                    | 6      | 857,374           | 689,340           |
| Cash and cash equivalents            | 7      | 6,417,079         | 524,830           |
| Other financial assets               | 5      | 7,427,490         | 1,673,667         |
| Other current assets                 | 8      | 66,620            | 73,653            |
| Income tax assets (net)              | 9(ii)  | -                 | 642               |
| <b>Total Current Assets</b>          |        | <b>14,768,563</b> | <b>2,962,132</b>  |
| <b>TOTAL ASSETS</b>                  |        | <b>28,856,077</b> | <b>17,362,594</b> |
| <b>EQUITY AND LIABILITIES</b>        |        |                   |                   |
| <b>EQUITY</b>                        |        |                   |                   |
| Equity share capital                 | 10     | 9,197,260         | 2,997,260         |
| Other equity                         | 11     | 7,533,075         | (1,167,365)       |
| <b>TOTAL EQUITY</b>                  |        | <b>16,730,335</b> | <b>1,829,895</b>  |
| <b>LIABILITIES</b>                   |        |                   |                   |
| <b>Non-Current Liabilities</b>       |        |                   |                   |
| Financial Liabilities                |        |                   |                   |
| Borrowings                           | 12     | 797,978           | 1,786,022         |
| Lease liabilities                    | 27(ii) | 32,594            | 78,286            |
| Deferred tax liabilities (net)       | 9(i)   | 201,678           | -                 |
| <b>Total Non-Current Liabilities</b> |        | <b>1,032,250</b>  | <b>1,864,308</b>  |
| <b>Current Liabilities</b>           |        |                   |                   |
| Financial Liabilities                |        |                   |                   |
| Trade payables                       | 13     | 3,903,646         | 6,790,847         |
| Other financial liabilities          | 14     | 2,056,320         | 6,059,963         |
| Lease liabilities                    | 27(ii) | 45,687            | 41,570            |
| Provisions                           | 16     | 71,764            | 68,300            |
| Other current liabilities            | 15     | 2,563,358         | 707,711           |
| Income tax liabilities (net)         | 9(ii)  | 2,452,717         | -                 |
| <b>Total Current Liabilities</b>     |        | <b>11,093,492</b> | <b>13,668,391</b> |
| <b>TOTAL EQUITY AND LIABILITIES</b>  |        | <b>28,856,077</b> | <b>17,362,594</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 Learning Solutions (Canada) Limited**

**Sanjay Bachchani**  
Partner  
Membership No. 400419

**P R Subramanian**  
Director

**Sapnesh Lalla**  
Director

**Vijay K Thadani**  
Director

Place: Gurugram  
Date: May 24, 2021

# NIIT Learning Solutions (Canada) Limited

## Special Purpose Statement of Profit and Loss for the year ended March 31, 2021

(All amounts are in CAD, unless stated otherwise)

|                                                          |       | Year ended        |                  |
|----------------------------------------------------------|-------|-------------------|------------------|
|                                                          | Notes | March 31, 2021    | March 31, 2020   |
| <b>INCOME</b>                                            |       |                   |                  |
| Revenue from operations                                  | 17    | 25,252,191        | 6,954,125        |
| Other income                                             | 18    | 743,665           | 59,084           |
| <b>Total income</b>                                      |       | <b>25,995,856</b> | <b>7,013,209</b> |
| <b>EXPENSES</b>                                          |       |                   |                  |
| Professional & technical outsourcing expenses            |       | 6,280,043         | 2,613,721        |
| Employee benefit expenses                                | 19    | 2,960,214         | 1,473,059        |
| Finance costs                                            | 20    | 115,048           | 53,095           |
| Depreciation and amortisation expenses                   | 23    | 3,298,715         | 1,318,503        |
| Other expenses                                           | 21    | 1,986,322         | 1,187,790        |
| <b>Total expenses</b>                                    |       | <b>14,640,342</b> | <b>6,646,168</b> |
| <b>Profit before Tax</b>                                 |       | <b>11,355,514</b> | <b>367,041</b>   |
| <b>Tax expense:</b>                                      |       |                   |                  |
| -Current Tax                                             | 29    | 2,453,396         | -                |
| -Deferred Tax                                            | 29    | 201,678           | -                |
| <b>Total tax expense</b>                                 |       | <b>2,655,074</b>  | <b>-</b>         |
| <b>Profit for the year</b>                               |       | <b>8,700,440</b>  | <b>367,041</b>   |
| <b>Total comprehensive income for the year</b>           |       | <b>8,700,440</b>  | <b>367,041</b>   |
| <b>Earnings per equity share (Face value CAD 1 each)</b> |       |                   |                  |
|                                                          | 25    |                   |                  |
| -Basic                                                   |       | 1.39              | 0.12             |
| -Diluted                                                 |       | 1.39              | 0.12             |

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 Learning Solutions (Canada) Limited**

**Sanjay Bachchani**  
Partner  
Membership No. 400419

**P R Subramanian**  
Director

**Sapnesh Lalla**  
Director

**Vijay K Thadani**  
Director

Place: Gurugram  
Date: May 24, 2021

**NIIT Learning Solutions (Canada) Limited**  
**Cash Flow Statements for the year ended March 31, 2021**

(All amounts are in CAD, unless stated otherwise)

|                                                                       | <b>Year ended</b>     |                       |
|-----------------------------------------------------------------------|-----------------------|-----------------------|
|                                                                       | <b>March 31, 2021</b> | <b>March 31, 2020</b> |
| <b>Cash Flow from Operating Activities</b>                            |                       |                       |
| <b>Profit before Tax</b>                                              | <b>11,355,514</b>     | <b>367,041</b>        |
| Adjustment to reconcile profit before tax to net cash flows:          |                       |                       |
| Depreciation and amortisation                                         | 3,298,715             | 1,318,503             |
| Interest income                                                       | (341)                 | (327)                 |
| Finance cost                                                          | 115,048               | 53,095                |
| Allowance for Doubtful Advances                                       | 205                   | -                     |
| Unrealised foreign exchange (gain)/ loss                              | (500,784)             | 399,534               |
| <b>Operating loss before working capital changes</b>                  | <b>14,268,357</b>     | <b>2,137,846</b>      |
| Working capital adjustments:                                          |                       |                       |
| Increase in trade receivables                                         | (143,061)             | (215,467)             |
| Decrease in other current assets                                      | 7,033                 | 75,269                |
| Increase in other financial assets                                    | (5,754,028)           | (1,496,132)           |
| (Decrease)/Increase in trade payables                                 | (2,411,390)           | 4,229,747             |
| Increase in Provisions                                                | 3,464                 | 29,866                |
| Increase/(Decrease) in other current liabilities                      | 1,855,647             | (833,933)             |
| (Decrease)/Increase in other financial liabilities                    | (4,390,706)           | 1,523,275             |
| <b>Cash generated from operations</b>                                 | <b>3,435,316</b>      | <b>5,450,471</b>      |
| Taxes paid                                                            | (37)                  | (214)                 |
| <b>Net cash flow generated from Operating activities (A)</b>          | <b>3,435,279</b>      | <b>5,450,257</b>      |
| <b>Cash Flow from Investing Activities</b>                            |                       |                       |
| Purchase of property, plant and equipment                             | -                     | (1,268,975)           |
| Purchase of Internally generated Intangible assets                    | (2,985,426)           | (6,620,792)           |
| <b>Net cash flow used in Investing activities (B)</b>                 | <b>(2,985,426)</b>    | <b>(7,889,767)</b>    |
| <b>Cash Flows from Financing Activities</b>                           |                       |                       |
| Issue of share Capital                                                | 6,200,000             | -                     |
| Term Loan raised during the year                                      | 1,000,000             | 3,000,000             |
| Term Loan paid during the year                                        | (1,600,000)           | -                     |
| Payment of Lease Liabilities                                          | (45,956)              | (40,210)              |
| Interest paid                                                         | (111,648)             | (83,643)              |
| <b>Net cash flow generated from Financing Activities (C)</b>          | <b>5,442,396</b>      | <b>2,876,147</b>      |
| <b>Net increase in Cash &amp; Cash equivalents (A + B + C)</b>        | <b>5,892,249</b>      | <b>436,637</b>        |
| Cash and Cash equivalents at the beginning of the year (refer note 7) | 524,830               | 88,193                |
| <b>Cash and Cash equivalents at the year end (refer note 7)</b>       | <b>6,417,079</b>      | <b>524,830</b>        |

**Notes:**

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

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

As per our report of even date

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

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

**Sanjay Bachchani**  
Partner  
Membership No. 400419

**P R Subramanian**  
Director

**Sapnesh Lalla**  
Director

**Vijay K Thadani**  
Director

Place: Gurugram  
Date: May 24, 2021

**NIIT Learning Solutions (Canada) Limited**  
**Statement of changes in equity for the year ended March 31, 2021**

(All amounts are in CAD, unless stated otherwise)

**a) Equity share capital**

| Particulars                                 | Note      | No. of shares    | Amount           |
|---------------------------------------------|-----------|------------------|------------------|
| <b>Balance as at April 1, 2019</b>          | <b>10</b> | <b>100</b>       | <b>100</b>       |
| Equity share capital issued during the year |           | 2,997,160        | 2,997,160        |
| <b>Balance as at March 31, 2020</b>         | <b>10</b> | <b>2,997,260</b> | <b>2,997,260</b> |
| Equity share capital issued during the year |           | 6,200,000        | 6,200,000        |
| <b>Balance as at March 31, 2021</b>         | <b>10</b> | <b>9,197,260</b> | <b>9,197,260</b> |

**b) Other equity**

| Particulars                         | Note      | Reserves and Surplus | Total              |
|-------------------------------------|-----------|----------------------|--------------------|
|                                     |           | Retained Earnings    |                    |
| <b>Balance as at April 1, 2019</b>  | <b>11</b> | <b>(1,534,406)</b>   | <b>(1,534,406)</b> |
| Profit for the year                 |           | 367,041              | 367,041            |
| <b>Balance as at March 31, 2020</b> | <b>11</b> | <b>(1,167,365)</b>   | <b>(1,167,365)</b> |
| Profit for the year                 |           | 8,700,440            | 8,700,440          |
| <b>Balance as at March 31, 2021</b> | <b>11</b> | <b>7,533,075</b>     | <b>7,533,075</b>   |

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

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

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

**Sanjay Bachchani**  
Partner  
Membership No. 400419

**P R Subramanian**  
Director

**Sapnesh Lalla**  
Director

**Vijay K Thadani**  
Director

Place: Gurugram  
Date: May 24, 2021

## **NIIT Learning Solutions (Canada) Limited**

### **Notes to the Special Purpose Financial Statements for the year ended March 31, 2021**

#### **1 Corporate Information**

NIIT Learning Solutions (Canada) Ltd, Canada (the Company) incorporated under the laws of province of British Columbia, Canada on March 10, 2016 and a wholly owned subsidiary of NIIT Ireland Limited, a leading global talent management Company is in the learning business providing services to customers in Canada. The registered place of business of the Company is : 1200, Waterfront Center, 200, Burrard Street, Vancouver BC V6C3L6, Canada.

#### **2 Significant Accounting Policies**

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

##### **2.1 Basis of preparation**

###### **(i) Compliance with Ind AS**

These special purpose Ind AS financial statements has been prepared in accordance with Indian Accounting Standards ('Ind AS') notified under section 133 of the companies Act, 2013 (the Act) read together with the Companies (Indian Accounting Standards) Rules as amended from time to time.

###### **(ii) Historical cost convention**

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

These special purpose Ind AS financial statements have been prepared by the management solely for its internal use to assist its ultimate parent Company (NIIT Limited) in preparing their consolidated financial statements. These special purpose financial statements were approved for issue by the board of directors on May 24, 2021.

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

##### **2.2 Foreign currency translation**

Foreign currency transactions and balances

###### **(i) Initial recognition**

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

###### **(ii) Conversion**

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

###### **(iii) Exchange differences**

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

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

## **NIIT Learning Solutions (Canada) Limited**

### **Notes to the Special Purpose Financial Statements for the year ended March 31, 2021**

#### **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 2.10 - measurement of useful life and residual values of property, plant and equipment.

Note 31 - fair value measurement of financial instruments.

Note 2.7 & 9(i) - judgement required to determine probability of recognition of deferred tax assets.

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 INDAS 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.



## **NIIT Learning Solutions (Canada) Limited**

### **Notes to the Special Purpose Financial Statements for the year ended March 31, 2021**

#### **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. Revenue from training services is recognised over the period of the course programs as the case may be. For fixed-price contracts, revenue is recognised based on the actual service provided to the end of the reporting period as a proportion of the total services to be provided (percentage of completion method). Revenue from time and material contracts is recognised as the related services are performed.

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 Income Tax**

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

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

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

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

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

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

Deferred income tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the end of the reporting period and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled. Deferred tax assets are recognised for all deductible temporary differences and unused tax losses only if it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

## **NIIT Learning Solutions (Canada) Limited**

### **Notes to the Special Purpose Financial Statements for the year ended March 31, 2021**

#### **2.8 Leases**

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

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

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

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

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

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

- (a) The change in lease payments results in revised consideration for the lease that is substantially the same as, or less than, the consideration for the lease immediately preceding the change;
- (b) Any reduction in lease payments affects only payments originally due on or before 30 June 2021 (a rent concession meets this condition if it results in reduced lease payments on or before 30 June 2021 and increased lease payments that extend beyond 30 June 2021); and
- (c) There is no substantive change to other terms and conditions of the lease.

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

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

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

#### **2.9 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 Learning Solutions (Canada) Limited

### Notes to the Special Purpose Financial Statements for the year ended March 31, 2021

#### 2.10 Property, plant and equipment and Depreciation

The Company had applied for the one-time transition exemption of considering the carrying cost on the transition date i.e. April 1, 2016 as the deemed cost under IND AS, regarded thereafter as historical cost

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

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

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

#### 2.11 Investments and other financial assets

##### i) Classification

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

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

The classification depends on the Company's business model for managing the financial assets and the contractual terms of the cash flows. For assets measured at fair value, gains and losses will either be recorded in profit or loss or other comprehensive income. For investments in debt instruments, this will depend on the business model in which the investment is held. For investments in equity instruments, this will depend on whether the Company has made an irrevocable election at the time of initial recognition to account for the equity investment at fair value through other comprehensive income.

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

##### ii) Measurement

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

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

##### 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.

## **NIIT Learning Solutions (Canada) Limited**

### **Notes to the Special Purpose Financial Statements for the year ended March 31, 2021**

#### **iii) Impairment of financial assets**

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

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

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

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

#### **2.12 Employee Benefits**

##### **Pension fund**

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

##### **Compensated Absences**

Liability in respect of compensated absences is provided for both encashable leave and those expected to be availed. Accumulated compensated absences, not exceeding 5 days per calendar year, are carried forward to the next calendar year and can be availed or encashed on separation. The obligation towards the same is measured on the basis of actuarial valuation at the year end.

#### **2.13 Trade and other payables**

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

#### **2.14 Provisions and Contingencies**

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

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

#### **2.15 Earnings Per Share**

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

#### **2.16 Cash and Cash Equivalents**

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

## **NIIT Learning Solutions (Canada) Limited**

### **Notes to the Special Purpose Financial Statements for the year ended March 31, 2021**

#### **2.17 Fair Value measurement**

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

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

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

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

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

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

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

#### **2.18 Recent accounting pronouncements**

##### **Amendments to Division I, II and III of Schedule III**

On March 24, 2021, the Ministry of Corporate Affairs ("MCA") through a notification, amended Schedule III of the Companies Act, 2013. The amendments revise Division I, II and III of Schedule III and are applicable from April 1, 2021. The amendments require extensive disclosures / reclassifications. The Company will evaluate the same to give effect to the changes as required by law from Financial Year 2021-22 and onwards.

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**NIIT Learning Solutions (Canada) Limited**

Notes to the special purpose financial statements for the year ended March 31, 2021

(All amounts are in CAD, unless stated otherwise)

**3 Property, Plant and equipment\***

| Particulars                          | Plant & Equipments | Leasehold Improvements | Furniture & Fixtures | Office Equipments | Total          |
|--------------------------------------|--------------------|------------------------|----------------------|-------------------|----------------|
| <b>Gross Carrying Amount</b>         |                    |                        |                      |                   |                |
| <b>As at April 1, 2019</b>           | 124,981            | 32,243                 | 45,597               | 2,487             | <b>205,308</b> |
| Additions                            | 39,438             | -                      | -                    | -                 | <b>39,438</b>  |
| Disposals                            | 367                | -                      | -                    | -                 | <b>367</b>     |
| <b>As at March 31, 2020 (A)</b>      | <b>164,051</b>     | <b>32,243</b>          | <b>45,597</b>        | <b>2,487</b>      | <b>244,379</b> |
| <b>Accumulated Depreciation</b>      |                    |                        |                      |                   |                |
| <b>As at April 1, 2019</b>           | 78,067             | 22,612                 | 13,376               | 1,038             | <b>115,093</b> |
| Depreciation charged during the year | 35,263             | 6,955                  | 6,380                | 498               | <b>49,096</b>  |
| Disposals                            | 367                | -                      | -                    | -                 | <b>367</b>     |
| <b>As at March 31, 2020 (B)</b>      | <b>112,963</b>     | <b>29,567</b>          | <b>19,756</b>        | <b>1,536</b>      | <b>163,822</b> |
| <b>Net Carrying Amount (A-B)</b>     | <b>51,089</b>      | <b>2,676</b>           | <b>25,841</b>        | <b>951</b>        | <b>80,557</b>  |

|                                      |                |               |               |              |                |
|--------------------------------------|----------------|---------------|---------------|--------------|----------------|
| <b>Gross Carrying Amount</b>         |                |               |               |              |                |
| <b>As at April 1, 2020</b>           | 164,051        | 32,243        | 45,597        | 2,487        | <b>244,379</b> |
| Additions                            | -              | -             | -             | -            | -              |
| Disposals                            | -              | -             | -             | -            | -              |
| <b>As at March 31, 2021 (C)</b>      | <b>164,051</b> | <b>32,243</b> | <b>45,597</b> | <b>2,487</b> | <b>244,379</b> |
| <b>Accumulated Depreciation</b>      |                |               |               |              |                |
| <b>As at April 1, 2020</b>           | 112,963        | 29,567        | 19,756        | 1,536        | <b>163,822</b> |
| Depreciation charged during the year | 26,805         | 2,676         | 6,380         | 498          | <b>36,359</b>  |
| Disposals                            | -              | -             | -             | -            | -              |
| <b>As at March 31, 2021 (D)</b>      | <b>139,768</b> | <b>32,243</b> | <b>26,136</b> | <b>2,034</b> | <b>200,181</b> |
| <b>Net Carrying Amount (C-D)</b>     | <b>24,283</b>  | <b>-</b>      | <b>19,461</b> | <b>453</b>   | <b>44,198</b>  |

**4 Other Intangible Assets\***

| Particulars                      | Content Internally Generated | Total Intangibles Assets |
|----------------------------------|------------------------------|--------------------------|
| <b>Gross Carrying Amount</b>     |                              |                          |
| <b>As at April 1, 2019</b>       | -                            | -                        |
| Additions                        | 13,037,148                   | 13,037,148               |
| Disposals                        | -                            | -                        |
| <b>As at March 31, 2020 (A)</b>  | <b>13,037,148</b>            | <b>13,037,148</b>        |
| <b>As at April 1, 2019</b>       | -                            | -                        |
| Amortisation charge for the year | 1,229,537                    | 1,229,537                |
| Disposals                        | -                            | -                        |
| <b>As at March 31, 2020 (B)</b>  | <b>1,229,537</b>             | <b>1,229,537</b>         |
| <b>Net Carrying Amount (A-B)</b> | <b>11,807,611</b>            | <b>11,807,611</b>        |

|                                  |                   |                   |
|----------------------------------|-------------------|-------------------|
| <b>Gross Carrying Amount</b>     |                   |                   |
| <b>As at April 1, 2020</b>       | 13,037,148        | <b>13,037,148</b> |
| Additions                        | 4,764,304         | <b>4,764,304</b>  |
| Disposals                        | -                 | -                 |
| <b>As at March 31, 2021 (C)</b>  | <b>17,801,452</b> | <b>17,801,452</b> |
| <b>As at April 1, 2020</b>       | 1,229,537         | <b>1,229,537</b>  |
| Amortisation charge for the year | 3,218,892         | <b>3,218,892</b>  |
| Disposals                        | -                 | -                 |
| <b>As at March 31, 2021 (D)</b>  | <b>4,448,429</b>  | <b>4,448,429</b>  |
| <b>Net Carrying Amount (C-D)</b> | <b>13,353,023</b> | <b>13,353,023</b> |

**4.1 Intangible Assets under Development\***

The Company is in the process of internally developing course modules for customer - Real Estate Council of Ontario (RECO). The management estimates that this would offer more technology based learning products/ solutions to the customer in future. The Company is confident of its ability to generate future economic benefits out of the abovementioned assets. The costs incurred during the year towards the development are as follows:

| Description                                         | Year Ended     |                  |
|-----------------------------------------------------|----------------|------------------|
|                                                     | March 31, 2021 | March 31, 2020   |
| Opening Intangible assets under development         | 2,388,956      | 7,575,776        |
| Add:-Expenditure during the Year                    |                |                  |
| Employee Benefits Expense                           | 941,087        | 2,341,601        |
| Professional and technical outsourcing expenses     | 2,023,720      | 5,304,738        |
| Other Expenses                                      | 20,619         | 203,990          |
| Less:-Intangible assets capitalised during the year | 4,764,304      | 13,037,148       |
| <b>Closing Intangible assets under development</b>  | <b>610,078</b> | <b>2,388,956</b> |

\*For details of assets pledged as security against borrowings (refer note 12).

**NIIT Learning Solutions (Canada) Limited****Notes to the special purpose financial statements for the year ended March 31, 2021**

(All amounts are in CAD, unless stated otherwise)

| <b>5 Financial Assets</b>          | <b>As at</b>          |                       |                       |                       |
|------------------------------------|-----------------------|-----------------------|-----------------------|-----------------------|
|                                    | <b>March 31, 2021</b> | <b>March 31, 2020</b> | <b>March 31, 2021</b> | <b>March 31, 2020</b> |
|                                    | <b>Non Current</b>    |                       | <b>Current</b>        |                       |
| <b>i) Security Deposits</b>        |                       |                       |                       |                       |
| Unsecured, considered good         | 7,794                 | 7,453                 | -                     | -                     |
| <b>ii) Contract assets</b>         |                       |                       |                       |                       |
| -Unbilled Revenue (refer note 28)* | -                     | -                     | 7,371,648             | 1,667,178             |
| <b>iii) Other Receivables**</b>    | -                     | -                     | 55,842                | 6,489                 |
| <b>Total</b>                       | <b>7,794</b>          | <b>7,453</b>          | <b>7,427,490</b>      | <b>1,673,667</b>      |

\*Previous year figures have been reclassified to conform the current year classification.

\*\*Includes receivables relating to strategic sourcing.

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## NIIT Learning Solutions (Canada) Limited

### Notes to the special purpose financial statements for the year ended March 31, 2021

(All amounts are in CAD, unless stated otherwise)

#### 6 Trade Receivables

|                                                  | As at          |                |
|--------------------------------------------------|----------------|----------------|
|                                                  | March 31, 2021 | March 31, 2020 |
|                                                  | Current        |                |
| Unsecured, considered good                       |                |                |
| Trade Receivables                                | 238,886        | 331,623        |
| Receivables from Related Parties (refer note 32) | 618,488        | 357,717        |
| <b>Total</b>                                     | <b>857,374</b> | <b>689,340</b> |

Trade receivables are non-interest bearing and are generally on terms upto 45 days. For details of assets pledged as security against borrowings (refer note 12).

#### 7 Cash and Cash equivalents

|                    | As at            |                |
|--------------------|------------------|----------------|
|                    | March 31, 2021   | March 31, 2020 |
|                    | Current          |                |
| Balance with banks |                  |                |
| -Current Accounts  | 6,417,079        | 524,830        |
| <b>Total</b>       | <b>6,417,079</b> | <b>524,830</b> |

#### 8 Other Assets

|                                         | As at          |                |
|-----------------------------------------|----------------|----------------|
|                                         | March 31, 2021 | March 31, 2020 |
|                                         | Current        |                |
| Advances recoverable in cash or in kind |                |                |
| Unsecured, considered good*             | 66,620         | 73,653         |
| <b>Total</b>                            | <b>66,620</b>  | <b>73,653</b>  |

\*It consists primarily employee recoverables and prepaid expenses.



**NIIT Learning Solutions (Canada) Limited**
**Notes to the special purpose financial statements for the year ended March 31, 2021**

(All amounts are in CAD, unless stated otherwise)

**9 Tax Assets (Net)**

| 9(i) Deferred tax assets/ (liabilities)                                                                                                                  | As at            |                |
|----------------------------------------------------------------------------------------------------------------------------------------------------------|------------------|----------------|
|                                                                                                                                                          | March 31, 2021   | March 31, 2020 |
| <b>The balance comprises temporary differences attributable to:</b>                                                                                      |                  |                |
| Carried forward losses                                                                                                                                   | -                | 157,946        |
| Lease Assets (net)                                                                                                                                       | 1,674            | 1,274          |
| <b>Total deferred tax asset</b>                                                                                                                          | <b>1,674</b>     | <b>159,220</b> |
| Less: Tax impact of difference between carrying amount of property, plant & equipment in the financial statements and as per the income tax calculation. | (203,352)        | (159,220)      |
| <b>Deferred tax liabilities (net)</b>                                                                                                                    | <b>(201,678)</b> | <b>-</b>       |

Deferred tax liabilities (net) on timing differences have been recognised as at March 31, 2021 owing to reasonable certainty of future taxable income based on business plans of the Company.

| Movement in deferred tax asset/ (liabilities) | Property, plant & equipment | Carried forward losses | Lease assets | Total            |
|-----------------------------------------------|-----------------------------|------------------------|--------------|------------------|
| <b>As at April 1, 2019</b>                    |                             |                        |              |                  |
| (charged)/credited:                           |                             |                        |              |                  |
| - to profit or loss                           | (159,220)                   | 157,946                | 1,274        | -                |
| <b>As at March 31, 2020</b>                   | <b>(159,220)</b>            | <b>157,946</b>         | <b>1,274</b> | <b>-</b>         |
| (charged)/credited:                           |                             |                        |              |                  |
| - to profit or loss                           | (44,132)                    | (157,946)              | 400          | (201,678)        |
| <b>As at March 31, 2021</b>                   | <b>(203,352)</b>            | <b>-</b>               | <b>1,674</b> | <b>(201,678)</b> |

| 9(ii) Income tax assets / (liabilities) (Net) | As at              |                |
|-----------------------------------------------|--------------------|----------------|
|                                               | March 31, 2021     | March 31, 2020 |
|                                               | <b>Current</b>     |                |
| Advance Income Tax                            | 679                | 642            |
| Less : Provision for Income Tax               | (2,453,396)        | -              |
|                                               | <b>(2,452,717)</b> | <b>642</b>     |

**NIIT Learning Solutions (Canada) Limited****Notes to the special purpose financial statements for the year ended March 31, 2021**

(All amounts are in CAD, unless stated otherwise)

**10 Equity share capital****a) Authorised share capital (Equity share of CAD 1 each)**

| Particulars                 | Equity shares    |                  |
|-----------------------------|------------------|------------------|
|                             | No. of shares    | Amount           |
| <b>As at April 01, 2019</b> | <b>100</b>       | <b>100</b>       |
| Addition during the year    | 2,997,160        | 2,997,160        |
| <b>As at March 31, 2020</b> | <b>2,997,260</b> | <b>2,997,260</b> |
| Addition during the year    | 6,200,000        | 6,200,000        |
| <b>As at March 31, 2021</b> | <b>9,197,260</b> | <b>9,197,260</b> |

**b) Issued share capital (Equity share of CAD 1 each issued, subscribed and fully paid up)**

| Particulars                 | Equity shares    |                  |
|-----------------------------|------------------|------------------|
|                             | No. of shares    | Amount           |
| <b>As at April 01, 2019</b> | <b>100</b>       | <b>100</b>       |
| Issued during the year      | 2,997,160        | 2,997,160        |
| <b>As at March 31, 2020</b> | <b>2,997,260</b> | <b>2,997,260</b> |
| Issued during the year      | 6,200,000        | 6,200,000        |
| <b>As at March 31, 2021</b> | <b>9,197,260</b> | <b>9,197,260</b> |

**c) Detail of class of shares held by the Holding Company**

|                                                        |                        |                                       | As at          |           |                |           |
|--------------------------------------------------------|------------------------|---------------------------------------|----------------|-----------|----------------|-----------|
| Shares in respect of each class in the Company held by | Name of the Company    | Class of shares<br>Equity/ Preference | March 31, 2021 |           | March 31, 2020 |           |
|                                                        |                        |                                       | No. of shares  | Amount    | No. of shares  | Amount    |
| Holding Company                                        | NIIT (Ireland) Limited | Equity                                | 9,197,260      | 9,197,260 | 2,997,260      | 2,997,260 |

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

| Particulars            | As at          |              |                |              |
|------------------------|----------------|--------------|----------------|--------------|
|                        | March 31, 2021 |              | March 31, 2020 |              |
|                        | No. of shares  | % of holding | No. of shares  | % of holding |
| NIIT (Ireland) Limited | 9,197,260      | 100%         | 2,997,260      | 100%         |

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

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

## NIIT Learning Solutions (Canada) Limited

### Notes to the special purpose financial statements for the year ended March 31, 2021

(All amounts are in CAD, unless stated otherwise)

|           |                             | As at            |                    |
|-----------|-----------------------------|------------------|--------------------|
|           |                             | March 31, 2021   | March 31, 2020     |
| <b>11</b> | <b>Reserves and Surplus</b> |                  |                    |
|           | <b>Retained Earnings</b>    |                  |                    |
|           | Opening Balance             | (1,167,365)      | (1,534,406)        |
|           | Add : Profit for the year   | 8,700,440        | 367,041            |
|           | <b>Closing Balance</b>      | <b>7,533,075</b> | <b>(1,167,365)</b> |

*(This space has been intentionally left blank)*

## NIIT Learning Solutions (Canada) Limited

### Notes to the special purpose financial statements for the year ended March 31, 2021

(All amounts are in CAD, unless stated otherwise)

| 12 Borrowings                                                   | As at          |                  |
|-----------------------------------------------------------------|----------------|------------------|
|                                                                 | March 31, 2021 | March 31, 2020   |
|                                                                 | Non Current    |                  |
| <b>Secured Borrowings at Amortized cost</b>                     |                |                  |
| Term Loan from Bank                                             | 2,386,023      | 2,963,865        |
| Less:- Current maturity of Loan Term Borrowings (refer note 14) | (1,588,045)    | (1,177,843)      |
|                                                                 | <b>797,978</b> | <b>1,786,022</b> |

#### Details of security given against Loans

ICICI Bank Canada extended the borrower credit facility in a principal amount of upto Eight Million Canadian Dollars (CAD 800,000). The credit facility is consist of revolving operating credit of One Million Canadian Dollars (CAD 1000,000), a term loan facility of Four Million Canadian Dollars (CAD 4,000,000) and a letter of credit facility of Three Million Canadian Dollars (CAD 3,000,000). The company has availed term loan for Four Million Canadian Dollars (CAD 4,000,000) from ICICI Bank Canada which is secured by all property and assets of the company and a guarantee by the ultimate holding company NIIT Ltd, guaranteeing the payment and performance of the obligation in an amount of Five Million Canadian Dollars (CAD 5,000,000).

#### Terms of repayment

Term Loan for Four Million Canadian Dollars (CAD 4,000,000) [Outstanding as at March 31, 2021 is Two Million Four lakh Canadian Dollars (CAD 2,400,000)] is repayable as follows:

| Repayment Dates    | % Term loan facility |
|--------------------|----------------------|
| September 30, 2022 | 10%                  |
| June 30, 2022      | 10%                  |
| March 31, 2022     | 10%                  |
| December 31, 2021  | 10%                  |
| September 30, 2021 | 10%                  |
| June 30, 2021      | 10%                  |
| March 31, 2021     | 10%                  |
| December 31, 2020  | 10%                  |
| September 30, 2020 | 10%                  |
| June 30, 2020      | 10%                  |
|                    | <b>100%</b>          |

#### Interest

The revolving and Term Loan facility availed from ICICI Bank shall bear interest at a rate per annum equal at all times to the 3-month CDOR rate 0.48% in effect on the interest reset date plus the 1%.

#### Maturity Date

The revolving maturity date in the case of the term loan is September 30, 2022.

# NIIT Learning Solutions (Canada) Limited

## Notes to the special purpose financial statements for the year ended March 31, 2021

(All amounts are in CAD, unless stated otherwise)

### 13 Trade Payables

Trade Payables  
Trade payables to related parties (refer note 32)

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

| As at            |                  |
|------------------|------------------|
| March 31, 2021   | March 31, 2020   |
| Current          |                  |
| 1,346,275        | 1,870,836        |
| 2,557,371        | 4,920,011        |
| <b>3,903,646</b> | <b>6,790,847</b> |

### 14 Other Financial Liabilities

Current Maturities of Long Term-Borrowings (refer note 12)  
Interest accrued but not due on borrowings  
Payable to employees  
Other Payables\*  
Other Payables to related parties (refer note 32)  
Capital Creditors related parties (refer note 32)  
Capital Creditors others

\*Payables relates to strategic sourcing.

| As at            |                  |
|------------------|------------------|
| March 31, 2021   | March 31, 2020   |
| Current          |                  |
| 1,588,045        | 1,177,843        |
| 1,755            | 24,894           |
| 266,476          | 167,874          |
| 37,220           | 73,516           |
| -                | 443,116          |
| 162,824          | 4,039,756        |
| -                | 132,964          |
| <b>2,056,320</b> | <b>6,059,963</b> |

### 15 Other Liabilities

#### Contract liabilities (refer note 28)

-Deferred Revenue \*  
-Advances from Customers  
Statutory Dues\*\*

\*Previous year figures have been reclassified to conform the current year classification.

\*\*Statutory Dues primarily pertains to GST/HST.

| As at            |                |
|------------------|----------------|
| March 31, 2021   | March 31, 2020 |
| Current          |                |
| 121,875          | 102,236        |
| 2,143,265        | 541,176        |
| 298,218          | 64,299         |
| <b>2,563,358</b> | <b>707,711</b> |

### 16 Provisions

Provision for Compensated Absences

| As at          |                |
|----------------|----------------|
| March 31, 2021 | March 31, 2020 |
| Current        |                |
| 71,764         | 68,300         |
| <b>71,764</b>  | <b>68,300</b>  |

**NIIT Learning Solutions (Canada) Limited****Notes to the special purpose financial statements for the year ended March 31, 2021**

(All amounts are in CAD, unless stated otherwise)

| <b>17 Revenue From Operations</b> | <b>Year ended</b>     |                       |
|-----------------------------------|-----------------------|-----------------------|
|                                   | <b>March 31, 2021</b> | <b>March 31, 2020</b> |
| Sale of Service (refer note 28)   | 25,252,191            | 6,954,125             |
|                                   | <b>25,252,191</b>     | <b>6,954,125</b>      |

  

| <b>18 Other Income</b>                                     | <b>Year ended</b>     |                       |
|------------------------------------------------------------|-----------------------|-----------------------|
|                                                            | <b>March 31, 2021</b> | <b>March 31, 2020</b> |
| Gain on Foreign Currency Translation and Transaction (net) | 431,368               | -                     |
| Other Non-Operating Income                                 | 311,956               | 58,757                |
| Unwinding of Interest on Security Deposit                  | 341                   | 327                   |
|                                                            | <b>743,665</b>        | <b>59,084</b>         |

  

| <b>19 Employee Benefits Expenses*</b>     | <b>Year ended</b>     |                       |
|-------------------------------------------|-----------------------|-----------------------|
|                                           | <b>March 31, 2021</b> | <b>March 31, 2020</b> |
| Salaries, Wages and Bonus                 | 2,809,937             | 1,396,786             |
| Contribution to Provident and other Funds | 139,897               | 65,711                |
| Staff Welfare                             | 10,380                | 10,562                |
|                                           | <b>2,960,214</b>      | <b>1,473,059</b>      |

\*Net of CAD 941,087 (Previous year CAD 2,341,601) capitalized in Intangible asset under development (refer note 4.1).

# NIIT Learning Solutions (Canada) Limited

## Notes to the special purpose financial statements for the year ended March 31, 2021

(All amounts are in CAD, unless stated otherwise)

|                                                   | Year ended     |                |
|---------------------------------------------------|----------------|----------------|
|                                                   | March 31, 2021 | March 31, 2020 |
| <b>20 Finance Costs</b>                           |                |                |
| Interest on borrowings                            | 80,675         | 37,806         |
| Interest on lease liabilities (refer note 27(ii)) | 4,381          | 5,587          |
| Other Borrowing Costs                             | 29,992         | 9,702          |
|                                                   | <b>115,048</b> | <b>53,095</b>  |

|                                                                      | Year ended       |                  |
|----------------------------------------------------------------------|------------------|------------------|
|                                                                      | March 31, 2021   | March 31, 2020   |
| <b>21 Other Expenses*</b>                                            |                  |                  |
| Royalties (refer note 32)                                            | 921,609          | 146,237          |
| Rent [refer note 27(i)]                                              | 51,304           | 50,949           |
| Rates and Taxes                                                      | 12,209           | 6,808            |
| Communication Costs                                                  | 46,642           | 35,274           |
| Legal and Professional (refer note 22)                               | 113,227          | 74,857           |
| Management Cost Recovery by Ultimate Holding Company (refer note 32) | 663,838          | 174,583          |
| Travelling and Conveyance                                            | 2,736            | 59,266           |
| Allowance for Doubtful Advances                                      | 205              | -                |
| Insurance                                                            | 27,308           | 27,529           |
| Repairs and Maintenance                                              |                  |                  |
| - Plant and Machinery                                                | 1,122            | 1,212            |
| - Others                                                             | 150              | 2,865            |
| Loss on Foreign Currency Translation and Transaction (net)           | -                | 427,156          |
| Bank Charges                                                         | 73,251           | 67,911           |
| Marketing & Advertising Expenses                                     | 72,318           | 110,599          |
| Sundry Expenses                                                      | 403              | 2,544            |
| <b>Total</b>                                                         | <b>1,986,322</b> | <b>1,187,790</b> |

\*Net of CAD 20,619 (Previous year CAD 203,990) capitalized in Intangible asset under development (refer note 4.1)

|                                                 | Year ended     |                |
|-------------------------------------------------|----------------|----------------|
|                                                 | March 31, 2021 | March 31, 2020 |
| <b>22 Payment To Auditors (excluding taxes)</b> |                |                |
| Audit Fee                                       | 5,754          | 6,000          |
| Reimbursement of expenses                       | -              | 1,058          |
|                                                 | <b>5,754</b>   | <b>7,058</b>   |

|                                                         | Year ended       |                  |
|---------------------------------------------------------|------------------|------------------|
|                                                         | March 31, 2021   | March 31, 2020   |
| <b>23 Depreciation And Amortization Expense</b>         |                  |                  |
| Depreciation on tangible assets (refer note 3)          | 36,359           | 49,096           |
| Amortization on intangible assets (refer note 4)        | 3,218,892        | 1,229,537        |
| Depreciation on right-of-use assets (refer note 27(ii)) | 43,464           | 39,870           |
|                                                         | <b>3,298,715</b> | <b>1,318,503</b> |

## NIIT Learning Solutions (Canada) Limited

### Notes to the special purpose financial statements for the year ended March 31, 2021

(All amounts are in CAD, unless stated otherwise)

#### 24 Contingent Liabilities

Issuance of Performance Bank Guarantee of CAD 3,000,000 [Previous year CAD 3,000,000] by NIIT USA Inc. on behalf of NIIT Learning Solutions (Canada) Limited. The subject bank guarantee has been issued in terms of Registration Education Services Agreement dated March 30, 2017 between NIIT Learning Solutions (Canada) Limited, Real Estate Council of Ontario, Registrar appointed under the Real Estate and Business Brokers Act, 2002 and Humber College Institute of Technology & Advanced Learning.

#### 25 Earnings Per Share

As at

| Particular                                                                        | March 31, 2021 | March 31, 2020 |
|-----------------------------------------------------------------------------------|----------------|----------------|
| Profit attributable to equity shareholders (CAD) - (A)                            | 8,700,440      | 367,041        |
| Weighted average number of equity shares outstanding during the year (Nos.) - (B) | 6,241,644      | 2,997,260      |
| Nominal value of equity shares (CAD)                                              | 1              | 1              |
| Basic and diluted earnings per share (CAD) - (A/B)                                | 1.39           | 0.12           |

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

#### 26 Segmental Reporting

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



## NIIT Learning Solutions (Canada) Limited

### Notes to the special purpose financial statements for the year ended March 31, 2021

(All amounts are in CAD, unless stated otherwise)

#### 27 Leases

- 27(i) Aggregate amounts during the year for short term leases in respect of equipments, vehicles and premises for office and employees accommodation amounting to CAD 51,304 (Previous year CAD 50,949).

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

| Particulars                 | Total          |
|-----------------------------|----------------|
| <b>As at April 1, 2019</b>  | <b>155,755</b> |
| Additions                   | -              |
| Deletion                    | -              |
| Depreciation                | (39,870)       |
| <b>As at March 31, 2020</b> | <b>115,885</b> |
| <b>As at April 1, 2020</b>  | <b>115,885</b> |
| Additions                   | -              |
| Deletion                    | -              |
| Depreciation                | (43,464)       |
| <b>As at March 31, 2021</b> | <b>72,421</b>  |

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

| Particulars                 | Total          |
|-----------------------------|----------------|
| <b>As at April 1, 2019</b>  | <b>154,479</b> |
| Additions                   | -              |
| Deletion                    | -              |
| Accretion of interest       | 5,587          |
| Lease rental                | (40,210)       |
| <b>As at March 31, 2020</b> | <b>119,856</b> |
| <b>As at April 1, 2020</b>  | <b>119,856</b> |
| Additions                   | -              |
| Deletion                    | -              |
| Accretion of interest       | 4,381          |
| Lease rental                | (45,956)       |
| <b>As at March 31, 2021</b> | <b>78,281</b>  |

The following is the break-up of current and non-current lease liabilities as of March 31, 2021 and March 31, 2020 :

| Particulars                   | March 31, 2021 | March 31, 2020 |
|-------------------------------|----------------|----------------|
| Current Lease liabilities     | 45,687         | 41,570         |
| Non Current Lease liabilities | 32,594         | 78,286         |
| <b>Total</b>                  | <b>78,281</b>  | <b>119,856</b> |

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

| Particulars                                 | March 31, 2021 | March 31, 2020 |
|---------------------------------------------|----------------|----------------|
| Depreciation expense on right-of-use assets | 43,464         | 39,870         |
| Interest expense on lease liabilities       | 4,381          | 5,587          |
| <b>Total</b>                                | <b>47,845</b>  | <b>45,457</b>  |

The table below provides details regarding the contractual maturities of lease liabilities as of March 31, 2021 and March 31, 2020 :

| Particulars         | March 31, 2021 | March 31, 2020 |
|---------------------|----------------|----------------|
| Less than one year  | 45,687         | 41,570         |
| One to Two years    | 32,594         | 45,687         |
| More than Two years | -              | 32,599         |
| <b>Total</b>        | <b>78,281</b>  | <b>119,856</b> |

**NIIT Learning Solutions (Canada) Limited****Notes to the special purpose financial statements for the year ended March 31, 2021**

(All amounts are in CAD, unless stated otherwise)

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

Sale of Services

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

Services transferred over time

**Total**

|  | March 31, 2021    | March 31, 2020   |
|--|-------------------|------------------|
|  |                   |                  |
|  | 25,252,191        | 6,954,125        |
|  | <b>25,252,191</b> | <b>6,954,125</b> |
|  |                   |                  |
|  | 25,252,191        | 6,954,125        |
|  | <b>25,252,191</b> | <b>6,954,125</b> |
|  |                   |                  |
|  | 857,374           | 689,340          |
|  | 7,371,648         | 1,667,178        |
|  | (2,265,140)       | (643,412)        |
|  | <b>5,963,882</b>  | <b>1,713,106</b> |

**b. Contract Balances**

Trade Receivables (refer note 6)

Contract Assets (refer note 5)

Contract Liabilities (refer note 15)

There is no difference between revenue recognised in Statement of Profit and Loss and contracted price.

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

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

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

Contract assets includes unbilled revenue.

Contract liabilities includes deferred revenue and advance from customers.

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

The remaining performance obligation disclosure provides the aggregate amount of the transaction price yet to be recognized as at the end of the reporting period and an explanation as to when the Company expects to recognize these amounts in revenue. As on March 31, 2021, there were no remaining performance obligation as the same is satisfied upon delivery of goods/services.

# NIIT Learning Solutions (Canada) Limited

## Notes to the special purpose financial statements for the year ended March 31, 2021

(All amounts are in CAD, unless stated otherwise)

| 29 Income Tax Expense                                            | Year ended       |                |
|------------------------------------------------------------------|------------------|----------------|
|                                                                  | March 31, 2021   | March 31, 2020 |
| <b>i) Tax expense recognized in statement of profit and loss</b> |                  |                |
| Current tax                                                      | 2,453,396        | -              |
| Deferred tax                                                     | 201,678          | -              |
| <b>Total</b>                                                     | <b>2,655,074</b> | <b>-</b>       |

### ii) Effective tax reconciliation

This note provides an analysis of the Company's income tax expense, show amounts that are recognized directly in equity and how the tax expense is affected by non-assessable and non-deductible items. It also explains significant estimates made in relation to the Company's tax positions.

#### (a) Income tax expense

##### Current tax

Current tax on profits of the year

##### Total current tax expense (A)

2,453,396

-

**2,453,396**

**-**

##### Deferred tax

Deferred tax charge

##### Total deferred tax expense (B)

##### Income tax expense (A+B)

201,678

-

**201,678**

**-**

**2,655,074**

**-**

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

|                                         | 26%*       | 26%*    |
|-----------------------------------------|------------|---------|
| Profit before tax                       | 11,355,514 | 367,041 |
| Income tax at the Canada tax rate @ 26% | 2,952,434  | 95,431  |

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

|                                |                  |          |
|--------------------------------|------------------|----------|
| Unrecognized Timing Difference | (297,360)        | (95,431) |
| <b>Total</b>                   | <b>2,655,074</b> | <b>-</b> |

## NIIT Learning Solutions (Canada) Limited

### Notes to the special purpose financial statements for the year ended March 31, 2021

(All amounts are in CAD, unless stated otherwise)

#### 30 Financial risk management

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

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

##### (i) Market Risk

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

##### Interest rate risk

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

##### Foreign currency risk

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

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

| Financial Liabilities                                      | March 31, 2021   | March 31, 2020   |
|------------------------------------------------------------|------------------|------------------|
| <b>Payables</b>                                            |                  |                  |
| USD                                                        | 1,204,462        | 6,368,423        |
| GBP                                                        | 37,710           | 715,204          |
| Others                                                     | 29,702           | 121,248          |
| <b>Net exposure to foreign currency risk (liabilities)</b> | <b>1,271,875</b> | <b>7,204,876</b> |

## NIIT Learning Solutions (Canada) Limited

### Notes to the special purpose financial statements for the year ended March 31, 2021

(All amounts are in CAD, unless stated otherwise)

#### Sensitivity

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

| Particulars                                                                   | Impact on Profit and Loss     |                               | Impact on Profit and Loss     |                               |
|-------------------------------------------------------------------------------|-------------------------------|-------------------------------|-------------------------------|-------------------------------|
|                                                                               | Gain / (Loss) on appreciation | Gain / (Loss) on Depreciation | Gain / (Loss) on appreciation | Gain / (Loss) on Depreciation |
| 1% appreciation / depreciation in CAD against following foreign currencies *: |                               |                               |                               |                               |
| USD                                                                           | (12,045)                      | 12,045                        | (63,684)                      | 63,684                        |
| GBP                                                                           | (377)                         | 377                           | (7,152)                       | 7,152                         |
| Others                                                                        | (297)                         | 297                           | (1,212)                       | 1,212                         |
|                                                                               | <b>(12,719)</b>               | <b>12,719</b>                 | <b>(72,049)</b>               | <b>72,049</b>                 |

\* Holding all other variables constant

GBP: Great Britain Pound sterling, USD: United States Dollar

#### ii) Credit risk

Credit risk refers to the risk of default on its obligation by the counter party resulting in a financial loss. The maximum exposure to the credit risk at the reporting date is primarily from trade receivables amounting to CAD 857,374 and CAD 689,340 as of March 31, 2021 and March 31, 2020, respectively and unbilled revenue amounting to CAD 7,371,648 and CAD 1,667,178 as of March 31, 2021 and March 31, 2020, respectively. Trade receivables and unbilled revenue are typically unsecured and are derived from revenue earned through affiliates and other corporate customers. The Company has used the expected credit loss model to assess the impairment loss or gain on trade receivables and unbilled revenue, and has provided it wherever appropriate.

#### iii) Liquidity risk

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

#### Maturities of financial liabilities

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

|                             | Less than 1 year  | 1-2 Years        | 2-5 Years      | Total             |
|-----------------------------|-------------------|------------------|----------------|-------------------|
| <b>March 31, 2021</b>       |                   |                  |                |                   |
| Borrowings                  | 1,588,045         | 797,978          | -              | 2,386,023         |
| Trade payables              | 3,903,646         | -                | -              | 3,903,646         |
| Lease liabilities           | 45,687            | 32,594           | -              | 78,281            |
| Other financial liabilities | 468,275           | -                | -              | 468,275           |
|                             | <b>6,005,653</b>  | <b>830,572</b>   | <b>-</b>       | <b>6,836,225</b>  |
| <b>March 31, 2020</b>       |                   |                  |                |                   |
| Borrowings                  | 1,177,843         | 1,588,045        | 197,977        | 2,963,865         |
| Trade payables              | 6,790,847         | -                | -              | 6,790,847         |
| Lease liabilities           | 41,570            | 45,687           | 32,599         | 119,856           |
| Other financial liabilities | 4,882,120         | -                | -              | 4,882,120         |
|                             | <b>12,892,380</b> | <b>1,633,732</b> | <b>230,576</b> | <b>14,756,688</b> |

## NIIT Learning Solutions (Canada) Limited

### Notes to the special purpose financial statements for the year ended March 31, 2021

(All amounts are in CAD, unless stated otherwise)

#### 31 Fair value measurements

##### (i) Fair value hierarchy

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

Level 1: Level 1 hierarchy includes financial instruments measured using quoted prices. This includes listed equity instruments, traded bonds and mutual funds that have quoted price.

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

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

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

|                                    | As at             |                   |
|------------------------------------|-------------------|-------------------|
|                                    | March 31, 2021    | March 31, 2020    |
|                                    | Carrying value    | Carrying value    |
| <b>Financial assets</b>            |                   |                   |
| Trade receivables                  | 857,374           | 689,340           |
| Cash and Bank Balances             | 6,417,079         | 524,830           |
| Other Financial Assets             | 7,435,284         | 1,681,120         |
| <b>Total financial assets</b>      | <b>14,709,737</b> | <b>2,895,290</b>  |
| <b>Financial liabilities</b>       |                   |                   |
| Borrowings                         | 797,978           | 1,786,022         |
| Trade payables                     | 3,903,646         | 6,790,847         |
| Other financial Liabilities        | 2,056,320         | 6,059,963         |
| Lease Liabilities                  | 78,281            | 119,856           |
| <b>Total financial liabilities</b> | <b>6,836,225</b>  | <b>14,756,688</b> |

As of March 31, 2021 and March 31, 2020, the fair value of cash and bank balances, trade receivables, other financial assets and liabilities, borrowings, trade payables approximate their carrying amount largely due to the nature of these instruments.

## **NIIT Learning Solutions (Canada) Limited**

### **Notes to the special purpose financial statements for the year ended March 31, 2021**

(All amounts are in CAD, unless stated otherwise)

#### **32 Related Party Transactions :**

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

**Holding Company - NIIT Ireland Limited**

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

##### **B. Fellow Subsidiaries**

1. NIIT Institute of Finance Banking and Insurance Training Limited
2. Mindchampion Learning Systems Limited
3. NIIT Yuva Jyoti Limited (Under Voluntary Liquidation w.e.f. February 19, 2020)
4. NIIT Institute of Process Excellence Limited (Under Voluntary Liquidation w.e.f. February 19, 2020)
5. NIIT USA Inc, USA
6. Stackroute Learning Inc., USA (Incorporated on December 29, 2020) (subsidiary of entity at serial no. 5)
7. NIIT Limited, UK
8. NIIT Malaysia Sdn. Bhd, Malaysia
9. NIIT West Africa Limited
10. NIIT GC Limited, Mauritius
11. Eagle International Institute Inc. USA (subsidiary of entity at serial no. 5)
12. Eagle Training Spain, S.L.U (subsidiary of entity at serial no. 11)
13. PT NIIT Indonesia, Indonesia (under liquidation)
14. NIIT China (Shanghai) Limited, Shanghai (subsidiary of entity at serial no. 10)
15. NIIT Wuxi Service Outsourcing Training School, China (Deregistered on June 24, 2020) (subsidiary of entity at serial no. 14)
16. Wuxi NIIT Information Technology Consulting Limited, China (Closed on October 30, 2020) (subsidiary of entity at serial no. 14)
17. Su Zhou NIIT Information Technology Consulting Limited, China (subsidiary of entity at serial no. 16)
18. Changzhou NIIT Information Technology Consulting Limited, China (subsidiary of entity at serial no. 16)
19. Zhangjiagang NIIT Information Services Limited, China (Closed on August 12, 2019) (subsidiary of entity at serial no. 14)
20. Chengmai NIIT Information Technology Company Limited, China (Under Closure) (subsidiary of entity at serial no. 14)
21. Chongqing An Dao Education Consulting Limited, China (subsidiary of entity at serial no. 14)
22. Chongqing NIIT Education Consulting Limited, China (Closed on January 20, 2021) (subsidiary of entity at serial no. 14)
23. Ningxia NIIT Education Technology Company Limited, China (subsidiary of entity at serial no. 14)
24. Guizhou NIIT information technology consulting Co., Limited, China (subsidiary of entity at serial no. 14)
25. NIIT (Guizhou) Education Technology Co., Limited, China (subsidiary of entity at serial no. 14)

##### **C. Key Management Personnel**

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

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

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

All outstanding balances are unsecured and are repayable in cash.

**NIIT Learning Solutions (Canada) Limited**
**Notes to the special purpose financial statements for the year ended March 31, 2021**

(All amounts are in CAD, unless stated otherwise)

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

| Nature of Transactions                                                          | Ultimate Holding Company | Holding Company | Fellow Subsidiaries | Total       |
|---------------------------------------------------------------------------------|--------------------------|-----------------|---------------------|-------------|
| <b>Purchase of services - professional technical &amp; outsourcing services</b> |                          |                 |                     |             |
| NIIT Ireland Limited                                                            | -                        | 29,895          | -                   | 29,895      |
|                                                                                 | -                        | (1,447)         | -                   | (1,447)     |
| NIIT Limited, UK                                                                | -                        | -               | 14,400              | 14,400      |
|                                                                                 | -                        | -               | (35,327)            | (35,327)    |
| NIIT (USA) Inc.                                                                 | -                        | -               | 2,620,165           | 2,620,165   |
|                                                                                 | -                        | -               | (3,128,976)         | (3,128,976) |
| NIIT Limited, India                                                             | 1,935,910                | -               | -                   | 1,935,910   |
|                                                                                 | (1,510,478)              | -               | -                   | (1,510,478) |
| <b>Management Cost Recovery</b>                                                 |                          |                 |                     |             |
| NIIT Limited, India                                                             | 663,838                  | -               | -                   | 663,838     |
|                                                                                 | (174,583)                | -               | -                   | (174,583)   |
| <b>Sales of services</b>                                                        |                          |                 |                     |             |
| NIIT Ireland Limited                                                            | -                        | 216,911         | -                   | 216,911     |
|                                                                                 | -                        | (205,062)       | -                   | (205,062)   |
| NIIT (USA) Inc.                                                                 | -                        | -               | 1,216,419           | 1,216,419   |
|                                                                                 | -                        | -               | (592,868)           | (592,868)   |
| NIIT Limited, India                                                             | 364                      | -               | -                   | 364         |
|                                                                                 | (6,632)                  | -               | -                   | (6,632)     |
| NIIT Limited, UK                                                                | -                        | -               | 4,485               | 4,485       |
|                                                                                 | -                        | -               | (58,529)            | (58,529)    |
| <b>Other Income</b>                                                             |                          |                 |                     |             |
| NIIT (USA) Inc.                                                                 | -                        | -               | 309,290             | 309,290     |
|                                                                                 | -                        | -               | (55,744)            | (55,744)    |
| <b>Issue of Share Capital</b>                                                   |                          |                 |                     |             |
| NIIT Ireland Limited                                                            | -                        | 6,200,000       | -                   | 6,200,000   |
|                                                                                 | -                        | -               | -                   | -           |

Figures in parenthesis represent Previous Year's figure.



**NIIT Learning Solutions (Canada) Limited**
**Notes to the special purpose financial statements for the year ended March 31, 2021**

(All amounts are in CAD, unless stated otherwise)

| Nature of Transactions                             | Ultimate Holding Company | Holding Company | Fellow Subsidiaries | Total       |
|----------------------------------------------------|--------------------------|-----------------|---------------------|-------------|
| <b>Recovery of expenses from -Other Expenses</b>   |                          |                 |                     |             |
| NIIT (USA) Inc.                                    | -                        | -               | -                   | -           |
|                                                    | -                        | -               | (6,239)             | (6,239)     |
| NIIT Ireland Limited                               | -                        | -               | -                   | -           |
|                                                    | -                        | (21,990)        | -                   | (21,990)    |
| NIIT Limited, UK                                   | -                        | -               | -                   | -           |
|                                                    | -                        | -               | (1,200)             | (1,200)     |
| <b>Share Capital</b>                               |                          |                 |                     |             |
| NIIT Ireland Limited                               | -                        | -               | -                   | -           |
|                                                    | -                        | (100)           | -                   | (100)       |
| <b>Interest free advance, receivable on demand</b> |                          |                 |                     |             |
| NIIT Ireland Limited                               | -                        | -               | -                   | -           |
|                                                    | -                        | (4,110,662)     | -                   | (4,110,662) |
| <b>Interest free advance, payable on demand</b>    |                          |                 |                     |             |
| NIIT Ireland Limited                               | -                        | -               | -                   | -           |
|                                                    | -                        | (5,521,719)     | -                   | (5,521,719) |
| <b>Recovery of expenses by - PTOS</b>              |                          |                 |                     |             |
| NIIT (USA) Inc.                                    | -                        | -               | -                   | -           |
|                                                    | -                        | -               | (74,165)            | (74,165)    |
| NIIT Limited, UK                                   | -                        | -               | -                   | -           |
|                                                    | -                        | -               | (7,819)             | (7,819)     |
| <b>Recovery of expenses by - Royalties</b>         |                          |                 |                     |             |
| NIIT Limited                                       | 921,609                  | -               | -                   | 921,609     |
|                                                    | (146,237)                | -               | -                   | (146,237)   |
| <b>Recovery of expenses by - Other Expenses</b>    |                          |                 |                     |             |
| NIIT (USA) Inc.                                    | -                        | -               | -                   | -           |
|                                                    | -                        | -               | (176,529)           | (176,529)   |
| NIIT Limited, UK                                   | -                        | -               | -                   | -           |
|                                                    | -                        | -               | (374)               | (374)       |
| NIIT Limited                                       | -                        | -               | -                   | -           |
|                                                    | (58,893)                 | -               | -                   | (58,893)    |
| NIIT Ireland Limited                               | -                        | -               | -                   | -           |
|                                                    | -                        | (42)            | -                   | (42)        |

Figures in parenthesis represent Previous Year's figure.

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

| Particulars                         | As at            |                  |
|-------------------------------------|------------------|------------------|
|                                     | March 31, 2021   | March 31, 2020   |
| <b>Receivables</b>                  |                  |                  |
| NIIT (USA) Inc.                     | 540,910          | 181,183          |
| NIIT Ireland Limited                | 77,251           | 116,805          |
| NIIT Limited, UK                    | -                | 59,729           |
| NIIT Limited, India                 | 327              | -                |
| <b>Total (refer note 6)</b>         | <b>618,488</b>   | <b>357,717</b>   |
| <b>Payables</b>                     |                  |                  |
| NIIT Limited, India                 | 1,387,415        | 1,118,310        |
| NIIT (USA) Inc.                     | 1,256,394        | 6,932,982        |
| NIIT Ireland Limited                | 28,936           | 556,102          |
| NIIT Limited, UK                    | 47,450           | 795,489          |
| <b>Total (refer note 13 and 14)</b> | <b>2,720,195</b> | <b>9,402,883</b> |

## NIIT Learning Solutions (Canada) Limited

### Notes to the special purpose financial statements for the year ended March 31, 2021

(All amounts are in CAD, unless stated otherwise)

#### 33 Capital Management

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

There is no default on the repayment of borrowings (including interest thereon) during the year ended March 31, 2021.

| <b>Debt equity ratio:</b><br><b>Particulars</b> | <b>As at</b>          |                       |
|-------------------------------------------------|-----------------------|-----------------------|
|                                                 | <b>March 31, 2021</b> | <b>March 31, 2020</b> |
| Borrowings (refer note 12)                      | 2,386,023             | 2,963,865             |
| <b>Total Debt (A)</b>                           | <b>2,386,023</b>      | <b>2,963,865</b>      |
| Equity share capital [refer note 10(b)]         | 9,197,260             | 2,997,260             |
| Other equity (refer note 11)                    | 7,533,075             | (1,167,365)           |
| <b>Total Equity (B)</b>                         | <b>16,730,335</b>     | <b>1,829,895</b>      |
| <b>Profit after tax (C)</b>                     | <b>8,700,440</b>      | <b>367,041</b>        |
| <b>Debt equity ratio (A/B)</b>                  | 0.14                  | 1.62                  |
| <b>Return on equity Ratio (%) (C/B)</b>         | 52%                   | 20%                   |

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## **NIIT Learning Solutions (Canada) Limited**

### **Notes to the special purpose financial statements for the year ended March 31, 2021**

- 34** COVID-19 pandemic has severely impacted businesses around the world and is causing a slowdown of economic activity. In preparation of these financial statement, the Company has performed sensitivity analysis on the assumptions used and considered all the possible impacts of COVID-19 on the carrying value of its assets. Based on current estimates the Company expects that the carrying value of these assets will be recovered. The Company has carried out this assessment based on available internal and external sources of information up to the date of approval of these financial statements.

The Company will continue to monitor any material changes to the operations based on future economic conditions owing to the nature and duration of COVID-19. The impact of COVID-19 on the Company's financial statements may differ from that estimated as at the date of approval of these financial statements.

- 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 Learning Solutions (Canada) Limited**

**Sanjay Bachchani**

Partner

Membership No. 400419

**P R Subramanian**

Director

**Sapnesh Lalla**

Director

**Vijay K Thadani**

Director

Place: Gurugram

Date: May 24, 2021