

Independent Auditors' Report on Special Purpose Ind AS Financial Statements

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

Opinion

We have audited the accompanying special purpose Ind AS financial statements of NIIT (USA) Inc. ("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: 21400419AAAACE3034

Place: Gurugram

Date: May 24, 2021

NIIT (USA), Inc.
Special Purpose Balance Sheet as at March 31, 2021

(All amounts are in USD, unless stated otherwise)

		As at	
	Notes	March 31, 2021	March 31, 2020
ASSETS			
Non-current assets			
Property, plant and equipment	3	248,830	164,127
Other Intangible assets	4	16,926	81,146
Right-of-use assets	31 (ii)	784,921	2,038,867
Financial assets			
Investments	7	8,967,459	6,467,459
Other financial assets	5 (i)	7,868	21,940
Deferred tax assets (net)	8	500,332	921,145
Income tax assets (net)	9 (ii)	639,667	-
Total non-current assets		11,166,003	9,694,684
Current Assets			
Financial assets			
Loans	5 (ii)	-	775,000
Trade receivables	6	12,691,938	15,661,281
Cash and cash equivalents	10	6,407,142	1,109,273
Other bank balances	11	2,751,243	2,791,275
Other financial assets	5 (i)	3,385,711	3,272,443
Other current assets	9 (i)	235,960	477,713
Income tax assets (net)	9 (ii)	134,673	1,136,331
Total current assets		25,606,667	25,223,316
Total Assets		36,772,670	34,918,000
EQUITY AND LIABILITIES			
Equity			
Equity share capital	12	10,662,113	10,662,113
Other equity	13	3,986,928	2,062,717
Total equity		14,649,041	12,724,830
Liabilities			
Non-Current liabilities			
Financial liabilities			
Borrowings	14 (i)	419,593	957,510
Lease Liabilities	31 (ii)	713,119	1,715,614
Total non-current liabilities		1,132,712	2,673,124
Current liabilities			
Financial liabilities			
Borrowings	14 (ii)	-	4,000,000
Lease Liabilities	31 (ii)	134,749	391,602
Trade payables	15	7,320,376	8,937,843
Other financial liabilities	16	6,662,499	3,797,907
Provisions	17	432,589	430,430
Other current liabilities	18	6,440,704	1,962,264
Total current liabilities		20,990,917	19,520,046
Total liabilities		22,123,629	22,193,170
Total Equity and Liabilities		36,772,670	34,918,000

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

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

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

Sanjay Bachchani
Partner
Membership No. 400419

P R Subramanian
Director

Sapnesh Lalla
Director

Vijay K Thadani
Director

Place: Gurugram
Date: May 24, 2021

NIIT (USA), Inc.
Special Purpose Statement of Profit and Loss for the year ended March 31, 2021
(All amounts are in USD, unless stated otherwise)

		Year ended	
	Notes	March 31, 2021	March 31, 2020
INCOME			
Revenue from operations	19	55,549,679	48,725,667
Other income	20	3,545,188	1,604,868
Total income		59,094,867	50,330,535
EXPENSES			
Employee benefit expenses	21	24,893,430	21,813,375
Professional & technical outsourcing expenses		26,831,494	22,893,142
Finance costs	22	191,650	390,731
Depreciation and amortisation expense	24	427,652	820,476
Other expenses	23	4,206,887	5,525,932
Total expenses		56,551,113	51,443,656
Profit/(Loss) before tax		2,543,754	(1,113,121)
Income tax expense:	25		
-Current Tax		613,916	154,298
-Deferred Tax charge/(credit)		5,627	(58,097)
Total Tax Expenses		619,543	96,201
Profit/(Loss) for the year		1,924,211	(1,209,322)
Total comprehensive income/(loss) for the year		1,924,211	(1,209,322)
Earnings/(loss) per equity share (Face value USD 1 Each)	29		
- Basic		0.18	(0.11)
- Diluted		0.18	(0.11)

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

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

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

Sanjay Bachchani
Partner
Membership No. 400419

P R Subramanian
Director

Sapnesh Lalla
Director

Vijay K Thadani
Director

Place: Gurugram
Date: May 24, 2021

NIIT (USA), Inc.
Special Purpose Statement of Cash Flow for the year ended March 31, 2021
(All amounts are in USD, unless stated otherwise)

	Year ended	
	March 31, 2021	March 31, 2020
CASH FLOW FROM OPERATING ACTIVITIES:		
Profit/(Loss) before exceptional items and tax	2,543,754	(1,113,121)
Adjustment to reconcile profit before tax to net cash flows:		
Depreciation and amortisation	427,652	820,476
Finance cost	191,650	390,731
Interest income	(18,834)	(66,195)
Loss on sale property, plant & equipment sold	8,197	131
Provision for doubtful debts	11,426	38,016
Provision for unbilled revenue	-	66,975
Allowance for doubtful advances	1,346	-
Gain on modification of lease assets (net)	(43,942)	-
Unrealised Foreign Exchange (gain)/ loss (net)	(2,230)	(69,898)
Operating profit before working capital changes (net)	3,119,019	67,115
Working capital adjustments:		
Decrease/(Increase) in trade receivables	3,054,702	(3,809,218)
(Increase)/Decrease in other financial assets	(79,069)	1,023,046
Decrease in other assets	241,753	194,563
Decrease/(Increase) in other bank balances	40,032	(9)
(Decrease)/Increase in trade payables	(1,712,022)	1,092,094
Increase/(Decrease) in other financial liabilities	2,864,471	(1,583,523)
Increase in provisions	2,159	149,246
Increase/(Decrease) in other liabilities	4,478,440	(209,837)
Cash generated from operations	12,009,485	(3,076,523)
Tax refund	163,260	298,946
Net cash generated from/(used in) operating activities (A)	12,172,745	(2,777,577)
CASH FLOW FROM INVESTING ACTIVITIES:		
Purchase of property, plant and equipment	(206,141)	(94,197)
Investment in subsidiary	(2,500,000)	-
Interest received	8	65,179
Net cash flow used in Investing activities (B)	(2,706,133)	(29,018)
CASH FLOW FROM FINANCING ACTIVITIES:		
Repayment of loan/ (loan given) to related party	775,000	(775,000)
Decrease in deferred liabilities	(514,290)	(665,700)
Line of credit (paid)/ raised during the year (net)	(4,000,000)	3,500,000
Payment of lease liabilities	(274,954)	(470,450)
Interest paid	(154,499)	(276,751)
Net cash (used in)/ generated from financing activities (C)	(4,168,743)	1,312,100
Net increase in cash & cash equivalents (A) + (B) + (C)	5,297,869	(1,494,496)
Cash and cash equivalents as at the beginning of the year (refer note 10)	1,109,273	2,603,768
Cash and cash equivalents as at the year end (refer note 10)	6,407,142	1,109,273

Notes:

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

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

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

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

Sanjay Bachchani
Partner
Membership No. 400419

P R Subramanian
Director

Sapnesh Lalla
Director

Vijay K Thadani
Director

Place: Gurugram
Date: May 24, 2021

NIIT (USA), Inc.
Special Purpose Statement of Changes in Equity for the year ended March 31, 2021
(All amounts are in USD, unless stated otherwise)

i) Equity Share Capital

Particulars	No. of Shares	Amount
As at April 1, 2019	10,662,113	10,662,113
Equity share capital issued during the year	-	-
As at March 31, 2020	10,662,113	10,662,113
Equity share capital issued during the year	-	-
As at March 31, 2021	10,662,113	10,662,113

ii) Other Equity

Particulars	Reserves and Surplus	Total
	Retained Earnings	
Balance as at April 1, 2019	3,272,039	3,272,039
Loss for the year	(1,209,322)	(1,209,322)
Balance as at March 31, 2020	2,062,717	2,062,717
Profit for the year	1,924,211	1,924,211
Balance as at March 31, 2021	3,986,928	3,986,928

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

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

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

Sanjay Bachchani
Partner
Membership No. 400419

P R Subramanian
Director

Sapnesh Lalla
Director

Vijay K Thadani
Director

Place: Gurugram
Date: May 24, 2021

NIIT (USA), Inc.

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

1 Corporate Information

NIIT (USA), Inc. (the Company) was incorporated on May 02, 1994 and is a wholly owned subsidiary of NIIT Limited, a leading global talent management Company. The Company is in the learning business providing services to customers in USA. The registered place of business of the Company is : 40, Technology Parkway South, Suite 300, Gwinnett, Norcross , GA 30092.

2 Significant Accounting Policies

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

2.1 Basis of preparation

(i) Compliance with Ind AS

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

(ii) Historical cost convention

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

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

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

Note 26 - fair value measurement of financial instruments.

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

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

NIIT (USA), Inc.

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

2.5 Revenue from Contracts with Customers

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

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

Income from services

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

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

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

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

2.6 Other Income

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

NIIT (USA), Inc.

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

2.7 Dividend Income

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

2.8 Income Tax

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

Current income taxes

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

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

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

Deferred income taxes

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

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

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

NIIT (USA), Inc.

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

2.9 Leases

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

(a) Company as a lessee

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

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

The Company has adopted the amendments to Ind AS 116 for the first time in the 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.

NIIT (USA), Inc.

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

2.10 Trade receivables

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

2.11 Property, plant and equipment and Depreciation

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

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

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

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

2.12 Intangible assets

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

Computer Software

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

Internally generated Intangible Assets

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

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

Amortization methods and periods

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

NIIT (USA), Inc.

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

2.13 Investments and other financial assets

i) Classification

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

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

The classification depends on the Company's business model for managing the financial assets and the contractual terms of the cash flows.

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

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

ii) Measurement

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

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

Debt instruments

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

- **Amortised Cost** : Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost. A gain or loss on a debt investment that is subsequently measured at amortised cost and is not part of a hedging relationship is recognised in profit or loss when the asset is derecognised or impaired. Interest income from these financial assets is included in finance income using the effective interest rate method.
- **Fair value through profit or loss** : Assets that do not meet the criteria for amortised cost or fair value through other comprehensive income (FVOCI) are measured at fair value through profit or loss (FVTPL). A gain or loss on a debt investment that is subsequently measured at fair value through profit or loss and is not part of a hedging relationship is recognised in profit or loss and presented net in the statement of profit and loss within other gains/(losses) in the period in which it arises. Interest income from these financial assets is included in other income.

NIIT (USA), Inc.

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 such as deferred consideration receivable on disposal of subsidiaries. The amount of expected credit losses is updated at each reporting date to reflect changes in credit risk since initial recognition of the respective financial instrument.

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

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

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

iv) Derecognition of financial assets

A financial asset is derecognised only when

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

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

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

2.14 Employee Benefits

401 (K) Plan

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

Superannuation Plan

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

NIIT (USA), Inc.

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

Provident Fund

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

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

Compensated Absences

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

Share-based payments

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

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

2.15 Trade and other payables

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

NIIT (USA), Inc.

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

2.16 Borrowing Costs

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

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

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

2.17 Provisions and Contingencies

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

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

2.18 Earnings Per Share

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

2.19 Cash and Cash Equivalents

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

NIIT (USA), Inc.

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

2.20 Fair Value measurement

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

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

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

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

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

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

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

2.21 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.

NIIT (USA), Inc.
Notes to the Special Purpose Financial Statements for the year ended March 31, 2021

(All amounts are in USD, unless stated otherwise)

3 Property, Plant and Equipment

Particulars	Plant & Equipments	Leasehold Improvements	Furniture & Fixtures	Office Equipments	Total
Year ended March 31, 2020					
Gross carrying amount					
Opening gross carrying amount as on April 1, 2019	1,065,622	75,315	96,567	1,317	1,238,821
Additions	82,843	-	10,000	1,355	94,198
Disposals	430,264	-	-	1	430,265
Closing gross carrying amount (A)	718,201	75,315	106,567	2,671	902,754
Accumulated depreciation					
Opening accumulated depreciation as on April 1, 2019	949,564	75,256	60,846	612	1,086,278
Depreciation charged during the year	68,124	55	14,004	313	82,496
Disposals	430,147	-	-	-	430,147
Closing accumulated depreciation (B)	587,541	75,311	74,850	925	738,627
Net carrying amount (A-B)	130,660	4	31,717	1,746	164,127
Year ended March 31, 2021					
Gross carrying amount					
Opening gross carrying amount as on April 1, 2020	718,201	75,315	106,567	2,671	902,754
Additions	181,941	-	-	1,200	183,141
Disposals	93,566	-	82,819	851	177,236
Closing Gross Carrying Amount (C)	806,576	75,315	23,748	3,020	908,659
Accumulated depreciation					
Opening accumulated depreciation as on April 1, 2020	587,541	75,311	74,850	925	738,627
Depreciation charged during the year	75,165	-	14,376	715	90,256
Disposals	93,516	-	74,697	841	169,054
Closing accumulated depreciation (D)	569,190	75,311	14,529	799	659,829
Net carrying amount (C-D)	237,386	4	9,219	2,221	248,830

NIIT (USA), Inc.**Notes to the Special Purpose Financial Statements for the year ended March 31, 2021**

(All amounts are in USD, unless stated otherwise)

4 Other Intangible Assets

Particulars	Content Internally Generated	Software Acquired	Other than intangible assets under development
Year ended March 31, 2020			
Gross carrying amount			
Opening gross carrying amount as on April 1, 2019	2,295,151	1,401,137	3,696,288
Additions	-	-	-
Disposals	262,264	4,051	266,315
Closing gross carrying amount (A)	2,032,887	1,397,086	3,429,973
Accumulated amortisation			
Opening accumulated amortisation as on April 1, 2019	1,948,181	1,366,592	3,314,773
Amortisation charge for the year	277,726	22,629	300,355
Disposals	262,263	4,038	266,301
Closing accumulated amortisation (B)	1,963,644	1,385,183	3,348,827
Net carrying amount (A-B)	69,243	11,903	81,146
Year ended March 31, 2021			
Gross carrying amount			
Opening gross carrying amount as on April 1, 2020	2,032,887	1,397,086	3,429,973
Additions	-	23,000	23,000
Disposals	-	358,743	358,743
Closing Gross Carrying Amount (C)	2,032,887	1,061,343	3,094,230
Accumulated amortisation			
Opening accumulated amortisation as on April 1, 2020	1,963,644	1,385,183	3,348,827
Amortisation charge for the year	69,240	17,965	87,205
Disposals	-	358,728	358,728
Closing accumulated amortisation (D)	2,032,884	1,044,420	3,077,304
Net carrying amount (C-D)	3	16,923	16,926

NIIT (USA), Inc.
Notes to the Special Purpose Financial Statements for the year ended March 31, 2021

(All amounts are in USD, unless stated otherwise)

5 (i) Other financial assets	As at			
	March 31, 2021 Non Current	March 31, 2020	March 31, 2021 Current	March 31, 2020
a) Security deposits receivable				
Unsecured, considered good	7,868	21,940	17,314	-
	7,868	21,940	17,314	-
b) Contract assets				
-Unbilled revenue (refer note 32)*	-	-	1,426,111	2,244,660
	-	-	1,426,111	2,244,660
c) Interest Receivable				
	-	-	18,378	147
	-	-	18,378	147
d) Other receivables**				
	-	-	1,923,908	1,027,636
	-	-	1,923,908	1,027,636
Total	7,868	21,940	3,385,711	3,272,443

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

**Includes receivables relating to strategic sourcing

5 (ii) Loans to related parties*	As at	
	March 31, 2021 Current	March 31, 2020
Unsecured, considered good (refer note 33)	-	775,000
Total	-	775,000

*The loan of USD 1,000,0000 was given to Eagle International Institute Inc. to meet its cashflow requirements at the interest rate of 4.78% per annum by NIIT (USA), Inc. The borrower shall pay the entire outstanding loan together with the accrued interest within one year from the effective date of agreement unless it is rolled over for such period and terms as may be mutually agreed between the parties.

6 Trade Receivables	As at	
	March 31, 2021 Current	March 31, 2020
Unsecured, considered good	8,530,909	7,545,582
Unsecured, considered doubtful	704,381	692,955
Less: Provision for doubtful debts	(704,381)	(692,955)
Receivables from related parties (refer note 33)	4,161,029	8,115,699
Total	12,691,938	15,661,281

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

NIIT (USA), Inc.**Notes to the Special Purpose Financial Statements for the year ended March 31, 2021**

(All amounts are in USD, unless stated otherwise)

7 Investments	As at	
	March 31, 2021	March 31, 2020
	Non Current	
Investments in equity instruments		
Eagle International Institute Inc. USA*	8,467,459	6,467,459
500,000 (March 31, 2020: NIL) shares of USD 1 each fully paid-up in Stackroute Learning Inc., USA	500,000	-
Total	8,967,459	6,467,459

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

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

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

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

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

During the year the Company has made an additional capital contribution of USD 2,000,000 in Eagle International Institute Inc., USA.

During the year the Company has set up a new subsidiary Stackroute Learning Inc., USA with an initial capital contribution of USD 500,000.

iii) The Board of Directors of the Company at its meeting held on May 24, 2021, has approved the merger of Eagle International Institute, Inc., USA (a wholly owned subsidiary) with the Company, subject to approval from ultimate holding Company i.e. NIIT Limited, w.e.f. July 1, 2021.

NIIT (USA), Inc.
Notes to the Special Purpose Financial Statements for the year ended March 31, 2021

(All amounts are in USD, unless stated otherwise)

8 Deferred tax assets (net)	As at	
	March 31, 2021	March 31, 2020
i) The balance comprises temporary differences attributable to:		
Provision for compensated absences	112,971	112,408
Unrealised foreign currency	(582)	(19,024)
Carried forward losses	382,890	382,890
Lease Assets (net)	16,992	19,244
Other items		
MAT credit entitlement	-	415,186
Total deferred tax asset	512,271	910,704
Less: Tax impact of difference between carrying amount of property, plant & equipment in the financial statements and as per the income tax calculation.	(11,939)	10,441
Deferred tax asset (net)	500,332	921,145

Deferred tax assets 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.

ii) Movement in deferred tax asset	Property, plant & equipment	Employee benefit	Unrealised foreign currency	Carried forward losses	Lease asset	Minimum Alternate Tax	Total
As at April 1, 2019	(20,926)	73,431	12,468	382,890	-	828,761	1,276,624
(charged)/credited:							
- to profit or loss	31,367	38,977	(31,492)	-	19,245	-	58,097
- others						(413,576)	(413,576)
As at March 31, 2020	10,441	112,408	(19,024)	382,890	19,245	415,186	921,145
(charged)/credited:							
- to profit or loss	(22,380)	563	18,441	-	(2,251)		(5,627)
- others						(415,186)	(415,186)
As at March 31, 2021	(11,939)	112,971	(583)	382,890	16,994	-	500,332

NIIT (USA), Inc.**Notes to the Special Purpose Financial Statements for the year ended March 31, 2021**

(All amounts are in USD, unless stated otherwise)

9 Other Assets	As at			
	March 31, 2021	March 31, 2020	March 31, 2021	March 31, 2020
	Non Current		Current	
9 (i) Advances recoverable in cash or in kind				
Unsecured, considered good	-	-	235,960	477,713
	-	-	235,960	477,713
9 (ii) Income Tax Assets (net)				
Advance income tax	670,331	-	284,981	1,284,704
Less : Provision for income tax	(30,664)	-	(150,308)	(148,373)
	639,667	-	134,673	1,136,331

(This space has been intentionally left blank)

NIIT (USA), Inc.**Notes to the Special Purpose Financial Statements for the year ended March 31, 2021**

(All amounts are in USD, unless stated otherwise)

10	CASH AND CASH EQUIVALENTS	As at	
		March 31, 2021	March 31, 2020
		Current	
	Balance with banks		
	-Current Accounts	6,407,142	1,109,273
	Total	6,407,142	1,109,273
11	OTHER BANK BALANCES	As at	
		March 31, 2021	March 31, 2020
		Current	
	Bank deposits		
	-With original maturity of more than 3 months and upto 12 months*#	2,751,243	2,791,275
	Total	2,751,243	2,791,275

*Out of which USD 2,751,243 (March 31, 2020 USD 2,751,243) pledged as a collateral for letter of credit arranged by the Company on behalf of its affiliate NIIT Learning Solutions (Canada) Limited.

#Deposits are made with banks for varying periods, depending on the cash requirements of the Company and to earn interest at the respective deposit rates.

(This space has been intentionally left blank)

NIIT (USA), Inc.**Notes to the Special Purpose Financial Statements for the year ended March 31, 2021**

(All amounts are in USD, unless stated otherwise)

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

	No. of shares	Amount
As at April 1, 2019	25,000,000	25,000,000
Issue during the year	-	-
As at March 31, 2020	25,000,000	25,000,000
Issue during the year	-	-
As at March 31, 2021	25,000,000	25,000,000

ii) Issued Equity share capital

	No. of shares	Amount
As at April 1, 2019	10,662,113	10,662,113
Issue during the year	-	-
As at March 31, 2020	10,662,113	10,662,113
Issue during the year	-	-
As at March 31, 2021	10,662,113	10,662,113

iii) Detail of class of shares held by the Company

Shares in respect of each class in the Company held by	Name of the Company	Class of shares Equity/ Preference	March 31, 2021	March 31, 2020
			No. of shares	No. of shares
Holding Company	NIIT Limited	Equity	10,662,113	10,662,113

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

Name of shareholder	Equity Shares			
	March 31, 2021		March 31, 2020	
	No. of shares	% of holding	No. of shares	% of holding
NIIT Limited	10,662,113	100%	10,662,113	100%
Total	10,662,113	100%	10,662,113	100%

v) Terms/rights attached to equity shares

The Company has one class of equity shares having a par value of USD 1 per share. Each shareholder is entitled to one vote per share held. In the event of liquidation of the Company, the equity shareholders are eligible to receive the remaining assets of the Company after distribution of all preferential amounts, in proportion to their shareholding.

13 Reserves and Surplus**Retained Earnings**

Opening Balance

Add: Profit/(loss) for the year

Closing Balance

As at	
March 31, 2021	March 31, 2020
2,062,717	3,272,039
1,924,211	(1,209,322)
3,986,928	2,062,717

NIIT (USA), Inc.**Notes to the Special Purpose Financial Statements for the year ended March 31, 2021**

(All amounts are in USD, unless stated otherwise)

		As at	
		March 31, 2021	March 31, 2020
14 Financial Liabilities			
14 (i) Non - Current Borrowings (Unsecured)			
	Deferred payment liabilities	419,593	957,510
	Total	419,593	957,510
		As at	
		March 31, 2021	March 31, 2020
14 (ii) Current Borrowings (Unsecured)			
	From Bank		
	- Working capital loan	-	4,000,000
	Deferred payment liabilities	537,917	514,290
	Less: Current maturities of Deferred payment liabilities(refer note 16)	(537,917)	(514,290)
	Total	-	4,000,000

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

NIIT (USA), Inc.**Notes to the Special Purpose Financial Statements for the year ended March 31, 2021**

(All amounts are in USD, unless stated otherwise)

15	Trade Payables	As at	
		March 31, 2021	March 31, 2020
		Current	
	Trade Payables	1,703,484	2,397,101
	Trade payables to related parties (refer note 33)	5,616,892	6,540,742
	Total	7,320,376	8,937,843

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

16	Other Financial Liabilities	As at	
		March 31, 2021	March 31, 2020
		Current	
	Current maturities of Deferred payment liabilities [refer note 14(ii)]	537,917	514,290
	Interest accrued but not due on borrowings	-	23,506
	Payable to employees*	3,857,542	1,693,622
	Other payables**	2,267,040	1,566,489
	Total	6,662,499	3,797,907

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

**Includes Payables relating to strategic sourcing

17	Provisions	As at	
		March 31, 2021	March 31, 2020
		Current	
	Provision for compensated absences	432,589	430,430
	Total	432,589	430,430

18	Other Liabilities	As at	
		March 31, 2021	March 31, 2020
		Current	
	Contract liabilities (refer note 32)		
	- Deferred revenue *	4,888,657	1,661,796
	- Advances from customers	84,945	11,380
	Statutory dues**	1,467,102	289,088
	Total	6,440,704	1,962,264

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

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

NIIT (USA), Inc.**Notes to the Special Purpose Financial Statements for the year ended March 31, 2021**

(All amounts are in USD, unless stated otherwise)

19 Revenue from Contract with Customers

	Year ended	
	March 31, 2021	March 31, 2020
Sale of Services (refer note 32)	55,549,679	48,725,667
Total	55,549,679	48,725,667

20 Other Income

	Year ended	
	March 31, 2021	March 31, 2020
Interest income		
-Interest Income on Bank and other Deposits carried at amortized cost	18,239	65,179
-Interest Income on loan to related party (refer note 33)	35,401	21,998
-Unwinding of Interest on Security Deposit	595	1,016
Other non-operating income	3,490,953	1,516,675
Total	3,545,188	1,604,868

21 Employee Benefit Expenses

	Year ended	
	March 31, 2021	March 31, 2020
Salaries, Wages and Bonus	24,162,247	21,027,259
Contribution to provident and other funds (refer note 21.1)	388,630	537,782
Share Based Payments*	229,994	173,805
Staff Welfare Expense	112,559	74,529
Total	24,893,430	21,813,375

*Shares based payments have been paid to the Holding Company (refer note 33).

NIIT (USA), Inc.**Notes to the Special Purpose Financial Statements for the year ended March 31, 2021**

(All amounts are in USD, unless stated otherwise)

21.1 Employee Benefit**Defined contribution plans**

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

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

Particulars	Year ended	
	March 31, 2021	March 31, 2020
Employers' contribution to provident fund	26,290	30,349
Employers' contribution to superannuation fund	35,847	35,021
Employers' contribution to employees pension scheme(401K)	326,493	472,412
Total	388,630	537,782

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

	Year ended	
	March 31, 2021	March 31, 2020
Employers' contribution to employees pension scheme(401K)	41,043	46,220
Total	41,043	46,220

NIIT (USA), Inc.**Notes to the Special Purpose Financial Statements for the year ended March 31, 2021**

(All amounts are in USD, unless stated otherwise)

22 Finance Costs

	Year ended	
	March 31, 2021	March 31, 2020
Interest on borrowings	75,284	171,653
Interest on lease liabilities (refer note 31(ii))	60,656	107,653
Other borrowing costs	55,710	111,425
Total	191,650	390,731

23 Other Expenses

	Year ended	
	March 31, 2021	March 31, 2020
Rent [refer note 31(i)]	228,906	61,023
Rates and taxes	69,701	134,052
Power and fuel	2,409	2,398
Communication Costs	223,947	200,918
Legal and professional (refer note 23.1)	655,096	523,275
Management cost recovery by Holding Company (refer note 33)	1,468,668	1,228,241
Travelling and conveyance	93,080	1,971,145
Provision for doubtful debts (refer note 27)	11,426	38,016
Allowance for doubtful advances	1,346	-
Provision for unbilled revenue	-	66,975
Insurance	127,373	94,861
Repairs and Maintenance		
- Plant and machinery	19,351	15,130
- Others	14,394	10,209
Consumables	-	3,000
Loss on sale of property, plant & equipment	8,197	131
Exchange Differences (net)	114,750	43,888
Marketing and advertising expenses	766,218	683,004
Bank Charges	102,530	148,202
Sundry expenses	299,495	301,464
Total	4,206,887	5,525,932

23.1 Details of payments to auditors (excluding taxes)

	Year ended	
	March 31, 2021	March 31, 2020
Audit fee	9,078	9,228
Reimbursement of expenses	-	2,192
Total	9,078	11,420

24 Depreciation and Amortization expense

	Year ended	
	March 31, 2021	March 31, 2020
Depreciation on tangible assets (refer note 3)	90,256	82,496
Amortization on intangible assets (refer note 4)	87,205	300,355
Depreciation on right-of-use assets [refer note 31(ii)]	250,191	437,625
	427,652	820,476

NIIT (USA), Inc.

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

(All amounts are in USD, unless stated otherwise)

25 Income Tax Expense

	Year ended	
	March 31, 2021	March 31, 2020
i) Tax expense recognized in statement of profit and loss		
Current tax	150,309	153,682
Foreign tax credit written off	463,607	616
Deferred tax charge/(credit)	5,627	(58,097)
Total	619,543	96,201

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	122,717	123,143
Branch taxes	27,592	30,539
Foreign tax credit written off	463,607	616
Total current tax expense [A]	613,916	154,298

Deferred tax

Deferred tax charge/ (credit)	5,627	(58,097)
Total deferred tax expense/(benefit) [B]	5,627	(58,097)
Income tax expense [A+B]	619,543	96,201

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

	21%	21%
Profit/(Loss) before tax	2,543,754	(1,113,121)
Tax at the US tax rate @ 21%	534,188	(233,755)
Tax effect of amounts which are not deductible/ (taxable) in calculating taxable income:		
- Permanent differences	13,689	24,993
- State tax	122,716	31,259
- Branch taxes	27,592	30,539
- Unrecognized Timing Difference	(286,585)	183,720
- Impact of state tax	(25,770)	(6,564)
- Adjustment of previous Year	-	616
- Foreign tax credit write off	463,607	91,884
- Tax impact of foreign tax credit write off	-	(25,735)
- Unrecognized Timing Differences on Losses of Subsidiaries	(244,035)	-
Others	14,141	(756)
Total	619,543	96,201

NIIT (USA), Inc.**Notes to the Special Purpose Financial Statements for the year ended March 31, 2021**

(All amounts are in USD, unless stated otherwise)

26 Fair Value Measurements**i) Fair value hierarchy**

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

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

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

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

Investment have been valued at fair value amounting to USD 8,967,459.

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

	As at	
	March 31, 2021 Carrying value	March 31, 2020 Carrying value
Financial assets		
Trade receivables	12,691,938	15,661,281
Cash and bank balances	6,407,142	1,109,273
Other bank balances	2,751,243	2,791,275
Other financial assets	3,393,579	3,294,383
Loans to related parties	-	775,000
Total financial assets	25,243,902	23,631,212
Financial liabilities		
Borrowings	419,593	4,957,510
Trade payables	7,320,376	8,937,843
Other financial liabilities	6,662,499	3,797,907
Lease liabilities	847,868	2,107,216
Total financial liabilities	15,250,336	19,800,476

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 (USA), Inc.

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

(All amounts are in USD, unless stated otherwise)

27 Financial Risk Management

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

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

i) Credit risk

Credit risk refers to the risk of default on its obligation by the counter party resulting in a financial loss. The maximum exposure to the credit risk at the reporting date is primarily from trade receivables amounting to USD 12,691,938 and USD 15,661,281 as of March 31, 2021 and March 31, 2020 respectively and unbilled revenue amounting to USD 1,426,111 and USD 2,244,660 as of March 31, 2021 and March 31, 2020 respectively.

The following table gives the movement in allowance for provision for doubtful debts for the year ended March 31, 2021:

Reconciliation of loss allowance provision – Trade receivables

Particulars	Amount
Loss allowance on April 1, 2019	654,939
Add: Changes in loss allowance	38,016
Loss allowance on March 31, 2020	692,955
Add: Changes in loss allowance	11,426
Loss allowance on March 31, 2021	704,381

NIIT (USA), Inc.**Notes to the Special Purpose Financial Statements for the year ended March 31, 2021**

(All amounts are in USD, unless stated otherwise)

ii) Liquidity risk

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

(a) Maturities of financial liabilities

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

	Less than 1 year	1-2 Years	2-5 Years	Total
March 31, 2021				
Borrowings	537,917	419,593	-	957,510
Trade payables	7,320,376	-	-	7,320,376
Other financial liabilities	6,124,582	-	-	6,124,582
Lease liabilities	134,749	146,568	566,551	847,868
	14,117,624	566,161	566,551	15,250,336
March 31, 2020				
Borrowings	4,514,290	537,917	419,593	5,471,800
Trade payables	8,937,843	-	-	8,937,843
Other financial liabilities	3,283,617	-	-	3,283,617
Lease liabilities	391,602	423,116	1,292,498	2,107,216
	17,127,352	961,033	1,712,091	19,800,476

iii) Market risk

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

(a) Interest rate risk

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

(b) Foreign currency risk

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

NIIT (USA), Inc.**Notes to the Special Purpose Financial Statements for the year ended March 31, 2021**

(All amounts are in USD, unless stated otherwise)

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

Financial assets	March 31, 2021	March 31, 2020
Receivables		
AUD	215,198	741,667
CAD	-	443,569
EUR	467,122	218,288
SGD	67,568	201,575
GBP	40,513	28,198
Others	13,679	7,043
	804,080	1,640,340
Bank		
AUD	377,017	263,536
SGD	909,338	446,912
	1,286,355	710,448
Net exposure to foreign currency risk (assets)	2,090,435	2,350,788
Financial Liabilities	March 31, 2021	March 31, 2020
Trade Payables		
AUD	169,475	593,854
CAD	424,672	135,372
EUR	362,417	858,053
SGD	27,879	76,240
GBP	232,639	1,239,924
Others	41,185	67,679
Net exposure to foreign currency risk (liabilities)	1,258,267	2,971,122

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 for the year ended March 31, 2021		Impact on Profit and Loss for the year ended March 31, 2020	
	Gain / (Loss) on appreciation	Gain / (Loss) on Depreciation	Gain / (Loss) on appreciation	Gain / (Loss) on Depreciation
1% appreciation / depreciation in USD against following foreign currencies *:				
AUD	4,227	(4,227)	4,113	(4,113)
CAD	(4,247)	4,247	3,082	(3,082)
EUR	1,047	(1,047)	(6,398)	6,398
SGD	9490	(9,490)	5,722	(5,722)
GBP	(1,921)	1,921	(12,117)	12,117
Others	(275)	275	(606)	606
	8,321	(8,321)	(6,204)	6204

* Holding all other variables constant

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

NIIT (USA), Inc.**Notes to the Special Purpose Financial Statements for the year ended March 31, 2021**

(All amounts are in USD, unless stated otherwise)

28 Commitments and Contingent Liabilities

	As at	
	March 31, 2021	March 31, 2020
(i) Claims against the Company not acknowledged as debts:		
Tax Matters	187,519	182,041
Total contingent liabilities	187,519	182,041
(ii) Issuance of Performance Bank Guarantee of USD 2,751,243 [Previous year USD 2,751,243] by NIIT USA Inc. on behalf of NIIT Learning Solutions (Canada) Limited. The subject bank guarantee has been issued in terms of Registration Education Services Agreement dated March 30, 2017 between NIIT Learning Solutions (Canada) Limited, Real Estate Council of Ontario, Registrar appointed under the Real Estate and Business Brokers Act, 2002 and Humber College Institute of Technology & Advanced Learning. The ultimate liability for this will lie with NIIT learning solutions (Canada) Limited.		

29 Earnings Per Share

Particular	As at	
	March 31, 2021	March 31, 2020
Profit/(Loss) attributable to equity shareholders (USD) - (A)	1,924,211	(1,209,322)
Weighted average number of equity shares outstanding during the year (Nos.) - (B)	10,662,113	10,662,113
Nominal value of equity shares (USD)	1	1
Basic and diluted earnings/ (loss) per share (USD) (A/B)	0.18	(0.11)

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

30 Segmental Reporting

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

NIIT (USA), Inc.**Notes to the Special Purpose Financial Statements for the year ended March 31, 2021**

(All amounts are in USD, unless stated otherwise)

31 Leases

31 (i) Aggregate amounts during the year for short term leases in respect of equipments, vehicles and premises for office and employees accommodation amounting to USD 228,906 (Previous year USD 61,023).

31 (ii) The effect of adoption Ind AS 116 is as follows:

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

Particulars	Total
As at April 1, 2019	2,476,492
Additions	-
Deletion	-
Depreciation	(437,625)
As at April 1, 2020	2,038,867
Additions	-
Deletion	(1,003,755)
Depreciation	(250,191)
As at March 31, 2021	784,921

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

Particulars	Total
As at April 1, 2019	2,470,012
Additions	-
Deletion	-
Accretion of interest	107,653
Payments of lease liability	(470,449)
As at April 1, 2020	2,107,216
Additions	-
Deletion	(1,045,050)
Accretion of interest	60,656
Payments of lease liability	(274,954)
As at March 31, 2021	847,868

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	134,749	391,602
Non Current Lease liabilities	713,119	1,715,614
Total	847,868	2,107,216

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

Particulars	March 31, 2021	March 31, 2020
Depreciation expense of right-of-use assets	250,191	437,625
Interest expense on lease liabilities	60,656	107,653
Gain on modification of lease assets (net)*	(43,942)	-
Total	310,847	545,278

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	134,749	391,602
One to Two years	146,568	423,116
More than Two years	566,551	1,292,498
Total Amount	847,868	2,107,216

*During the year, the Company has decided to vacate Evanston leased premise in USA. Accordingly, net carrying amount of right-of-use assets, lease liabilities and security deposit in respect of such leased premises amounting to USD 43,942 have been reversed and included in as other income.

NIIT (USA), Inc.**Notes to the Special Purpose Financial Statements for the year ended March 31, 2021**

(All amounts are in USD, unless stated otherwise)

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

Sale of Services

Total**Timing of Revenue Recognition**

Services transferred over time

Total**b. Contract Balances**

Trade Receivables (refer note 6)

Contract Assets (refer note 5)

Contract Liabilities (refer note 18)

	March 31, 2021	March 31, 2020
	55,549,679	48,725,667
	55,549,679	48,725,667
	55,549,679	48,725,667
	55,549,679	48,725,667
	12,691,938	15,661,281
	1,426,111	2,244,660
	(4,973,602)	(1,673,176)
	9,144,447	16,232,765

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.

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

	Year ended	
	March 31, 2021	March 31, 2020
Revenue as per contracted price	55,551,723	48,796,347
Adjustments		
Discount & Rebates	(2,044)	(70,680)
	55,549,679	48,725,667

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 (USA), Inc.

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

(All amounts are in USD, unless stated otherwise)

33 Related Party Transactions :

A. Related party relationship where control exists:

Holding Company - NIIT Limited, India Subsidiaries

1. Eagle International Institute Inc. USA
2. Eagle Training Spain, S.L.U (subsidiary of entity at serial no. 1)
3. Stackroute Learning Inc. (Incoprated on December 29, 2020)

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 Limited, UK
6. NIIT Malaysia Sdn. Bhd, Malaysia
7. NIIT West Africa Limited
8. NIIT GC Limited, Mauritius
9. NIIT (Ireland) Limited
10. NIIT Learning Solutions (Canada) Limited
11. PT NIIT Indonesia, Indonesia (under liquidation)
12. NIIT China (Shanghai) Limited, Shanghai (subsidiary of entity at serial no. 8)
13. NIIT Wuxi Service Outsourcing Training School, China (Deregistered on June 24, 2020) (subsidiary of entity at serial no. 12)
14. Wuxi NIIT Information Technology Consulting Limited, China (Closed on October 30, 2020) (subsidiary of entity at serial no. 12)
15. Su Zhou NIIT Information Technology Consulting Limited, China (subsidiary of entity at serial no. 14)
16. Changzhou NIIT Information Technology Consulting Limited, China (subsidiary of entity at serial no. 14)
17. Zhangjiagang NIIT Information Services Limited (Closed on August 12, 2019) (subsidiary of entity at serial no. 12)
18. Chengmai NIIT Information Technology Company Limited (Under Closure) (subsidiary of entity at serial no. 12)
19. Chongqing An Dao Education Consulting Limited, China (subsidiary of entity at serial no. 12)
20. Chongqing NIIT Education Consulting Limited (Closed on January 20, 2021) (subsidiary of entity at serial no. 12)
21. Ningxia NIIT Education Technology Company Limited, China (subsidiary of entity at serial no. 12)
22. Guizhou NIIT information technology consulting Co., Limited, China (subsidiary of entity at serial no. 12)
23. NIIT (Guizhou) Education Technology Co., Limited, China (subsidiary of entity at serial no. 12)

C. Other related parties with whom Company has transacted

Key management personnel:

1. Mr. Sapnesh Lalla (Chief Executive and Director)
2. Mr. P R Subramanian(Director)
3. Mr. Abhas Kumar (Director)
4. Mr. Sailesh Lalla (relative of key management personnel)

D. Terms and conditions

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

All outstanding balances are unsecured and are repayable in cash.

NIIT (USA), Inc.
Notes to the Special Purpose Financial Statements for the year ended March 31, 2021

(All amounts are in USD, unless otherwise stated)

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

	Nature of Transactions	Holding Company	Subsidiaries	Fellow Subsidiaries	Key Management Personnel	Parties in which Key Management Personnel of the Company are interested	Total
1	Service received						
	NIIT Limited, India	17,106,217	-	-	-	-	17,106,217
		(11,257,505)	-	-	-	-	(11,257,505)
	NIIT Limited UK	-	-	1,522,856	-	-	1,522,856
		-	-	(755,914)	-	-	(755,914)
	NIIT Ireland Limited	-	-	672,384	-	-	672,384
		-	-	(599,507)	-	-	(599,507)
	NIIT Learning Solutions (Canada) Limited	-	-	1,172,914	-	-	1,172,914
		-	-	(484,502)	-	-	(484,502)
	Eagle International Institute Inc.USA	-	601,282	-	-	-	601,282
		-	(56,346)	-	-	-	(56,346)
	NIIT Malaysia Sdn. Bhd, Malaysia	-	-	91,450	-	-	91,450
		-	-	-	-	-	-
	NIIT China (Shanghai) Limited	-	-	261,029	-	-	261,029
		-	-	(206,435)	-	-	(206,435)
2	Service rendered						
	NIIT Limited, India	824,974	-	-	-	-	824,974
		(288,641)	-	-	-	-	(288,641)
	NIIT Limited UK	-	-	59,460	-	-	59,460
		-	-	(1,699)	-	-	(1,699)
	Stackroute Learning Inc.	-	3,520	-	-	-	3,520
		-	-	-	-	-	-
	NIIT Ireland Limited	-	-	1,372,600	-	-	1,372,600
		-	-	(2,077,103)	-	-	(2,077,103)
	Eagle Training Spain, S.L.	-	786,364	-	-	-	786,364
		-	(2,929)	-	-	-	(2,929)
	NIIT Learning Solutions (Canada) Limited	-	-	973,821	-	-	973,821
		-	-	(2,163,429)	-	-	(2,163,429)

NIIT (USA), Inc.
Notes to the Special Purpose Financial Statements for the year ended March 31, 2021

(All amounts are in USD, unless otherwise stated)

3	Other Income					
	NIIT Limited, India	1,012,001	-	-	-	1,012,001
		(465,485)	-	-	-	(465,485)
	NIIT Limited UK	-	-	661,201	-	661,201
		-	-	(455,144)	-	(455,144)
	NIIT Malaysia SDN BHD	-	-	9,314	-	9,314
		-	-	(12,682)	-	(12,682)
	NIIT Ireland Limited	-	-	639,568	-	639,568
		-	-	(389,184)	-	(389,184)
	Eagle International Institute Inc.USA	-	35,401			35,401
		-	(36,011)			(36,011)
	NIIT Learning Solutions (Canada) Ltd	-	-	1,029,704	-	1,029,704
		-	-	(176,967)	-	(176,967)
4	Recovery of expenses From					
i)	- Professional Technical & Outsourcing Services					
	Eagle International Institute Inc.USA	-	-	-	-	-
		-	(36,069)	-	-	(36,069)
	NIIT Learning Solutions (Canada) Ltd	-	-	-	-	-
		-	-	(57,217)	-	(57,217)
	NIIT Limited UK	-	-	93,155	-	93,155
		-	-	(186,268)	-	(186,268)
	NIIT Ireland Limited	-	-	6,736	-	6,736
		-	-	-	-	-
ii)	- Other Expenses					
	NIIT Limited, India	93,987	-	-	-	93,987
		-	-	-	-	-
	NIIT Limited UK	-	-	676,776	-	676,776
		-	-	(123)	-	(123)
	NIIT Ireland Limited	-	-	13,445	-	13,445
		-	-	(55,007)	-	(55,007)
	NIIT China (Shanghai) Limited	-	-	1,004	-	1,004
		-	-	-	-	-
	NIIT Malaysia SDN BHD	-	-	11,533	-	11,533
		-	-	-	-	-
	Eagle international Institute Inc. USA	-	35,502	-	-	35,502
		-	(5,622)	-	-	(5,622)
	Stackroute Learning Inc.	-	9,667	-	-	9,667
		-	-	-	-	-
	NIIT Learning Solutions (Canada) Ltd	-	-	93,590	-	93,590
		-	-	(86,122)	-	(86,122)
iii)	- Employee Cost					
	NIIT Limited UK	-	-	12,810	-	12,810
		-	-	-	-	-
	NIIT Ireland Limited	-	-	2,712	-	2,712
		-	-	-	-	-
	NIIT Technologies Inc.	-	-	-	-	-
		-	-	-	(1,580)	(1,580)
	Eagle international Institute Inc. USA	-	-	-	-	-
		-	(104,494)	-	-	(104,494)

NIIT (USA), Inc.
Notes to the Special Purpose Financial Statements for the year ended March 31, 2021

(All amounts are in USD, unless otherwise stated)

5	Recovery of expenses by					
i)	- Professional Technical & Outsourcing Services					
	NIIT Limited, India	-	-	-	-	-
		(33,658)	-	-	-	(33,658)
	NIIT Limited UK	-	-	-	-	-
		-	(139,067)	-	-	(139,067)
	Eagle international Institute Inc. USA	-	-	-	-	-
		-	(347,587)	-	-	(347,587)
	NIIT Malaysia SDN BHD	-	-	-	-	-
		-	(43,760)	-	-	(43,760)
	NIIT Technologies Ltd. Thailand	-	-	-	-	-
		-	-	-	(6,706)	(6,706)
ii)	- Other Expenses					
	NIIT Limited, India	65,488	-	-	-	65,488
		(151,620)	-	-	-	(151,620)
	NIIT Limited UK	-	-	212,371	-	212,371
		-	-	(80,095)	-	(80,095)
	NIIT Ireland Limited	-	-	117	-	117
		-	-	(27,529)	-	(27,529)
	NIIT Learning Solutions (Canada) Ltd	-	-	1,610	-	1,610
		-	-	(4,671)	-	(4,671)
	NIIT Malaysia SDN BHD	-	-	59,069	-	59,069
		-	-	(22)	-	(22)
	Sapnesh Lalla (Chief Executive and Director)	-	-	-	4,136	4,136
		-	-	-	(52,807)	(52,807)
	Eagle international Institute Inc. USA	-	26,190	-	-	26,190
		-	(4,572)	-	-	(4,572)
iii)	- Employee Cost					
	NIIT Limited, India	230,783	-	-	-	230,783
		(173,805)	-	-	-	(173,805)
	Eagle international Institute Inc. USA	-	-	-	-	-
		-	(16,087)	-	-	(16,087)
	Sapnesh Lalla (Chief Executive and Director)	-	-	-	1,340	1,340
		-	-	-	-	-
6	Management Cost Recovery By :					
	NIIT Limited, India	1,468,668	-	-	-	1,468,668
		(1,464,476)	-	-	-	(1,464,476)
	Management Cost Recovery From :					
	Eagle international Institute Inc. USA	-	-	-	-	-
		-	(236,235)	-	-	(236,235)

NIIT (USA), Inc.
Notes to the Special Purpose Financial Statements for the year ended March 31, 2021

(All amounts are in USD, unless otherwise stated)

7	Issue of Share Capital					
	Eagle International Institute Inc. USA	-	2,000,000	-	-	2,000,000
		-	-	-	-	-
	Stackroute Learning Inc.	-	500,000	-	-	500,000
		-	-	-	-	-
8	Loans given to Subsidiary					
	Eagle International Institute Inc. USA	-	225,000	-	-	225,000
		-	(775,000)	-	-	(775,000)
9	Loans repaid by Subsidiary					
	Eagle International Institute Inc. USA	-	1,000,000	-	-	1,000,000
		-	-	-	-	-
10	Remuneration					
	Sapnesh Lalla	-	-	-	367,882	367,882
		-	-	-	(399,605)	(399,605)
	P R Subramanian	-	-	-	223,523	223,523
		-	-	-	(224,569)	(224,569)
	Abhas Kumar	-	-	-	245,381	245,381
		-	-	-	(252,733)	(252,733)
	Sailesh Lalla**	-	-	-	422,357	422,357
		-	-	-	(402,837)	(402,837)

** Relative of key management personnel

Refer note 28 for Guarantees and commitments

Figures in parenthesis represent previous year figures

F. Details of outstanding balances with related parties

Particular	As at	
	March 31, 2021	March 31, 2020
Receivables		
NIIT Limited UK	791,852	760,891
NIIT Ireland Limited	739,577	1,310,938
NIIT Limited, India	1,105,465	366,258
NIIT Malaysia SDN BHD	12,411	1,755
NIIT China (Shanghai) Limited	10,823	9,819
NIIT Learning Solutions (Canada) Ltd	986,871	5,257,684
Eagle international Institute Inc. USA	488,442	395,953
Stackroute Learning Inc.	13,187	-
Eagle Training Spain, S.L.	12,401	12,401
Total (refer note 6)	4,161,029	8,115,699
Payables		
NIIT Limited UK	220,211	1,782,949
NIIT Ireland Limited	342,080	645,179
NIIT Limited, India	4,469,614	3,734,817
NIIT Malaysia SDN BHD	20,989	30,810
NIIT China (Shanghai) Limited	26,065	145,290
NIIT Learning Solutions (Canada) Ltd	424,668	135,488
Eagle international Institute Inc. USA	113,266	66,209
Total (refer note 15)	5,616,892	6,540,742
Other payables		
Key Management Personnel	-	140,058
Total	-	140,058

NIIT (USA), Inc.**Notes to the Special Purpose Financial Statements for the year ended March 31, 2021**

(All amounts are in USD, unless stated otherwise)

34 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.

Debt equity ratio:

Particulars	March 31, 2021	March 31, 2020
Borrowings (refer note 14)	957,510	5,471,800
Total Debt (A)	957,510	5,471,800
Equity share capital [refer note 12(ii)]	10,662,113	10,662,113
Other equity (refer note 13)	3,986,928	2,062,717
Total Equity (B)	14,649,041	12,724,830
Profit after tax (C)	1,924,211	(1,209,322)
Debt equity ratio (A/B)	0.07	0.43
Return on equity Ratio (%) (C/B)	13%	-10%

(This space has been intentionally left blank)

NIIT (USA), Inc.

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

(All amounts are in USD, unless stated otherwise)

- 35** 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.

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

Signature to Notes '1' to '36' of these special purpose financial statements.

For S. R. Batliboi & Associates LLP

Chartered Accountants

ICAI Firm Registration No.: 101049W/E300004

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

Sanjay Bachchani

Partner

Membership No. 400419

P R Subramanian

Director

Sapnesh Lalla

Director

Vijay K Thadani

Director

Place: Gurugram

Date: May 24, 2021