

INDEPENDENT AUDITOR'S REPORT

To the Board of Directors of NIIT Learning Systems Limited

Report on the Audit of the Special Purpose Ind AS Financial Statements

Opinion

We have audited the accompanying special purpose Ind AS financial statements of NIIT (USA), Inc. ("the Company"), which comprise the Balance sheet as at March 31, 2023, the Statement of Profit and Loss, including the statement of Other Comprehensive Income, the Cash Flow Statement and the Statement of Changes in Equity for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information.

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 give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2023, its profit including other comprehensive income, its cash flows and the changes in equity for the year ended on that date.

Basis for Opinion

We conducted our audit of the special purpose Ind AS financial statements in accordance with the Standards on Auditing (SAs), as specified under section 143(10) of the Companies Act, 2013. Our responsibilities under those Standards are further described in the 'Auditor's Responsibilities for the Audit of the special purpose Ind AS financial statements' section of our report. We are independent of the Company in accordance with the 'Code of Ethics' issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the special purpose Ind AS financial statements.

Responsibility of Management for the special purpose Ind AS financial statements

The Company's Board of Directors is responsible with respect to the preparation of these special purpose Ind AS financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015 and as more fully explained in the Note 2.1 to these special purpose Ind AS financial statements are for its internal use in relation to preparation of consolidated financial statements of the parent company and for submission to banks/financial institutions to meet its contractual obligations. 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 give a true and fair view and are free from material misstatement, whether due to fraud or error.



In preparing the 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 Responsibilities for the Audit of the special Purpose Ind AS Financial Statements

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 scepticism 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.
- Evaluate the overall presentation, structure and content of the special purpose Ind AS financial statements, including the disclosures, and whether the special purpose Ind AS financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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.



S.R. BATLIBOI & ASSOCIATES LLP

Chartered Accountants

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.

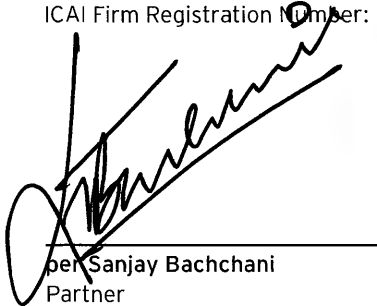
Other matter - restriction of use

Our auditor's report is intended solely for the information and internal use by management of the Company in relation to preparation of consolidated financial statements of the parent company and for submission to banks/ financial institutions to meet its contractual obligations. It should not be used, referred to or distributed 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: 23400419BGTGQC4474



Place of Signature: Gurugram
Date: May 26, 2023

NIIT (USA), Inc.
Special Purpose Balance Sheet as at March 31, 2023

(All amounts are in USD, unless otherwise stated)

		As at	
	Notes	March 31, 2023	March 31, 2022
ASSETS			
Non-Current Assets			
Property, plant and equipment	3	760,983	195,914
Goodwill	4	4,534,548	4,534,548
Other Intangible assets	4	1,211,278	1,218,989
Right-of-use assets	5(ii)	1,143,266	-
Financial assets			
Investments	9	65,187,111	1,503,630
Loans	7 (ii)	4,250,000	1,500,000
Other non current assets	11(ii)	-	571,199
Deferred tax assets (net)	10	123,763	529,697
Income tax assets (net)	12	679,035	1,138,773
Total non-current assets		77,889,984	11,192,750
Current Assets			
Financial assets			
Trade receivables	8	15,087,257	14,843,108
Cash and cash equivalents	13	4,545,315	9,079,689
Other bank balances	14	2,751,243	2,751,243
Other financial assets	7 (i)	10,419,087	4,014,242
Other current assets	11(i)	531,410	326,999
Income tax assets (net)	12	502,652	-
Total current assets		33,836,964	31,015,281
Total Assets		111,726,948	42,208,031
EQUITY AND LIABILITIES			
Equity			
Equity share capital	15	10,662,113	10,662,113
Other equity	16	13,650,299	8,715,992
Total Equity		24,312,412	19,378,105
Liabilities			
Non-Current Liabilities			
Financial liabilities			
Borrowings	17	11,159,594	-
Lease Liabilities	5(ii)	1,025,593	-
Other financial liabilities	19	24,817,723	-
Total non-current liabilities		37,002,910	-
Current liabilities			
Financial liabilities			
Borrowings	17	12,950,292	419,593
Lease Liabilities	5(ii)	248,827	-
Trade payables	18	13,832,699	9,156,430
Other financial liabilities	19	18,951,471	5,629,396
Other current liabilities	20	3,891,636	6,436,350
Provisions	21	536,701	600,241
Income tax Liability (net)	12	-	587,916
Total current liabilities		50,411,626	22,829,926
Total liabilities		87,414,536	22,829,926
Total Equity and Liabilities		111,726,948	42,208,031

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

As per our report of even date.

For S. R. Batliboi & Associates LLP

Chartered Accountants

ICAI Firm Registration No.: 101049W/E300004

S. R. Batliboi
Partner

Membership No. 400419

Place: Gurugram

Date: May 26, 2023

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

P R Subramanian
Director

Sapnesh Lalla
Director

Vijay K Thadani
Director

Place: Gurugram

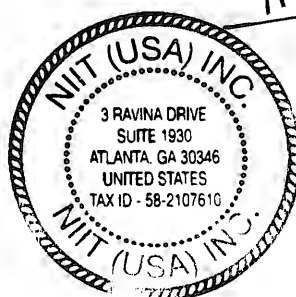
Date: May 26, 2023

Place: Gurugram

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Date: May 26, 2023



NIIT (USA), Inc.
Special Purpose Statement of Profit and Loss for the year ended March 31, 2023
(All amounts are in USD, unless otherwise stated)

		Year ended	
	Notes	March 31, 2023	March 31, 2022
INCOME			
Revenue from operations	22	89,792,674	83,428,724
Other income	23	4,375,643	4,450,368
Total income		94,168,317	87,879,092
EXPENSES			
Employee benefit expenses	24	40,314,175	38,595,738
Professional & technical outsourcing expenses		39,404,357	34,815,257
Finance costs	25	1,818,951	73,560
Depreciation and amortisation expense	6	472,663	415,617
Other expenses	26	6,541,861	5,354,311
Total expenses		88,552,007	79,254,483
Profit before exceptional items and tax		5,616,310	8,624,609
Exceptional items (net)	26	280,691	-
Profit before tax		5,335,619	8,624,609
Tax expense:	27		
-Current Tax		22,916	1,087,441
-Deferred Tax charge		405,933	4,076
-Adjustment of tax relating to earlier years		(27,537)	119,493
Total tax expenses		401,312	1,211,010
Profit for the year		4,934,307	7,413,599
Other comprehensive income		-	-
Total comprehensive income for the year		4,934,307	7,413,599
Earnings per equity share (Face value USD 1 Each)	31		
- Basic		0.46	0.70
- Diluted		0.46	0.70

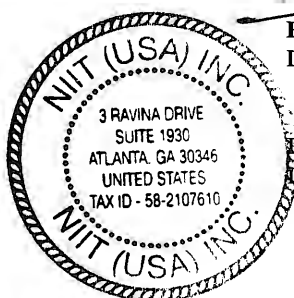
The accompanying notes form an integral part of these special purpose financial statements.

As per our report of even date.

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

Sanjay Bachchani
Partner
Membership No. 400419

Place: Gurugram
Date: May 26, 2023



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

P R Subramanian
Director

Place: Gurugram
Date: May 26, 2023

Sapnesh Lalla
Director

Place: Gurugram
Date: May 26, 2023

Vijay K Thadani
Director

Place: Gurugram
Date: May 26, 2023

NIIT (USA), Inc.
Special Purpose Statement of Cash Flow for the year ended March 31, 2023

(All amounts are in USD, unless otherwise stated)

	Year ended	
	March 31, 2023	March 31, 2022
CASH FLOW FROM OPERATING ACTIVITIES:		
Profit before exceptional items and tax	5,616,310	8,624,609
Adjustment to reconcile profit before tax to net cash flows:		
Depreciation and amortisation expenses	472,663	415,617
Finance cost	698,153	73,560
Interest income	(101,232)	(9,352)
Loss on sale property, plant & equipment sold	3,239	30,987
Fair value loss on contingent consideration	1,120,798	-
Dividend Income from Subsidiaries (refer note 23)	-	(200,000)
Allowance for doubtful advances	-	3,000
Gain on termination of leases	-	(148,393)
Unrealised Foreign Exchange loss/(gain) (net)	45,635	(19,137)
Operating profit before working capital changes (net)	7,855,566	8,770,891
Working capital adjustments:		
Increase in trade receivables	(241,701)	(1,842,318)
Increase in other financial assets	(6,391,832)	(132,966)
Increase in other assets	(204,411)	(8,785)
Increase in trade payables	4,604,086	1,188,692
Increase/(Decrease) in other financial liabilities	2,491,362	(509,606)
(Decrease)/Increase in provisions	(63,540)	109,424
Decrease in other liabilities	(2,544,714)	(749,993)
Cash flows generated from operations	5,504,816	6,825,339
Tax paid	(626,208)	(986,201)
Net cash flows generated from operating activities (A)	4,878,607	5,839,138
CASH FLOW FROM INVESTING ACTIVITIES:		
Purchase of property, plant and equipment (including Capital Advances)	(249,449)	(648,116)
Investment in subsidiary	(2,750,000)	(1,000,000)
Acquisition of subsidiary (refer note 9)	(25,563,299)	-
Expenses in relation to acquisition of subsidiary	(1,101,698)	-
Interest received	88,219	27,415
Dividend Income from Subsidiaries (refer note 23)	-	200,000
Loan given to related party	(2,750,000)	(1,500,000)
Net cash flows used in investing activities (B)	(32,326,227)	(2,920,701)
CASH FLOW FROM FINANCING ACTIVITIES:		
Payment of deferred payment liabilities	(419,593)	(537,917)
Loan taken from bank	14,848,017	-
Loan taken from affiliates	16,000,000	-
Loan repayment to bank	(750,000)	-
Loan repayment to affiliates	(6,000,000)	-
Payment of lease liabilities	(120,645)	(297,819)
Interest paid	(644,533)	(32,082)
Net cash flows generated from / (used in) financing activities (C)	22,913,246	(867,818)
Net (decrease)/increase in cash & cash equivalents (A) + (B) + (C)	(4,534,373)	2,050,619
Cash and cash equivalents as at the beginning of the year (refer note 13)	9,079,689	7,029,070
Cash and cash equivalents as at the year end (refer note 13)	4,545,316	9,079,689

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

Sanjay Bachchani
Partner
Membership No. 400419

Place: Gurugram
Date: May 26, 2023



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

P R Subramanian
Director

Sapnesh Lalla
Director

Vijay K Thadani
Director

Place: Gurugram
Date: May 26, 2023

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Date: May 26, 2023

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Date: May 26, 2023



NIIT (USA), Inc.
Special Purpose Statement of Changes in Equity for the year ended March 31, 2023
(All amounts are in USD, unless otherwise stated)

i) Equity Share Capital:

Particulars	No. of Shares	Amount
As at April 1, 2021	10,662,113	10,662,113
Issue of share capital during the year	-	-
As at March 31, 2022	10,662,113	10,662,113
Issue of share capital during the year	-	-
As at March 31, 2023	10,662,113	10,662,113

ii) Other Equity

Particulars	Reserves and Surplus		Total
	Retained Earnings	Capital Reserve	
Balance as at April 1, 2021	1,855,135	(552,742)	1,302,393
Profit for the year	7,413,599	-	7,413,599
Balance as at March 31, 2022	9,268,734	(552,742)	8,715,992
Profit for the year	4,934,307	-	4,934,307
Balance as at March 31, 2023	14,203,041	(552,742)	13,650,299

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

Sanjay Bachchani

Partner

Membership No. 400419

Place: Gurugram

Date: May 26, 2023



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

P R Subramanian

Director

Place: Gurugram

Date: May 26, 2023

Sapnesh Lalla

Director

Place: Gurugram

Date: May 26, 2023

Vijay K Thadani

Director

Place: Gurugram

Date: May 26, 2023

NIIT (USA), Inc.

Notes to the Special Purpose Financial Statements for the year ended March 31, 2023

1 Corporate Information

NIIT (USA), Inc. (the Company) was incorporated on May 02, 1994 and is a wholly owned subsidiary of NIIT Learning Systems Limited, a leading global talent management Company. The Company is in the learning business providing services to customers in USA. The registered place of business of the Company is : 3, Ravinia Drive, NE , Suite 1930, Atlanta , Georgia 30346.

2 Significant Accounting Policies

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

2.1 Basis of preparation

(i) Compliance with Ind AS

These special purpose Ind AS 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 (the "Act"), read with the Companies (Indian Accounting Standards) Rules as amended from time to time. These financial statements are for its internal use in relation to preparation of consolidated financial statements of the parent company and for submission to banks/ financial institutions to meet its contractual obligations.

(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 for its internal use to assist its parent Company (NIIT Learning Systems Limited, India) in preparing their consolidated financial statements and for submission to banks/ financial institutions to meet its contractual obligations. The financial statements were approved for issue by the board of directors on May 26, 2023.

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

2.2 Foreign currency translation

Foreign currency transactions and balances

(i) Initial recognition

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

(ii) Conversion

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

(iii) Exchange differences

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

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

2.3 Current - non-current classification

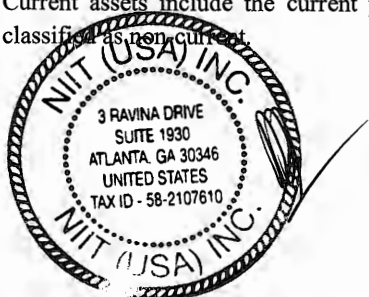
Assets and liabilities are classified into current and non-current as follows :

Assets

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

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

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



NIIT (USA), Inc.

Notes to the Special Purpose Financial Statements for the year ended March 31, 2023

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 28 - fair value measurement of financial instruments.

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

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

2.5 Revenue from Contracts with Customers

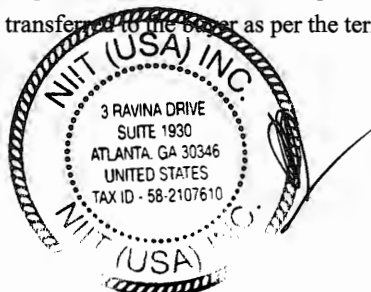
Revenue is measured at the fair value of the consideration received or receivable. Amounts disclosed as revenue are net of returns, trade allowances, rebates, discounts and taxes.

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

Income from services

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

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



NIIT (USA), Inc.

Notes to the Special Purpose Financial Statements for the year ended March 31, 2023

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

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

2.6 Other Income

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

2.7 Dividend Income

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

2.8 Income Tax

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

Current income taxes

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

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

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

Deferred income taxes

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

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



NIIT (USA), Inc.

Notes to the Special Purpose Financial Statements for the year ended March 31, 2023

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.

b) Company as a lessor

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

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

2.10 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 &



NIIT (USA), Inc.**Notes to the Special Purpose Financial Statements for the year ended March 31, 2023**

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.

Goodwill and Brand

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

Amortization methods and periods

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

Impairment testing of goodwill and intangible assets

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

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



NIIT (USA), Inc.

Notes to the Special Purpose Financial Statements for the year ended March 31, 2023

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, 2023

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.

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.



NIIT (USA), Inc.

Notes to the Special Purpose Financial Statements for the year ended March 31, 2023

Share-based payments

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

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

2.15 Trade and other payables

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

2.16 Borrowing Costs

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

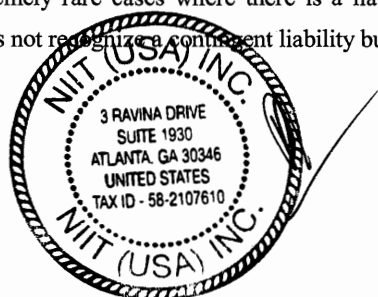
Borrowings are derecognised from the balance sheet when the obligation specified in the contract is discharged, cancelled or expired. The difference between the carrying amount of a financial liability that has been extinguished or transferred to another party and the consideration paid, including any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

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

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.



NIIT (USA), Inc.

Notes to the Special Purpose Financial Statements for the year ended March 31, 2023

2.18 Earnings Per Share

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

2.19 Cash and Cash Equivalents

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

2.20 Fair Value measurement

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

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

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair

value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

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

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

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

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



NIIT (USA), Inc.

Notes to the Special Purpose Financial Statements for the year ended March 31, 2023

(All amounts are in USD, unless otherwise stated)

3 Property, Plant and Equipment *

Particulars	Plant & Equipments	Leasehold Improvements	Furniture & Fixtures	Office Equipments	Total
Year ended March 31, 2022					
Gross carrying amount					
Opening gross carrying amount as on April 1, 2021	1,002,942	82,806	45,119	4,252	1,135,119
Additions	76,918	-	-	-	76,918
Disposals	436,752	82,805	39,288	1,996	560,841
Closing gross carrying amount (A)	643,108	1	5,831	2,256	651,196
Accumulated depreciation					
Opening accumulated depreciation as on April 1, 2021	741,907	79,955	23,859	1,764	847,485
Depreciation charged during the year	132,032	925	3,860	831	137,648
Disposals	422,285	80,879	25,012	1,675	529,851
Closing accumulated depreciation (B)	451,654	1	2,707	920	455,282
Net carrying amount (A-B)	191,454	0	3,124	1,336	195,914
Year ended March 31, 2023					
Gross carrying amount					
Opening gross carrying amount as on April 1, 2022	643,108	1	5,831	2,256	651,196
Additions	66,936	434,112	289,209	30,388	820,645
Disposals	263,953	1,399	-	900	266,252
Closing Gross Carrying Amount (C)	446,091	432,714	295,040	31,744	1,205,589
Accumulated depreciation					
Opening accumulated depreciation as on April 1, 2022	451,654	1	2,707	920	455,282
Depreciation charged during the year	110,222	107,517	30,664	3,938	252,341
Disposals	261,109	1,399	-	509	263,017
Closing accumulated depreciation (D)	300,767	106,119	33,371	4,349	444,606
Net carrying amount (C-D)	145,324	326,595	261,669	27,395	760,983

* Pledged as collateral in respect of loan from ICICI Bank (refer note 17).



4 Other Intangible Assets and Goodwill *

Particulars	Content/Software Internally Generated	Software Acquired	Brand	Total Intangibles Assets other than Goodwill	Goodwill	Total Intangible Assets
Year ended March 31, 2022						
Gross carrying amount						
Opening gross carrying amount as on April 1, 2021	2,167,681	1,104,253	1,210,000	4,481,934	4,534,548	9,016,482
Additions	-	-	-	-	-	-
Disposals	-	58,165	-	58,165	-	58,165
Closing gross carrying amount (A)	2,167,681	1,046,088	1,210,000	4,423,769	4,534,548	8,958,317
Accumulated amortisation						
Opening accumulated depreciation as on April 1, 2021	2,167,678	1,087,331	-	3,255,009	-	3,255,009
Amortisation charge for the year	3	7,936	-	7,939	-	7,939
Disposals	-	58,168	-	58,168	-	58,168
Closing accumulated amortisation (B)	2,167,681	1,037,099	-	3,204,780	-	3,204,780
Net carrying amount (A-B)	-	8,989	1,210,000	1,218,989	4,534,548	5,753,537
Year ended March 31, 2023						
Gross carrying amount						
Opening gross carrying amount as on April 1, 2022	2,167,681	1,046,088	1,210,000	4,423,769	4,534,548	8,958,317
Additions	-	-	-	-	-	-
Disposals	-	1,434	-	1,434	-	1,434
Closing Gross Carrying Amount (C)	2,167,681	1,044,654	1,210,000	4,422,335	4,534,548	8,956,883
Accumulated amortisation						
Opening accumulated amortisation as on April 1, 2022	2,167,681	1,037,099	-	3,204,780	-	3,204,780
Amortisation charge for the year	-	7,711	-	7,711	-	7,711
Disposals	-	1,434	-	1,434	-	1,434
Closing accumulated amortisation (D)	2,167,681	1,043,375	-	3,211,056	-	3,211,056
Net carrying amount (C-D)	-	1,278	1,210,000	1,211,278	4,534,548	5,745,826

* Pledged as collateral in respect of loan from ICICI Bank (refer note 17).

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

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

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

Particulars	Life Sciences Practice
As at March 31, 2023	5,744,548
As at March 31, 2022	5,744,548

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

Life Sciences Practice

The recoverable amount of the Life Science Practice CGU has been determined based on a value in use calculation using cash flow projections approved by senior management. Based on which, it was concluded that the recoverable amount exceeds the carrying value. As a result of this analysis, the Company has not recognised any impairment charge against goodwill and brand in the statement of profit and loss for the year ended March 31, 2023.

Key Assumptions used in calculations of impairment testing:

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

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

CGU Unit	March 31, 2023	March 31, 2022
Life Sciences Practice	9.50%	6.56%

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

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

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

CGU Unit	March 31, 2023	March 31, 2022
Life Sciences Practice	3%	3%

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



NIIT (USA), Inc.
Notes to the Special Purpose Financial Statements for the year ended March 31, 2023

(All amounts are in USD, unless otherwise stated)

5 Leases

5(i) Aggregate amounts during the year for short term leases in respect of equipments, vehicles and premises for office and employees accommodation amounting to USD 70,260 (Previous year USD 205,204) (refer note 26).

5(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	Building	Total
As at April 1, 2021		1,567,448
Additions		-
Deletion		(1,297,418)
Depreciation		(270,030)
As at April 1, 2022		-
Additions		1,355,878
Deletion		-
Depreciation		(212,612)
As at March 31, 2023		1,143,266

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

Particulars	Total
As at April 1, 2021	1,700,025
Additions	-
Deletion	(1,443,683)
Accretion of interest (refer note 25)	41,477
Payments of lease liability	(297,819)
As at April 1, 2022	-
Additions	1,355,878
Deletion	-
Accretion of interest (refer note 25)	39,187
Payments of lease liability	(120,645)
As at March 31, 2023	1,274,420

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

Particulars	As at March 31, 2023	March 31, 2022
Current Lease liabilities	248,827	-
Non Current Lease liabilities	1,025,593	-
Total	1,274,420	-

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

Particulars	Year ended March 31, 2023	March 31, 2022
Depreciation expense of right-of-use assets	212,612	270,030
Interest expense on lease liabilities	39,187	41,477
Gain on modification of lease assets (net) (refer note 23)	-	(148,393)
Total	251,799	311,507

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

Particulars	March 31, 2023	March 31, 2022
Less than one year	248,827	-
One to Two years	266,976	-
More than Two years	758,617	-
Total Amount	1,274,420	-

6 Depreciation and Amortization expense

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

Year ended	March 31, 2023	March 31, 2022
	252,341	137,648
	7,711	7,939
	212,612	270,030
	472,663	415,617



NIIT (USA), Inc.
Notes to the Special Purpose Financial Statements for the year ended March 31, 2023

(All amounts are in USD, unless otherwise stated)

7 Financial assets	As at			
	March 31, 2023	March 31, 2022	March 31, 2023	March 31, 2022
	Non Current		Current	
1 (i) Other financial assets				
a) Contract assets				
Unsecured, considered good				
-Unbilled revenue (refer note 33)#	-	-	2,499,185	3,046,651
	-	-	2,499,185	3,046,651
b) Interest Receivable	-	-	13,235	222
	-	-	13,235	222
c) Bank deposits				
With remaining maturity of less than 12 months*	-	-	1,100,000	-
	-	-	1,100,000	-
d) Other receivables**				
Unsecured, considered good	-	-	6,806,667	967,369
	-	-	6,806,667	967,369
Total	-	-	10,419,087	4,014,242

*Pledged as a collateral in respect to loan taken from ICICI bank during the year (refer note 17).

**Includes receivables relating to strategic sourcing.

#Ageing of unbilled revenue from transaction date as at March 31, 2023*

Particulars	Outstanding for following periods from due date of payment					Total
	Less than 6 Months	6 months – 1 year	1-2 years	2-3 years	More than 3 years	
Undisputed Unbilled revenue - Considered Good	2,491,293	7,892	-	-	-	2,499,185
Total	2,491,293	7,892	-	-	-	2,499,185

#Ageing of unbilled revenue from transaction date as at March 31, 2022*

Particulars	Outstanding for following periods from due date of payment					Total
	Less than 6 Months	6 months – 1 year	1-2 years	2-3 years	More than 3 years	
Undisputed Unbilled revenue - Considered Good	3,046,651	-	-	-	-	3,046,651
Total	3,046,651	-	-	-	-	3,046,651

*There are no disputed unbilled revenues.

7 (ii) Loans to related parties*	As at			
	March 31, 2023	March 31, 2022	March 31, 2023	March 31, 2022
	Non Current		Current	
Unsecured, considered good (refer note 34)	4,250,000	1,500,000	-	-
Total	4,250,000	1,500,000	-	-

*The loan of USD 4,250,000 (Previous year USD 1,500,000) was facilitated to Stackroute Learning Inc. to meet its cashflow requirement at the interest rate of 1.75% per annum. The borrower shall pay the entire outstanding loan together with the accrued interest before the expiry of the agreement i.e. October 31, 2024.

Type of Borrower	Amount of loan in the nature of loan outstanding		Percentage to the total Loans in the nature of loans	
	March 31, 2023	March 31, 2022	March 31, 2023	March 31, 2022
Related Parties				
Stackroute Learning, Inc.	4,250,000	1,500,000	100%	100%
Total	4,250,000	1,500,000	100%	100%



NIIT (USA), Inc.
Notes to the Special Purpose Financial Statements for the year ended March 31, 2023

(All amounts are in USD, unless otherwise stated)

8 Trade Receivables

	As at	
	March 31, 2023	March 31, 2022
	Current	
Unsecured, considered good	12,480,259	10,718,408
Unsecured, credit impaired	707,381	707,381
Less: Provision for expected credit loss	(707,381)	(707,381)
Receivables from related parties (refer note 34)	2,606,998	4,124,700
Total	15,087,257	14,843,108

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

Trade receivables Ageing Schedule as at March 31, 2023*

Particulars	Not due	Outstanding for following periods from due date of payment					Total
		Less than 6 Months	6 months – 1 year	1-2 years	2-3 years	More than 3 years	
Undisputed Trade Receivables - Considered Good	13,458,057	1,617,336	11,864	-	-	-	15,087,257
Undisputed Trade Receivables – credit impaired	-	-	-	1,466	-	705,914	707,381
Total	13,458,057	1,617,336	11,864	1,466	-	705,914	15,794,638
Less: Provision for expected credit loss							(707,381)
Net Trade Receivables	13,458,057	1,617,336	11,864	1,466	-	705,914	15,087,257

Trade receivables Ageing Schedule as at March 31, 2022*

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

* There are no disputed trade receivables.

9 Investments

	As at	
	March 31, 2023	March 31, 2022
	Non Current	
Investments in equity instruments in subsidiaries		
3,630 (March 31, 2022: 3,630) shares of USD 1 each fully paid-up in Eagle Training Spain, S.L.	3,630	3,630
4,250,000 (March 31, 2022: 1,500,000) shares of USD 1 each fully paid-up in Stackroute Learning Inc., USA*	4,250,000	1,500,000
St. Charles Consulting Group: 10,000 shares of USD 1 each fully paid-up**	60,933,481	-
Total	65,187,111	1,503,630

*During the year the Company invested in subsidiary Stackroute Learning Inc., USA USD 2,750,000 (FY 2021-22 USD 1,500,000).

**On November 4, 2022, the Company has acquired 100% membership interest for USD 66,489,482 in St. Charles Consulting Group, LLC (St. Charles) via membership interest purchase agreement ("MIPA") approved by the Board of Directors.

Out of total purchase consideration, the Company has paid USD 25,563,299 and the balance USD 40,926,183 is payable as an Earnout over the next four years on the basis of Revenue and EBITDA targets as per the terms of the MIPA.

The Company has accounted for the investment at fair value of the overall consideration including earnouts at USD 59,393,495 and expenses amounting to USD 1,539,986 directly attributable to the purchase of the St. Charles Consulting Group, LLC have been capitalized as investment by the Company. Other expenses amounting to USD 280,691 in relation to the acquisition have been charged to Statement of Profit and Loss account as an exceptional item.



NIIT (USA), Inc.
Notes to the Special Purpose Financial Statements for the year ended March 31, 2023

(All amounts are in USD, unless otherwise stated)

10 Deferred tax assets (net)

	As at	
	March 31, 2023	March 31, 2022
i) The balance comprises temporary differences attributable to:		
Provision for compensated absences	122,595	156,753
Unrealised foreign currency	11,486	(8,839)
Carried forward losses	638,150	382,890
Difference between carrying value of right-of-use assets and lease liabilities as per Ind AS 116 in the financial statements and as per the Income Tax	33,012	-
Total deferred tax asset (A)	805,243	530,804
Deferred tax liabilities		
Less: Tax impact of difference between carrying amount of property, plant & equipment in the financial statements and as per the income tax	681,480	1,107
Total deferred tax liabilities (B)	681,480	1,107
Deferred tax asset (net) (A-B)	123,763	529,697

Deferred tax assets on timing differences have been recognised as at March 31, 2023 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 assets (net)	Total
As at April 1, 2021	(22,072)	128,177	9,602	382,890	35,176	533,773
(charged)/credited:						
- to profit or loss	20,965	28,576	(18,441)	-	(35,176)	(4,076)
As at March 31, 2022	(1,107)	156,753	(8,839)	382,890	-	529,697
(charged)/credited:						
- to profit or loss	(680,373)	(34,158)	20,325	255,260	33,012	(405,934)
As at March 31, 2023	(681,480)	122,595	11,486	638,150	33,012	123,763

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NIIT (USA), Inc.

Notes to the Special Purpose Financial Statements for the year ended March 31, 2023

(All amounts are in USD, unless otherwise stated)

	As at			
	March 31, 2023	March 31, 2022	March 31, 2023	March 31, 2022
11 Other Assets	Non Current		Current	
11(i) Advances recoverable in cash or in kind				
Unsecured, considered good	-	-	531,410	326,999
	-	-	531,410	326,999
11(ii) Capital Advances				
Unsecured, considered good	-	571,199	-	-
	-	571,199	-	-
Total	-	571,199	531,410	326,999
12 Income Tax Assets/ Liabilities (net)				
Advance income tax	795,338	1,283,199	547,380	499,525
Less : Provision for income tax	(116,303)	(144,426)	(44,728)	(1,087,441)
	679,035	1,138,773	502,652	(587,916)

13 Cash and Cash Equivalents	As at	
	March 31, 2023	March 31, 2022
	Current	
Balance with banks		
-Current Accounts	4,545,315	9,079,689
Total	4,545,315	9,079,689

14 Other Bank Balances	As at	
	March 31, 2023	March 31, 2022
	Current	
Bank deposits		
-With original maturity of more than 3 months and upto 12 months *	2,751,243	2,751,243
Total	2,751,243	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.

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NIIT (USA), Inc.
Notes to the Special Purpose Financial Statements for the year ended March 31, 2023

(All amounts are in USD, unless otherwise stated)

15 EQUITY SHARE CAPITAL
i) Authorised Equity share capital

	No. of shares	Amount
As at April 1, 2021	25,000,000	25,000,000
Issue during the year	-	-
As at March 31, 2022	25,000,000	25,000,000
Issue during the year	-	-
As at March 31, 2023	25,000,000	25,000,000

ii) Issued Equity share capital

	No. of shares	Amount
As at April 1, 2021	10,662,113	10,662,113
Issue during the year	-	-
As at March 31, 2022	10,662,113	10,662,113
Issue during the year	-	-
As at March 31, 2023	10,662,113	10,662,113

iii) Detail of class of shares held by the Holding Company

Shares in respect of each class in the Company held by	Name of the Company *	Class of shares Equity/ Preference	March 31, 2023	March 31, 2022
			No. of shares	No. of shares
Holding Company	NIIT Limited	Equity	-	10,662,113
Holding Company	NIIT Learning Systems Limited	Equity	10,662,113	-

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

Name of shareholder*	Equity Shares			
	March 31, 2023		March 31, 2022	
	No. of shares	% of holding	No. of shares	% of holding
NIIT Limited	-	0%	10,662,113	100%
NIIT Learning Systems Limited	10,662,113	100%	-	0%
Total	10,662,113	100%	10,662,113	100%

(v) Details of shares held by promoters
As at March 31, 2023

Particulars	Name of Promoter *	No. of shares at the beginning of the year	Change during the year	No. of shares at the end of the year	% of Total Shares	% change during the year
Equity shares of USD 1 each fully paid	NIIT Learning Systems Limited	10,662,113	-	10,662,113	100%	0%
Total		10,662,113	-	10,662,113	100%	0%

As at March 31, 2022

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

* Pursuant to Composite Scheme of Arrangement between NIIT Limited and NIIT Learning Systems Limited (NLSL) approved by Hon'ble Company Law Tribunal vide its Order dated May 19, 2023 and effective on May 24, 2023, NLSL become Holding company of NIIT USA (Inc.) w.e.f April 1, 2022.

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.

16 Other Equity
Retained Earnings
Opening Balance

Add: Profit for the year

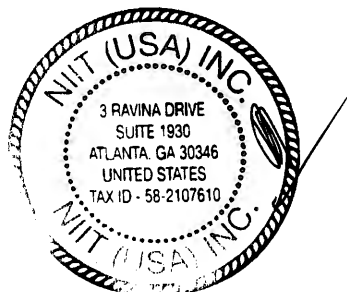
Closing Balance
Capital Reserve *
Opening balance

Addition during the year

Closing Balance
Total

As at	
March 31, 2023	March 31, 2022
9,268,734	1,855,135
4,934,307	7,413,599
14,203,041	9,268,734
(552,742)	(552,742)
-	-
(552,742)	(552,742)
13,650,299	8,715,992

* Capital reserve represents the reserve created on Business Combinations of Eagle international Institute Inc. USA (merged with the Company w.e.f. July 01, 2021).



NIIT (USA), Inc.
Notes to the Special Purpose Financial Statements for the year ended March 31, 2023

(All amounts are in USD, unless otherwise stated)

17 Financial Liabilities	As at			
	March 31, 2023	March 31, 2022	March 31, 2023	March 31, 2022
	Non Current		Current	
Borrowings				
i) Secured Borrowings				
Term Loans from Banks [refer footnote (a)]	11,159,594	-	2,950,292	-
ii) Unsecured Borrowings				
Inter Corporate Borrowings [refer footnote (b)]	-	-	10,000,000	-
Deferred payment liabilities [refer footnote (c)]	-	-	-	419,593
Total	11,159,594	-	12,950,292	419,593

Footnotes:

(a) The Company has taken term loan from ICICI bank of USD 15 Mn. (Outstanding as at March 31, 2023 is USD 14.25 Mn). The said loan is secured by way of whole of the Company's tangible and intangible, movable fixed assets, both present and future, land and building. The loan is fully repayable in twenty equal quarterly installments as per the agreement.

Interest

The revolving and Term Loan facility availed from ICICI Bank shall bear interest at a rate per annum equal at sum of (a) 3-month SOFR plus (b) the Margin.

Maturity Date

The maturity date of the term loan is December 31, 2027.

(b) The Company has taken Inter Corporate Borrowings of USD 10 Mn from NIIT Learning Solutions (Canada) Limited.

Interest

The said loan bear interest rate at 5.82% p.a and is payable with in 12 months.

Maturity Date

The revolving maturity date in the case of the term loan is November 01, 2023.

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

18 Trade Payables	As at	
	March 31, 2023	March 31, 2022
	Current	
Trade Payables	2,868,832	2,130,074
Trade payables to related parties (refer note 34)	10,963,867	7,026,356
Total	13,832,699	9,156,430

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

Aging of Trade payables as on March 31, 2023*

Particulars	Not due	Outstanding for following periods from due date of payment				Total
		Less than 1 year	1-2 years	2-3 years	More than 3 years	
Undisputed Trade Payables	1,444,827	10,929,691	-	-	-	12,374,518
Total	1,444,827	10,929,691	-	-	-	12,374,518
Add: Unbilled dues						1,458,181
Total Trade Payables						13,832,699

Aging of Trade payables as on March 31, 2022*

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

* There are no disputed trade payables.



NIIT (USA), Inc.
Notes to the Special Purpose Financial Statements for the year ended March 31, 2023

(All amounts are in USD, unless otherwise stated)

19 Other Financial Liabilities

	As at		As at	
	March 31, 2023	March 31, 2022	March 31, 2023	March 31, 2022
	Non Current		Current	
Interest accrued but not due on borrowings	-	-	2,563	-
Payable to employees*	-	-	2,022,880	3,573,514
Contingent consideration payable**	24,817,723	-	10,828,150	-
Other payables***	-	-	6,097,878	2,055,882
Total	24,817,723	-	18,951,471	5,629,396

*Includes salary and other expense payable to employees.

**Includes contingent consideration payable in respect to acquisition of St.Charles Consulting Group, LLC (refer note 9).

***Mainly Includes Payables relating to strategic sourcing USD 6,095,997 (PY USD 2,050,959).

20 Other Liabilities
Contract liabilities (refer note 33)

- Deferred revenue
- Advances from customers
- Statutory dues*

Total

As at	
March 31, 2023	March 31, 2022
Current	
3,722,689	5,175,785
71,756	535,290
97,191	725,275
3,891,636	6,436,350

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

21 Provisions

Provision for compensated absences

Total

As at	
March 31, 2023	March 31, 2022
Current	
536,701	600,241
536,701	600,241



NIIT (USA), Inc.**Notes to the Special Purpose Financial Statements for the year ended March 31, 2023**

(All amounts are in USD, unless otherwise stated)

22 Revenue from Contract with Customers

	Year ended	
	March 31, 2023	March 31, 2022
Sale of Services (refer note 33)	89,792,674	83,428,724
Total	89,792,674	83,428,724

23 Other Income

	Year ended	
	March 31, 2023	March 31, 2022
Interest income		
-Interest Income on Bank and other Deposits carried at amortized cost	53,503	3,290
-Interest Income on loan to related party (refer note 34)	47,729	5,969
-Unwinding of Interest on Security Deposits	-	93
Recoveries for Sales, marketing and other support services	4,270,687	4,071,336
Gain on termination of Leases (Net)	-	148,393
Dividend Income from Subsidiaries (refer note 34)	-	200,000
Other non-operating income	3,724	21,287
Total	4,375,643	4,450,368

24 Employee Benefit Expenses

	Year ended	
	March 31, 2023	March 31, 2022
Salaries, Wages and Bonus	37,938,741	36,717,597
Contribution to employees pension scheme (401K) (refer note 23.1)	906,631	877,184
Share Based Payments*(refer note 34)	1,088,998	702,367
Staff Welfare Expense	379,805	298,590
Total	40,314,175	38,595,738

*Shares based payments are charged by the Holding Company.



NIIT (USA), Inc.

Notes to the Special Purpose Financial Statements for the year ended March 31, 2023

(All amounts are in USD, unless otherwise stated)

24.1 Employee Benefit

Defined contribution plans

Company makes contribution towards employees pension scheme (401K) to the defined contribution plans for eligible employees.

Company has charged the following costs in the statement of profit and loss:

Particulars	Year ended	
	March 31, 2023	March 31, 2022
Employers' contribution to social security schemes	24,604	23,354
Employers' contribution to superannuation fund	69,228	61,727
Employers' contribution to employees pension scheme(401K)	812,799	792,103
Total	906,631	877,184

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

	Year ended	
	March 31, 2023	March 31, 2022
Employers' contribution to employees pension scheme(401K)	50,883	46,749
Total	50,883	46,749



NIIT (USA), Inc.**Notes to the Special Purpose Financial Statements for the year ended March 31, 2023**

(All amounts are in USD, unless otherwise stated)

25 Finance Costs

	Year ended	
	March 31, 2023	March 31, 2022
Interest on borrowings- Term loan	317,734	-
Interest on borrowings- Related Party (refer note 34)	321,455	-
Interest on lease liabilities (refer note 5(ii))	39,187	41,477
Fair value loss on contingent consideration (refer note 19)	1,120,798	-
Other borrowing costs	19,777	32,083
Total	1,818,951	73,560

26 Other Expenses

	Year ended	
	March 31, 2023	March 31, 2022
Rent [refer note 5(i)]	70,260	205,204
Rates and taxes	36,398	50,494
Power and fuel	29,632	28,619
Communication Costs	251,818	330,059
Legal and professional (refer note 25.1)	580,142	640,641
Management cost recovery by Holding Company (refer note 34)	2,176,803	1,834,041
Travelling and conveyance	826,945	277,032
Provision for doubtful debts (refer note 29)	-	3,000
Insurance	158,113	158,786
Repairs and Maintenance		
- Plant and machinery	37,499	10,007
- Others	9,855	20,189
Consumables	63,132	113,213
Loss on sale of property, plant & equipment	3,239	30,987
Loss on foreign currency translation and transaction (Net)	115,522	127,415
Security and Administration Services	139	-
Marketing and advertising expenses	1,284,542	759,803
Bank Charges	225,957	150,167
Subscription and Membership Fee	633,213	600,018
Sundry expenses	38,652	14,636
Total	6,541,861	5,354,311

26.1 Details of payments to auditors (excluding taxes)

	Year ended	
	March 31, 2023	March 31, 2022
Audit fee	9,012	9,826
Total	9,012	9,826

26 Exceptional Items

	Year ended	
	March 31, 2023	March 31, 2022
Expenses towards acquisition of subsidiary (Refer note 9)	280,691	-
Total	280,691	-



NIIT (USA), Inc.

Notes to the Special Purpose Financial Statements for the year ended March 31, 2023

(All amounts are in USD, unless otherwise stated)

27 Income Tax Expense**(a) Income tax expense****Current tax**

Current tax on profits of the year

Foreign tax credit written off

Total current tax expense [A]**Deferred tax**

Deferred tax charge

Total deferred tax expense [B]**Income tax expense [A+B]****(b) Reconciliation of tax expense and the accounting profit multiplied by US tax rate:****Profit before tax**

Tax at the US tax rate @ 21%

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

- Tax impact of permanent difference (Income)

- Impact of state tax

- Foreign tax credit written off

- Branches tax credit (Reversals)

- Unrecognized Deferred Tax Asset on losses of subsidiaries

- Others

Total**Year ended**
March 31, 2023 **March 31, 2022**

22,916	1,087,441
(27,537)	119,493
(4,621)	1,206,934

405,933	4,076
405,933	4,076
401,312	1,211,010

Year ended
March 31, 2023 **March 31, 2022**

5,335,619	8,624,609
1,120,480	1,811,168

29,393	(85,922)
320,452	293,832
-	119,493
-	(7,053)
(1,068,864)	(921,447)
(149)	939
401,312	1,211,010



NIIT (USA), Inc.**Notes to the Special Purpose Financial Statements for the year ended March 31, 2023**

(All amounts are in USD, unless otherwise stated)

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

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

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

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

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

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

	As at	
	March 31, 2023	March 31, 2022
	Carrying value	Carrying value
Financial assets		
Trade receivables	15,087,257	14,843,108
Cash and bank balances	4,545,315	9,079,689
Other bank balances	2,751,243	2,751,243
Other financial assets	10,419,087	4,014,242
Loans to related parties	4,250,000	1,500,000
Total financial assets	37,052,902	32,188,282
Financial liabilities		
Borrowings	24,109,886	419,593
Trade payables	13,832,699	9,156,430
Other financial liabilities	43,769,194	5,629,396
Lease liabilities	1,274,420	-
Total financial liabilities	82,986,199	15,205,419

As of March 31, 2023 and March 31, 2022, 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, 2023**

(All amounts are in USD, unless otherwise stated)

29 Financial Risk Management

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

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

i) Credit risk

Credit risk refers to the risk of default on its obligation by the counter party resulting in a financial loss. The maximum exposure to the credit risk at the reporting date is primarily from trade receivables amounting to USD 15,087,257 and USD 14,843,108 as of March 31, 2023 and March 31, 2022 respectively and unbilled revenue amounting to USD 2,499,185 and USD 3,046,651 as of March 31, 2023 and March 31, 2022 respectively.

The following table gives the movement in allowance for provision for doubtful debts for the year ended March 31, 2023:

Reconciliation of provision for expected credit loss – Trade receivables

Particulars	Amount
Loss allowance on April 1, 2021	704,381
Add: Provision for expected credit loss	3,000
Loss allowance on March 31, 2022	707,381
Add: Provision for expected credit loss	-
Loss allowance on March 31, 2023	707,381

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, 2023				
Borrowings	12,950,292	2,960,452	8,199,142	24,109,886
Trade payables	13,832,699	-	-	13,832,699
Other financial liabilities	18,951,471	10,829,328	13,988,395	43,769,194
Lease liabilities	248,827	266,976	758,617	1,274,420
	45,983,289	14,056,756	22,946,154	82,986,199
March 31, 2022				
Borrowings	419,593	-	-	419,593
Trade payables	9,156,430	-	-	9,156,430
Other financial liabilities	5,629,396	-	-	5,629,396
	15,205,419	-	-	15,205,419



NIIT (USA), Inc.
Notes to the Special Purpose Financial Statements for the year ended March 31, 2023

(All amounts are in USD, unless otherwise stated)

iii) Market risk

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

(a) Interest rate risk

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

(b) Foreign currency risk

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

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, 2023	March 31, 2022
Receivables		
AUD	8,695	52,787
CAD	4,233	-
CHF	287,557	101,642
EUR	407,314	488,574
SGD	35,942	35,498
GBP	13,623	-
Others	5,573	5,573
	762,936	684,073
Bank		
AUD	384,482	289,986
SGD	728,214	843,972
	1,112,696	1,133,958
Net exposure to foreign currency risk (assets)	1,875,632	1,818,031
Financial Liabilities	March 31, 2023	March 31, 2022
Trade Payables		
AUD	246,490	127,101
CAD	1,185,983	4
EUR	301,731	561
SGD	4,681	62,757
GBP	1,010,980	27,715
Others	53,233	7,882
Net exposure to foreign currency risk (liabilities)	2,803,098	226,020

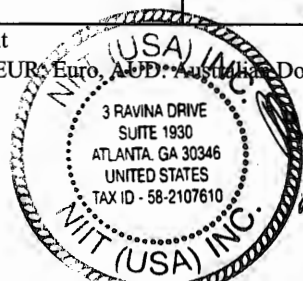
Sensitivity

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, 2023		Impact on Profit and Loss for the year ended March 31, 2022	
	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	1,467	(1,467)	2,157	(2,157)
CAD	(11,860)	11,860	-	-
CHF	2,876	(2,876)	1,016	(1,016)
EUR	1,056	(1,056)	4,880	(4,880)
SGD	7,595	(7,595)	8,167	(8,167)
GBP	(9,974)	9,974	(277)	277
Others	(477)	477	(23)	23
	(9,317)	9,317	15,920	(15,920)

* Holding all other variables constant

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



NIIT (USA), Inc.
Notes to the Special Purpose Financial Statements for the year ended March 31, 2023

(All amounts are in USD, unless otherwise stated)

30 Commitments and Contingent Liabilities

	As at	
	March 31, 2023	March 31, 2022
(i) Claims against the Company not acknowledged as debts:		
Tax Matters	151,742	164,162
Total contingent liabilities	151,742	164,162

- (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.

31 Earnings Per Share

Particular	Year ended	
	March 31, 2023	March 31, 2022
Profit attributable to equity shareholders (USD) - (A)*	4,934,307	7,413,599
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 per share (USD) (A/B)	0.46	0.70

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

32 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'.

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

Sale of Services (refer note 22)

Total
Timing of Revenue Recognition

Services transferred over time

Total
b. Contract Balances

Trade Receivables (refer note 8)

Contract Assets [refer note 7 (i) (a)]

Contract Liabilities (refer note 21)

	Year ended	
	March 31, 2023	March 31, 2022
	89,792,674	83,428,724
	89,792,674	83,428,724
	89,792,674	83,428,724
	89,792,674	83,428,724
	15,087,257	14,843,108
	2,499,185	3,046,651
	(3,794,445)	(5,711,075)

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

Revenue as per contracted price

Adjustments

Discount & Rebates

	Year ended	
	March 31, 2023	March 31, 2022
	89,792,674	83,435,912
	-	(7,188)
	89,792,674	83,428,724

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, 2023, 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, 2023

34 Related Party Transactions :

A. Related party relationship where control exists:

Holding Company - NIIT Learning Systems Limited, India (Formerly Mindchampion Learning Systems Limited, name changed w.e.f January 18, 2022) (w.e.f. April 01, 2022)

Subsidiaries

1. Stackroute Learning Inc.
2. ST. Charles Consulting Group LLC (w.e.f. November 04, 2022)
3. NIIT Mexico, S. DE R.L. DE C.V. (w.e.f. February 23, 2023)
4. NIIT Brazil LTDA (w.e.f. March 23, 2023)
5. Eagle international Institute Inc. USA (merged with NIIT (USA) Inc, USA w.e.f. July 01, 2021)
6. Eagle Training Spain, S.L.U (subsidiary of entity at serial no. 5 till June 30, 2021, became subsidiary of NIIT (USA) Inc, USA w.e.f. July 1, 2021)

B. Fellow subsidiaries *

1. NIIT Limited, UK
2. NIIT Malaysia Sdn. Bhd, Malaysia
3. NIIT (Ireland) Limited
4. NIIT West Africa Limited
5. NIIT Learning Solutions (Canada) Limited (subsidiary of entity at serial no. 3)

* Became subsidiaries of NIIT Learning Systems Limited, pursuant to the Composite Scheme of Arrangement between NIIT Limited and NIIT Learning Systems Limited as approved by Hon'ble Company Law Tribunal vide its Order dated May 19, 2023 and effective on May 24, 2023, with an appointed date April 1, 2022.

C. Entities in which Key Management Personnel of the Ultimate Holding Company and NIIT Limited are same (refer note 37)

1. NIIT Limited, India (Till March 31, 2022)
2. NIIT Institute of Finance Banking and Insurance Training Limited
3. NIIT Yuva Jyoti Limited (Liquidated on February 25, 2022)
4. NIIT Institute of Process Excellence Limited (Under Voluntary Liquidation w.e.f. February 19, 2020)
5. NIIT GC Limited, Mauritius
6. PT NIIT Indonesia, Indonesia (under liquidation)
7. NIIT China (Shanghai) Limited, Shanghai (subsidiary of entity at serial no. 5)
8. Chengmai NIIT Information Technology Company Limited, China (Closed w.e.f. August 18, 2022, subsidiary of entity at serial no. 7)
9. Chongqing An Dao Education Consulting Limited, China (subsidiary of entity at serial no. 7)
10. NingXia NIIT Education Technology Company Limited, China (Closed w.e.f. December 6, 2022, subsidiary of entity at serial no. 7)
11. Guizhou NIIT Information Technology Consulting Co., Limited, China (under process of closing, subsidiary of entity at serial no. 7)
12. NIIT (Guizhou) Education Technology Co., Limited, China (subsidiary of entity at serial no. 7)
13. RPS Consulting Private Limited (w.e.f. October 01, 2021)

D. Other related parties with whom Company has transacted

a) Key management personnel:

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

E. 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, 2023

(All amounts are in USD, unless otherwise stated)

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 deemed to be interested	Total
Purchase of Services	21,275,901	927,189	6,514,273	-	324,660	29,042,022
	(18,648,421)	(682,450)	(6,032,357)	-	(55,845)	(25,419,073)
Sale of Services	783,831	276,150	5,090,226	-	-	6,150,208
	(452,630)	(302,330)	(4,653,608)	-	-	(5,408,567)
Other Income	1,317,498	-	2,953,190	-	-	4,270,687
	(1,050,385)	-	(3,020,951)	-	-	(4,071,336)
Recovery of expenses From- Other Expenses	238,067	1,040,185	1,610,273	-	1,702	2,890,227
	-	(771,620)	(474,590)	-	-	(1,246,211)
Recovery of expenses From- Employee Cost	-	2,323	16,552	-	-	18,874
	-	-	(132,642)	(484)	-	(133,126)
Recovery of expenses by- Other Expenses	76,201	2,379	396,249	20,764	-	495,594
	(32,416)	-	(204,310)	(10,075)	-	(246,802)
Recovery of expenses by- Employee Cost	1,092,871	14,469	-	6,188	-	1,113,528
	(702,367)	-	-	(13)	-	(702,380)
Management Cost Recovery By	2,176,803	-	-	-	-	2,176,803
	(1,834,041)	-	-	-	-	(1,834,041)
Finance Cost	-	-	321,455	-	-	321,455
	-	-	-	-	-	-
Interest Income	-	47,729	-	-	-	47,729
	-	(5,969)	-	-	-	(5,969)
Loans given to Subsidiary	-	2,750,000	-	-	-	2,750,000
	-	(1,500,000)	-	-	-	(1,500,000)
Loan received from subsidiary	-	-	16,000,000	-	-	16,000,000
	-	-	-	-	-	-
Dividend Received	-	-	-	-	-	-
	-	(200,000)	-	-	-	(200,000)
Loan repayment to subsidiary	-	-	6,000,000	-	-	6,000,000
	-	-	-	-	-	-

Figures in parenthesis represent previous year figures.

* Excluding taxes

Remuneration to Directors	Year ended	
	March 31, 2023	March 31, 2022
Sapnesh Lalla	758,091	586,642
P R Subramanian	271,490	265,225
Abhas Kumar	287,247	271,932
Sailesh Lalla	605,616	530,662
Devenderjit Chadha	407,869	348,382

Refer note 30 for Guarantees and commitments

F. Details of outstanding balances with related parties

Particular	Holding Company **	Subsidiaries	Fellow Subsidiaries	Key Management Personnel	Parties in which Key Management Personnel of the Company are deemed to be interested	Total
Loan given						
March 31, 2023	-	4,250,000	-	-	-	4,250,000
March 31, 2022	-	1,500,000	-	-	-	1,500,000
Loan received						
March 31, 2023	-	-	10,000,000	-	-	10,000,000
March 31, 2022	-	-	-	-	-	-
Trade and other receivables						
March 31, 2023	557,006	87,666	1,951,503	-	10,823	2,606,998
March 31, 2022	943,339	923,280	2,221,533	-	36,547	4,124,700
Trade and other payables						
March 31, 2023	8,256,390	48,340	2,558,363	12,343	100,774	10,976,210
March 31, 2022	5,022,230	140,051	1,786,349	653	77,726	7,027,009

**Holding Company - NIIT Limited, India (Till March 31, 2022)

- NIIT Learning Systems Limited, India (Formerly Mindchampion Learning Systems Limited) (w.e.f. April 01, 2022)



NIIT (USA), Inc.**Notes to the Special Purpose Financial Statements for the year ended March 31, 2023**

(All amounts are in USD, unless otherwise stated)

35 Capital Management

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

There is no default on the repayment of borrowings (including interest thereon) during the year ended March 31, 2023.

Particulars	As at	
	March 31, 2023	March 31, 2022
Debt equity ratio:		
Borrowings (refer note 16)	24,109,886	419,593
Lease Liabilities (refer note 5(ii))	1,274,420	-
Total Debt (A)	25,384,306	419,593
Equity share capital (refer note 14)	10,662,113	10,662,113
Other equity (refer note 15)	13,650,299	8,715,992
Total Equity (B)	24,312,412	19,378,105
Profit after tax (C)	4,934,307	7,413,599
Opening Shareholders equity	19,378,105	11,964,506
Closing Shareholders equity	24,312,412	19,378,105
Average Shareholder's Equity (D)	21,845,259	15,671,306
Debt equity ratio (A/B)	1.04	0.02
Return on equity Ratio (%) (C/D)	22.6%	47.3%

36 Additional Regulatory Information

- (i) There is no immovable property included in Property Plant and Equipment and Right of use assets, held by the Company.
- (ii) The Company has not revalued its Property, Plant and Equipment (including Right of use assets) and intangible assets during the year ended March 31, 2023.
- (iii) The Company has not traded or invested in cryptocurrency transactions during the financial year and there is no balance as at year end.
- (iv) The Company has not been declared wilful defaulter by any bank or financial institution or government or any government authority, as per the available information.



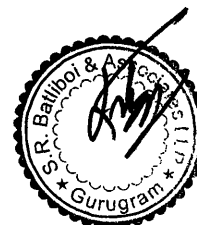
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NIIT (USA), Inc.
Notes to the Special Purpose Financial Statements for the year ended March 31, 2023
(v) Ratio Analysis and its elements

Particulars	Numerator	Denominator	As at		% Change	Reasons for variance
			March 31, 2023	March 31, 2022		
Current Ratio	Current Assets	Current Liabilities	0.7	1.4	(51%)	Decrease in ratio due to utilisation of cash and bank balances on account of Investment in St. Charles Consulting Group, LLC (STC).
Debt equity ratio	Total Debt = Borrowings + Lease Liabilities	Shareholder's Equity	1.04	0.02	47%	Increase in borrowings on account of acquisition of subsidiary (STC) has resulted in higher debt equity ratio.
Debt service coverage ratio	Earnings available for debt service=Net Profit after taxes + Non-cash operating expenses + Interest + Other non-cash adjustments	Debt service	0.8	23.6	(97%)	Partial repayment of term loan from Banks and repayment of entire loan from NIIT UK has resulted in reduction in debt service coverage ratio.
Return on equity Ratio	Net Profits after taxes	Average Shareholder's Equity	22.6%	47.3%	(52%)	Reduction in profitability has resulted in decreased in this ratio.
Trade receivables turnover ratio	Total Sales	Trade receivables	6.0	5.6	6%	
Trade payables turnover ratio	Total Purchases	Trade payables	3.3	4.4	(24%)	
Net capital turnover ratio	Net Sales	Average Working Capital (i.e. Total current assets less Total current liabilities)	(21.4)	13.3	(262%)	Change is mainly due to cash utilization in investment in STC , and fresh loan taken during the year.
Net profit ratio	Net profit	Net Sales	5.5%	8.9%	(38%)	Reduction in profitability due to increase in expense has resulted in decreased in this ratio.
Return on capital employed	Earning before interest and taxes	Capital employed = Tangible Net worth + Lease liabilities + Borrowings	13.7%	61.9%	(78%)	Reduction in profitability has resulted in decreased in this ratio.
Return on investments	Interest (Finance Income)	Weighted average investments	1.6%	0.1%	13%	

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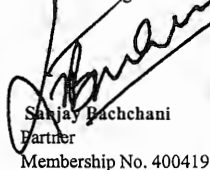


NIIT (USA), Inc.

Notes to the Special Purpose Financial Statements for the year ended March 31, 2023

- (vi) The Company has not advanced or loaned or invested funds to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding that the Intermediary shall:
- (a) Directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company (Ultimate Beneficiaries) or
 - (b) Provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries.
- (vii) The Company has not received any fund from any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Company shall:
- (a) Directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries) or
 - (b) Provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries
- 37 The Board of Directors of the NIIT Limited, in its meeting held on January 28, 2022 approved a Composite Scheme of Arrangement under Section 230 to 232 and other applicable provisions of the Companies Act 2013 between NIIT Limited ("Transferor Company" or "NIIT") and NIIT Learning Systems Limited (Formerly known as Mindchampion Learning Systems Limited) ("Transferee Company" or "NLSL") a wholly owned subsidiary of the Company and their respective shareholders and creditors ("Scheme"). The National Company Law Tribunal (NCLT), Chandigarh Bench vide Order dated May 19, 2023 sanctioned the Composite Scheme of Arrangement. The Scheme became effective on May 24, 2023 upon filing of the certified copies of the NCLT Orders sanctioning the Scheme with the respective jurisdictional Registrar of Companies. Pursuant to the Scheme becoming effective, the CLG Business Undertaking is demerged from the NIIT and transferred to and vested in NLSL with effect from April 1, 2022 i.e. the Appointed Date. Consequently, NIIT ceased to be the holding company of the entity and NLSL became the holding company of the entity.
- 38 Previous year figures have been regrouped / reclassified to conform the current year classification.
- Signature to Notes '1' to '38' of these special purpose financial statements.

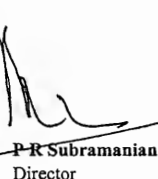
For S. R. Batliboi & Associates LLP
Chartered Accountants
ICAI Firm Registration No. 101049W/E300004


Sanjay Pachchani
Partner
Membership No. 400419

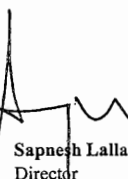
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Date: May 26, 2023



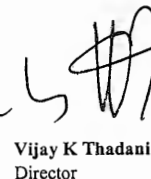
For and on behalf of the Board of Directors of NIIT (USA), Inc.


P. R. Subramanian
Director

Place: Gurugram
Date: May 26, 2023


Sapnesh Lalla
Director

Place: Gurugram
Date: May 26, 2023


Vijay K Thadani
Director

Place: Gurugram
Date: May 26, 2023