

**Independent Auditor's Report on Special purpose Ind AS Financial Statements**

To the Board of Directors of NIIT Learning Systems Limited

**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 2024, 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 Special purpose Ind AS financial statements, including a summary of material 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, 2024, 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 Special purpose Ind AS 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 for 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, as amended, specified under section 133 of the Act 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. This responsibility also includes maintenance of adequate accounting records 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.

The 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 skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the Special purpose Ind AS financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the Special purpose Ind AS financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- 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.

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.



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

Chartered Accountants

## **Other Matter – Restriction on Use**

Our auditor's report is intended solely for the information and internal use by the management of the Company as specified above 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: 24400419BKFRFC5467  
Place of Signature: Gurugram  
Date: May 17, 2024



**NIIT (USA), Inc.**  
Special Purpose Balance Sheet as at March 31, 2024

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

	Notes	As at	
		March 31, 2024	March 31, 2023
<b>ASSETS</b>			
<b>Non-Current Assets</b>			
Property, plant and equipment	3	560,279	760,983
Goodwill	4	4,534,548	4,534,548
Other Intangible assets	4	1,210,000	1,211,278
Right-of-use assets	5(ii)	888,823	1,143,266
Intangible assets under development	4	390,443	-
<b>Financial assets</b>			
Investments	7 (i)	67,249,028	65,187,111
Loans	7 (ii)	-	4,250,000
Deferred tax assets (net)	8(i)	-	123,763
Income tax assets (net)	9	257,233	679,035
<b>Total non-current assets</b>		<b>75,090,354</b>	<b>77,889,984</b>
<b>Current Assets</b>			
<b>Financial assets</b>			
Loans	7 (ii)	6,250,000	-
Trade receivables	7 (iii)	18,472,620	15,087,257
Cash and cash equivalents	7 (iv)	5,626,278	4,545,315
Bank balances other than above	7 (v)	-	2,751,243
Other financial assets	7 (vi)	15,913,623	10,417,741
Income tax assets (net)	9	1,180,126	502,652
Other current assets	10	510,403	531,410
<b>Total current assets</b>		<b>47,953,050</b>	<b>33,835,618</b>
<b>TOTAL ASSETS</b>		<b>123,043,404</b>	<b>111,725,602</b>
<b>EQUITY AND LIABILITIES</b>			
<b>EQUITY</b>			
Equity share capital	11	10,662,113	10,662,113
Other equity	12	28,083,542	13,650,299
<b>TOTAL EQUITY</b>		<b>38,745,655</b>	<b>24,312,412</b>
<b>LIABILITIES</b>			
<b>Non-Current Liabilities</b>			
<b>Financial liabilities</b>			
Borrowings	13	18,198,925	11,159,594
Lease Liabilities	5(ii)	758,617	1,025,593
Other financial liabilities	15	18,025,703	24,817,723
Deferred tax liabilities (net)	8	236,291	-
<b>Total non-current liabilities</b>		<b>37,219,536</b>	<b>37,002,910</b>
<b>Current liabilities</b>			
<b>Financial liabilities</b>			
Borrowings	13	2,960,253	12,950,292
Lease Liabilities	5(ii)	266,976	248,827
Trade payables	14	14,047,849	13,832,699
Other financial liabilities	15	23,994,900	18,950,125
Other current liabilities	16	5,285,335	3,891,636
Provisions	17	522,900	536,701
<b>Total current liabilities</b>		<b>47,078,213</b>	<b>50,410,280</b>
<b>TOTAL LIABILITIES</b>		<b>84,297,749</b>	<b>87,413,190</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>123,043,404</b>	<b>111,725,602</b>

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

As per our report of even date  
For S. R. Batliboi & Associates LLP  
Chartered Accountants  
Firm Registration No. 101049W/E300004

Sachinjay Bachchani  
Partner  
Membership No. 400419

Place: Gurugram  
Date: May 17, 2024



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

Vijay K Thadani  
Director

Place: Gurugram  
Date: May 17, 2024

Sapnesh Lalla  
Director

Place: Gurugram  
Date: May 17, 2024

P R Subramanian  
Director

Place: Atlanta  
Date: May 17, 2024



**NIIT (USA), Inc.**  
**Special Purpose Statement of Profit and Loss for the year ended March 31, 2024**  
 (All amounts are in USD, unless otherwise stated)

	Notes	Year ended	
		March 31, 2024	March 31, 2023
<b>INCOME</b>			
Revenue from operations	18	87,730,530	89,792,674
Other income	19	15,238,786	4,375,643
<b>Total income</b>		<b>102,969,316</b>	<b>94,168,317</b>
<b>EXPENSES</b>			
Employee benefit expenses	20	38,071,481	40,314,175
Professional & technical outsourcing expenses		37,108,312	39,404,357
Finance costs	21	3,887,805	1,914,490
Depreciation and amortisation expenses	6	556,144	472,663
Other expenses	22	8,051,028	6,446,322
<b>Total expenses</b>		<b>87,674,770</b>	<b>88,552,007</b>
<b>Profit before exceptional items and tax</b>		<b>15,294,546</b>	<b>5,616,310</b>
Exceptional items (net)	23	-	280,691
<b>Profit before tax</b>		<b>15,294,546</b>	<b>5,335,619</b>
Tax expense:	24		
-Current Tax		501,251	(4,622)
-Deferred Tax charge		360,052	405,934
<b>Total tax expense</b>		<b>861,303</b>	<b>401,312</b>
<b>Profit for the year</b>		<b>14,433,243</b>	<b>4,934,307</b>
<b>Other comprehensive income</b>		<b>-</b>	<b>-</b>
<b>Total comprehensive income for the year</b>		<b>14,433,243</b>	<b>4,934,307</b>
Earnings per equity share (Face value USD 1 Each)	28		
- Basic		1.35	0.46
- Diluted		1.35	0.46

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

As per our report of even date.  
 For S. R. Batliboi & Associates LLP  
 Chartered Accountants  
 Firm Registration No.: 101049W/E300004

Mr. Sanjay Bachchani  
 Partner  
 Membership No. 400419

Place: Gurugram  
 Date: May 17, 2024



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

*(Handwritten signatures of Vijay K Thadani, Sapnesh Lalla, and P R Subramanian)*

Vijay K Thadani  
 Director

Place: Gurugram  
 Date: May 17, 2024

Sapnesh Lalla  
 Director

Place: Gurugram  
 Date: May 17, 2024

P R Subramanian  
 Director

Place: Atlanta  
 Date: May 17, 2024



**NIIT (USA), Inc.**  
Special Purpose Statement of Cash Flows for the year ended March 31, 2024

(All amounts are in USD, unless otherwise stated)

	Year ended	
	March 31, 2024	March 31, 2023
<b>CASH FLOW FROM OPERATING ACTIVITIES:</b>		
Profit before exceptional items and tax	15,294,546	5,616,310
Adjustment to reconcile profit before tax to net cash flows:		
Depreciation and amortisation expenses	556,144	472,663
Finance costs	1,485,971	793,692
Interest income from deposits with Banks and Financial Institutions	(166,715)	(53,503)
Interest Income on loan to related party	(347,356)	(47,729)
Loss on disposal of property, plant & equipment	2,215	3,239
Fair value loss on contingent consideration	2,401,834	1,120,798
Allowance for expected credit loss (net of reversal)	860,355	-
Dividend income from subsidiary (Refer note 19)	(10,000,000)	-
Unrealised Foreign Exchange (Gain)/loss (net)	(16,925)	45,635
<b>Operating profit before working capital changes</b>	<b>10,070,069</b>	<b>7,951,105</b>
<b>Changes in assets and liabilities</b>		
(Increase)/ Decrease in Trade Receivables	(4,248,970)	(241,701)
(Increase)/ Decrease in other financial assets	(5,437,442)	(6,391,832)
(Increase)/ Decrease in other assets	21,007	(204,411)
(Decrease)/ Increase in trade payables	235,327	4,604,086
(Decrease)/ Increase in other financial liabilities	5,412,343	2,491,362
(Decrease)/ Increase in other liabilities	1,393,699	(2,544,714)
(Decrease)/ Increase in provisions	(13,801)	(63,540)
<b>Net cash flow generated from operations before tax</b>	<b>7,432,232</b>	<b>5,600,355</b>
Tax paid	(756,921)	(626,208)
<b>Net Cash flow generated from operating activities (A)</b>	<b>6,675,311</b>	<b>4,974,147</b>
<b>CASH FLOW FROM INVESTING ACTIVITIES:</b>		
Purchase of property, plant and equipment (including Right of use Assets, internally generated Intangible Assets and capital advances)	(492,377)	(249,449)
Investment in subsidiaries	(2,061,917)	(2,750,000)
Payment towards acquisition of subsidiary (Refer note 7 (i))	(9,611,692)	(25,563,299)
Expenses in relation to acquisition of subsidiary	-	(1,101,698)
Interest received on deposits with Banks and Financial Institutions	172,112	40,490
Interest received on loan to related party	347,356	47,729
Dividend received from subsidiary (Refer note 19)	10,000,000	-
Loan given to related party (Refer note 7 (ii))	(2,000,000)	(2,750,000)
Encashment of Fixed Deposits from Banks (net)	2,687,406	-
<b>Net cash flows used in investing activities (B)</b>	<b>(959,112)</b>	<b>(32,326,227)</b>
<b>CASH FLOW FROM FINANCING ACTIVITIES:</b>		
Deferred payment on business acquisitions	-	(419,593)
Loan taken from bank	-	14,848,017
Loan taken from affiliates	10,000,000	16,000,000
Loan repayment to bank	(3,000,000)	(750,000)
Loan repayment to affiliates	(10,000,000)	(6,000,000)
Payment of lease liabilities	(248,827)	(81,458)
Payment of interest on lease liabilities	(42,124)	(39,187)
Interest paid	(1,344,285)	(740,073)
<b>Net cash flows (used in) / generated from financing activities (C)</b>	<b>(4,635,236)</b>	<b>22,817,706</b>
<b>Net increase / (decrease) in cash &amp; cash equivalents (A) + (B) + (C)</b>	<b>1,080,963</b>	<b>(4,534,374)</b>
<b>Cash and cash equivalents as at the beginning of the year (Refer note 7 (iv))</b>	<b>4,545,315</b>	<b>9,079,689</b>
<b>Cash and cash equivalents as at the end of the year (Refer note 7 (iv))</b>	<b>5,626,278</b>	<b>4,545,315</b>

**Notes:**

- Figures in parenthesis indicate cash outflow.
- The statement of cash flows has been prepared using the indirect method as set out in Ind-AS 7, "Statement of Cash Flows".
- For reconciliation of non-cash items refer note 29.

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

As per our report of even date,  
For S. R. Batliboi & Associates LLP  
Chartered Accountants  
Firm Registration No: 101049W/E300004

Mr. Sanjay Bachechani  
Partner  
Membership No. 400419

Place: Gurugram  
Date: May 17, 2024



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

Vijay K Thadani  
Director

Place: Gurugram  
Date: May 17, 2024

Sapnesh Lalit  
Director

Place: Gurugram  
Date: May 17, 2024

P R Subramanian  
Director

Place: Atlanta  
Date: May 17, 2024



**NIIT (USA), Inc.**  
**Special Purpose Statement of Changes in Equity for the year ended March 31, 2024**  
 (All amounts are in USD, unless otherwise stated)

**i) Equity Share Capital (Refer note 11):**

Particulars	No. of Shares	Amount
Equity share of USD 1 each issued, subscribed and fully paid		
<b>Balance as at April 1, 2022</b>	10,662,113	10,662,113
Issue of share capital during the year	-	-
<b>Balance as at March 31, 2023</b>	10,662,113	10,662,113
Issue of share capital during the year	-	-
<b>Balance as at March 31, 2024</b>	10,662,113	10,662,113

**ii) Other Equity (Refer note 12):**

Particulars	Reserves and Surplus		Total
	Retained Earnings	Capital Reserve	
<b>Balance as at April 1, 2022</b>	9,268,734	(552,742)	8,715,992
Profit for the year	4,934,307	-	4,934,307
<b>Balance as at March 31, 2023</b>	14,203,041	(552,742)	13,650,299
Profit for the year	14,433,243	-	14,433,243
<b>Balance as at March 31, 2024</b>	28,636,284	(552,742)	28,083,542

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

As per our report of even date.

**For S. R. Batliboi & Associates LLP**  
 Chartered Accountants  
 Firm Registration No. 101649W/E300004

*Sanjay Bachchani*  
 per Sanjay Bachchani  
 Partner  
 Membership No. 400419



Place: Gurugram  
 Date: May 17, 2024

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

*Vijay K Thadani*  
 Vijay K Thadani  
 Director

*Sapnesh Lalla*  
 Sapnesh Lalla  
 Director

*P R Subramanian*  
 P R Subramanian  
 Director

Place: Gurugram  
 Date: May 17, 2024

Place: Gurugram  
 Date: May 17, 2024

Place: Atlanta  
 Date: May 17, 2024



## NIIT (USA), Inc.

Notes to the Special Purpose Financial Statements for the year ended March 31, 2024

### 1 Corporate Information

NIIT (USA), Inc. (the Company) was incorporated on May 2, 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.

The financial statements were approved for issue by the board of directors on May 17, 2024.

### 2 Material Accounting Policies

This note provides a list of the material accounting policies adopted in the preparation of these special purpose Ind AS 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 special purpose Ind AS 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.

All assets and liabilities have been classified as current and non-current as per the Company's normal operating cycle. Based on the nature of services rendered to customers and time elapsed between deployment of resources and the realisation in cash and cash equivalents of the consideration for such services rendered, the company has considered an operating cycle of 12 months.

##### (ii) Historical cost convention

These special purpose Ind AS financial statements have been prepared on a historical cost basis, except for the following:

- Financial assets and liabilities are measured at fair value or amortised cost

#### 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 Revenue recognition

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



## NIIT (USA), Inc.

### Notes to the Special Purpose Financial Statements for the year ended March 31, 2024

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.

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

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

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

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

Revenue recognized but not billed to customers is classified either as contract assets or unbilled receivables in the consolidated balance sheet. Contract assets primarily relate to unbilled amounts on those contracts utilizing the cost to cost method of revenue recognition and right to consideration is not unconditional. Contract assets are recognized where there is excess of revenue over the billings. Unbilled receivables represent contracts where right to consideration is unconditional (i.e. only the passage of time is required before the payment is due).

A contract liability arises when there is excess billing over the revenue recognized.

#### 2.4 Other Income

Other income mainly comprises interest income on bank and other deposits, profit on sale of property, plant and equipments, sales, marketing, other support services and exchange differences. Dividend income is recognized when the right to receive payment is established.

#### 2.5 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. The current tax payable by the Company is income tax payable on worldwide income after taking credit for tax relief available.

Advance taxes and provisions for current income taxes are presented in the balance sheet after off-setting advance tax paid and income tax provision.



**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.

**2.6 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.

**Right-of-use assets**

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.

**Lease liabilities**

The lease liability is initially measured at amortized cost at the present value of the future lease payments. The lease payments are discounted using the interest rate implicit in the lease or, if not readily determinable, using the incremental borrowing rates in the country of domicile of these leases. Lease liabilities are remeasured with a corresponding adjustment to the related right of use asset if the company changes its assessment to whether it will exercise an extension or a termination option.

Lease liability and Right-of-use assets have been separately presented in the Balance Sheet and Lease payments have been classified as financing cash flows.

The Company has elected to not recognize leases with a lease term of 12 months or less in the balance sheet, and lease costs for those short-term leases are recognized on a straight-line basis over the lease term in the statement of profit and loss.

**2.7 Business Combinations**

Business combinations are accounted for using the acquisition method. The cost of an acquisition is the aggregate of the consideration transferred measured at fair value at the acquisition date. Acquisition related costs are expensed as incurred. Any contingent consideration to be transferred by the acquirer is recognized at fair value at the acquisition date. Contingent consideration classified as financial liability is measured at fair value with changes in fair value recognized in the statement of profit and loss.

**2.8 Trade receivables**

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



**2.9 Property, plant and equipment and Depreciation**

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

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

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

Description of Assets	Useful life
Plant and Equipment including:	
- Computers, Printers and related Accessories	3 years
- Computer Servers and Networks	5 years
- Electronic Equipments	8 years
- Air Conditioners	10 years
Office Equipment	5 years
Furniture & Fixtures	7 years
Leasehold Improvements	3-5 years or lease period, whichever is lower
All other assets	Lives prescribed under Schedule II to the Companies Act, 2013

**2.10 Intangible assets**

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

**Computer Software - Acquired**

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.

**Software tools, platforms and contents - Internally generated including intangible under development**

Expenditure on research activities is recognised as an expense in the period in which it is incurred. Development costs that are directly attributable to the design and testing of identifiable and unique software products controlled by the group are recognised as intangible assets when the following criteria are met:

- it is technically feasible to complete the development so that it will be available for use;
- management intends to complete the content/products and use or sell it;
- there is an ability to use or sell the content/products;
- it can be demonstrated how the content/products will generate probable future economic benefits;
- adequate technical, financial and other resources to complete the development and to use or sell the content/products are available,
- the expenditure attributable to the software during its development can be reliably measured.

Directly attributable costs that are capitalised as part of the intangible include employee costs and an appropriate portion of relevant overheads.

Capitalised development costs are recorded as intangible assets and amortised from the point at which the asset is available for use.



## NIIT (USA), Inc.

Notes to the Special Purpose Financial Statements for the year ended March 31, 2024

### 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 (other than goodwill and brand) 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).

## 2.11 Investments and other financial assets

### i) Classification

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

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

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

For assets measured at fair value, gains and losses will either be recorded in profit or loss or other comprehensive income.

### 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.

### Financial Assets

Subsequent measurement of Financial assets 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 Financial assets:

- **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.
- **Fair value through other comprehensive income (FVOCI)**: Assets that are held for collection of the contractual cash flows and for selling the financial assets, where the asset's cash flow represents solely payments of principal and interest, are measured at fair value through other comprehensive income (FVOCI). Movements in the carrying amount are taken through Other Comprehensive Income (OCI), except for the recognition of impairment gains or losses, interest revenue and foreign exchange gains and losses which are recognised in profit and loss. When the financial asset is derecognised, the cumulative gain or loss previously recognised in OCI is reclassified from equity to profit or loss and recognised in other gains/ (losses).
- **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).

### Equity Instrument

**Investment in subsidiaries** - Investment in subsidiaries are measured at historical cost less impairment loss, if any.



**iii) Impairment of financial assets**

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.

Investment in subsidiaries is 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.

**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.

**2.12 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.

**Social Security Scheme**

The Company makes defined contributions on a monthly basis towards retirement benefits of the employees in Singapore under the Social Security Scheme 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, 2024

### Share-based payments

Share based expenses are the fair value charges (as per Black and Scholes Model) recovered by parent company for shares issued to employees of the Company by Parent Company and NIIT Limited, pursuant to the Scheme of Arrangement. (Refer Note 34).

### 2.13 Financial liabilities

All financial liabilities are recognized initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

The subsequent measurement of financial liabilities depends on their classification, as described below:

#### Financial liabilities at fair value through profit or loss

Financial liabilities designated upon initial recognition at fair value through profit or loss are designated as such at the initial date of recognition, and only if the criteria in Ind AS 109 are satisfied. Changes in fair value of such liability are recognized in the statement of profit or loss.

#### Financial liabilities at amortized cost

The Company's financial liabilities at amortized cost are initially recognized at net of transaction costs and includes trade payables, borrowings including bank overdrafts and other payables.

After initial recognition, financial liabilities are subsequently measured at amortized cost using the effective interest rate (EIR) method except for deferred consideration recognized in a business combination which is subsequently measured at fair value through profit and loss. Gains and losses are recognized in the statement of profit and loss when the liabilities are derecognized as well as through the EIR amortization process.

Amortized cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortization is included as finance costs in the statement of profit and loss.

#### Derecognition

A financial liability is derecognized when the obligation under the liability is discharged or cancelled or expires.

### 2.14 Borrowing Costs

Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds.

### 2.15 Provisions and Contingencies

Provisions are recognised when the Company has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation and the amount can be reliably estimated. Provisions are not recognised for future operating losses.

Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. A provision is recognised even if the likelihood of an outflow with respect to any one item included in the same class of obligations may be small.

Provisions are measured at the present value of management's best estimate of the expenditure required to settle the present obligation at the end of the reporting period. The discount rate used to determine the present value is a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability.

Provisions for onerous contracts are recognised when the expected benefits to be derived by the Company from a contract are lower than the unavoidable costs of meeting the future obligations under the contract. The provision is measured at the present value of the lower of the expected cost of terminating the contract and the expected net cost of continuing with the contract. Before a provision is established the Company recognizes any impairment loss on the assets associated with that contract.

The Company uses significant judgements to assess contingent liabilities. Contingent liabilities are recognised when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company or a present obligation that arises from past events where it is either not probable that an outflow of resources will be required to settle the obligation or a reliable estimate of the amount cannot be made. Contingent assets are neither recognised nor disclosed in these financial statements.



## NIIT (USA), Inc.

Notes to the Special Purpose Financial Statements for the year ended March 31, 2024

### 2.16 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.

### 2.17 Cost Recognition

Costs and expenses are recognised when incurred and have been classified according to their primary nature. The costs of the Company are broadly categorised in Professional & technical outsourcing expenses, employee benefit expenses, depreciation and amortisation, finance cost and other expenses. Professional & technical outsourcing expenses include service and delivery charges including any incidental expenses thereto. Employee costs include employee compensation, allowances paid, contribution to various funds, share based payments and staff welfare expenses. Other expenses majorly include rental, travelling and conveyance, legal and professional fees, marketing and advertising expenses, management cost recovery by parent company, allowances for expected credit loss and other expenses.

### 2.18 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.

### 2.19 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 2.9 - measurement of useful life and residual values of property, plant and equipment and other intangible assets.

Note 2.11 - fair value measurement of financial instruments.

Note 2.5 - judgement required to determine probability of recognition of deferred tax assets.

Note 2.6, 2.13 and 5 - Determination of lease term and contingent consideration.

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

### 2.20 Share capital

Equity share capital

Issuance of ordinary shares are recognised as equity share capital in equity. Incremental costs directly attributable to the issuance of new equity shares are recognised as a deduction from equity, net of any tax effects.

### 2.21 Exceptional items

Exceptional items refer to items of income or expense within the income statement that are of such size, nature or incidence that their separate disclosure is considered necessary to explain the performance for the period.

Following items are evaluated for disclosure as exceptional items:

a) **Business Combination:** Impact of one-time accounting policy alignment / unusual write off / impairment of assets arising as a result of business combination, including transaction cost.

b) **Fair valuation gains on business combination.**

In case of other significant item of income or expense, not covered above, the same would be evaluated on a case to case basis for disclosure under exceptional items.

### 2.22 Standards notified but not yet effective

There are no standards that are notified and not yet effective as on date.



NIIT (USA), Inc.

Notes to the Special Purpose Financial Statements for the year ended March 31, 2024

(All amounts are in USD, unless otherwise stated)

3 Property, Plant and Equipment \*

Particulars	Plant & Equipments	Leasehold Improvements	Furniture & Fixtures	Office Equipments	Total
<b>Year ended March 31, 2023</b>					
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
<b>Closing gross carrying amount (A)</b>	<b>446,091</b>	<b>432,714</b>	<b>295,040</b>	<b>31,744</b>	<b>1,205,589</b>
Accumulated depreciation					
Opening accumulated depreciation as on April 1, 2022	451,654	1	2,707	920	455,282
Depreciation charge during the year	110,222	107,517	30,664	3,939	252,342
Disposals	261,109	1,399	-	510	263,018
<b>Closing accumulated depreciation (B)</b>	<b>300,767</b>	<b>106,119</b>	<b>33,371</b>	<b>4,349</b>	<b>444,606</b>
<b>Net carrying amount (A-B)</b>	<b>145,324</b>	<b>326,595</b>	<b>261,669</b>	<b>27,395</b>	<b>760,983</b>
<b>Year ended March 31, 2024</b>					
Gross carrying amount					
Opening gross carrying amount as on April 1, 2023	446,091	432,714	295,040	31,744	1,205,589
Additions	97,463	-	3,970	500	101,933
Disposals	131,128	-	-	500	131,628
<b>Closing Gross Carrying Amount (C)</b>	<b>412,426</b>	<b>432,714</b>	<b>299,010</b>	<b>31,744</b>	<b>1,175,894</b>
Accumulated depreciation					
Opening accumulated depreciation as on April 1, 2023	300,767	106,119	33,371	4,349	444,606
Depreciation charge during the year	106,835	144,704	42,441	6,442	300,422
Disposals	129,320	-	-	93	129,413
<b>Closing accumulated depreciation (D)</b>	<b>278,282</b>	<b>250,823</b>	<b>75,812</b>	<b>10,698</b>	<b>615,615</b>
<b>Net carrying amount (C-D)</b>	<b>134,144</b>	<b>181,891</b>	<b>223,198</b>	<b>21,046</b>	<b>560,279</b>

\* Pledged as collateral in respect of loan from ICICI Bank (Refer note 13).



4 Other Intangible Assets, Goodwill and Intangible assets under development\*

Particulars	Internally Generated Contents / Softwares	Softwares Acquired	Brand	Total Intangibles Assets other than Goodwill	Goodwill	Intangible assets under development (Refer note 4(b))	Total
<b>Year ended March 31, 2023</b>							
<b>Gross carrying amount</b>							
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
Disposals	-	1,434	-	1,434	-	-	1,434
Closing gross carrying amount (A)	2,167,681	1,044,654	1,210,000	4,422,335	4,534,548	-	8,956,883
<b>Accumulated amortisation</b>							
Opening accumulated depreciation 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 (B)	2,167,681	1,043,376	-	3,211,057	-	-	3,211,057
Net carrying amount (A-B)	-	1,278	1,210,000	1,211,278	4,534,548	-	5,745,826
<b>Year ended March 31, 2024</b>							
<b>Gross carrying amount</b>							
Opening gross carrying amount as on April 1, 2023	2,167,681	1,044,654	1,210,000	4,422,335	4,534,548	-	8,956,883
Additions	-	-	-	-	-	390,443	390,443
Closing Gross Carrying Amount (C)	2,167,681	1,044,654	1,210,000	4,422,335	4,534,548	390,443	9,347,326
<b>Accumulated amortisation</b>							
Opening accumulated amortisation as on April 1, 2023	2,167,681	1,043,376	-	3,211,057	-	-	3,211,057
Amortisation charge for the year	-	1,278	-	1,278	-	-	1,278
Closing accumulated amortisation (D)	2,167,681	1,044,654	-	3,212,335	-	-	3,212,335
Net carrying amount (C-D)	-	-	1,210,000	1,210,000	4,534,548	390,443	6,134,991

\* Pledged as collateral in respect of loan from ICICI Bank (Refer note 13).

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, 2024	5,744,548
As at March 31, 2023	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 Company is expected to generate based on board approved budget and projections of next five years approved by the senior management including terminal value.

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, 2024.

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, 2024	March 31, 2023
Life Sciences Practice	7.31%	9.50%

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, 2024	March 31, 2023
Life Sciences Practice	4%	4%

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, 2024

(All amounts are in USD, unless otherwise stated)

4(b) Intangible Assets under Development

The Company is internally developing new software tools, platforms and content. The investments would further expand the business of the Company in existing and new markets, enhance capabilities of its products and software and offer more technology based learning products/ solutions to the customers in future. The Company is confident of its ability to generate future economic benefits out of the above mentioned assets. The costs incurred towards the development are as follows:

Description	As at	
	March 31, 2024	March 31, 2023
Opening Intangible assets under development	-	-
Add:-Expenditure during the Year		
Employee Benefits Expense (Refer note 20)	95,410	-
Professional and technical outsourcing expenses	295,033	-
Less:-Intangible assets capitalised during the year	-	-
Closing Intangible assets under development	390,443	-

Ageing of projects as at:

Project in progress	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
March 31, 2024	390,443	-	-	-	390,443
March 31, 2023	-	-	-	-	-

Completion schedule for Projects whose completion schedule is overdue or has exceeded its cost compared to its original plan as at March 31, 2024 :-

Project in progress	Less than 1 year	1-2 years	2-3 years	More than 3 years
Project 1 (1700006)	390,443	-	-	-



NIIT (USA), Inc.

Notes to the Special Purpose Financial Statements for the year ended March 31, 2024

(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 and premises for office amounting to USD 136,319 (Previous year USD 70,260) (Refer note 22).

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	Total
As at April 1, 2022	-
Additions	1,355,878
Deletion	-
Depreciation	(212,611)
As at April 1, 2023	1,143,267
Additions	-
Deletion	-
Depreciation	(254,444)
As at March 31, 2024	888,823

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

Particulars	Total
As at April 1, 2022	-
Additions	1,355,878
Deletion	-
Accretion of interest (Refer note 21)	39,187
Payments (Including Interest of USD 39,187)	(120,645)
As at April 1, 2023	1,274,420
Additions	-
Deletion	-
Accretion of interest (Refer note 21)	42,124
Payments (Including Interest of USD 42,124)	(290,951)
As at March 31, 2024	1,025,593

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

Particulars	As at	
	March 31, 2024	March 31, 2023
Current Lease liabilities	266,976	248,827
Non Current Lease liabilities	758,617	1,025,593
Total	1,025,593	1,274,420

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

Particulars	Year ended	
	March 31, 2024	March 31, 2023
Depreciation expense of right-of-use assets	254,444	212,611
Interest expense on lease liabilities	42,124	39,187
Total	296,568	251,798

The table below provides details regarding the contractual maturities of lease liabilities on an undiscounted basis:

Particulars	March 31, 2024	March 31, 2023
Less than one year	299,713	290,951
One to Two years	308,723	299,713
More than Two years	486,685	795,408
Total Amount	1,095,121	1,386,072

6 Depreciation and Amortization expenses

Depreciation on Property, Plant and Equipment (Refer note 3)

Amortization on intangible assets (Refer note 4)

Depreciation on right-of-use assets [Refer note 5(ii)]

	Year ended	
	March 31, 2024	March 31, 2023
Depreciation on Property, Plant and Equipment (Refer note 3)	300,422	252,341
Amortization on intangible assets (Refer note 4)	1,278	7,711
Depreciation on right-of-use assets [Refer note 5(ii)]	254,444	212,611
Total	556,144	472,663



**NIIT (USA), Inc.**

Notes to the Special Purpose Financial Statements for the year ended March 31, 2024

**7 Financial assets**

(All amounts are in USD, unless otherwise stated)

**7 (i) Investments**
**Investments in equity instruments in subsidiaries**

3,630 (March 31, 2023: 3,630) shares of USD 1 each fully paid-up in Eagle Training Spain, S.L.

6,250,000 (March 31, 2023: 4,250,000) shares of USD 1 each fully paid-up in Stackroute Learning Inc., USA\*

10,000 (March 31, 2023: 10,000) shares of USD 1 each fully paid-up in St. Charles Consulting Group\*\*

301,500 (March 31, 2023: NIL) shares of BRL 1 each fully paid-up in NIIT BRAZIL LTDA

3,000 (March 31, 2023: NIL) shares of MXN 1 each fully paid-up in NIIT Mexico S.de.R.L.de.C.V

**Total**

As at	
March 31, 2024	March 31, 2023
Non Current	
3,630	3,630
6,250,000	4,250,000
60,933,481	60,933,481
61,748	-
169	-
<b>67,249,028</b>	<b>65,187,111</b>

\*During the year the Company invested in subsidiary Stackroute Learning Inc., USA USD 2,000,000 (FY 2022-23 USD 2,750,000).

\*\*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 35,159,991 till March 31, 2024 and the balance amount is payable as an earnout over the next three years on the basis of Revenue and EBITDA targets as per the terms of the MIPA.

During the previous year, the Company had 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 had been capitalized as investment by the Company. Other expenses amounting to USD 280,691 in relation to the acquisition had been charged to Statement of Profit and Loss account as an exceptional item.

**7 (ii) Loans**
**Loans to related parties\***

Unsecured, considered good (Refer note 31)

**Total**

As at			
March 31, 2024	March 31, 2023	March 31, 2024	March 31, 2023
Non Current		Current	
-	4,250,000	6,250,000	-
-	4,250,000	6,250,000	-

\*The loan of USD 6,250,000 (Previous year USD 4,250,000) was facilitated to Stackroute Learning Inc. to meet its cashflow requirement at the interest rate of 7.09% (Previous year 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**
**Related Parties**

Stackroute Learning, Inc.

**Total**

Amount of loan in the nature of loan outstanding		Percentage to the total Loans in the nature of loans	
March 31, 2024	March 31, 2023	March 31, 2024	March 31, 2023
6,250,000	4,250,000	100%	100%
6,250,000	4,250,000	100%	100%

**7 (iii) Trade Receivables**

Unsecured, considered good

Unsecured, credit impaired

Unsecured, which has significant increase in credit risk

Less: Provision for expected credit loss

Receivables from related parties (Refer note 31)

**Total**

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

For amount due and terms and conditions of related party receivables (Refer note 31).

As at	
March 31, 2024	March 31, 2023
Current	
13,525,131	12,480,259
1,567,736	707,381
-	-
(1,567,736)	(707,381)
4,947,489	2,606,998
<b>18,472,620</b>	<b>15,087,257</b>

**Trade receivables Ageing Schedule as at March 31, 2024\***

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	15,311,001	3,116,128	45,491	-	-	-	18,472,620
Undisputed Trade Receivables - credit impaired	-	12,262	58,025	790,068	1,466	705,915	1,567,736
Undisputed Trade Receivables - which has significant increase in credit risk	-	-	-	-	-	-	-
<b>Total</b>	<b>15,311,001</b>	<b>3,128,390</b>	<b>103,516</b>	<b>790,068</b>	<b>1,466</b>	<b>705,915</b>	<b>20,040,356</b>
Less: Provision for expected credit loss	-	-	-	-	-	-	(1,567,736)
<b>Net Trade Receivables</b>	<b>15,311,001</b>	<b>3,128,390</b>	<b>103,516</b>	<b>790,068</b>	<b>1,466</b>	<b>705,915</b>	<b>18,472,620</b>



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	-	705,915	707,381
Undisputed Trade Receivables – which has significant increase in credit risk	-	-	-	-	-	-	-
<b>Total</b>	<b>13,458,057</b>	<b>1,617,336</b>	<b>11,864</b>	<b>1,466</b>	<b>-</b>	<b>705,915</b>	<b>15,794,638</b>
Less: Provision for expected credit loss							(707,381)
<b>Net Trade Receivables</b>	<b>13,458,057</b>	<b>1,617,336</b>	<b>11,864</b>	<b>1,466</b>	<b>-</b>	<b>705,915</b>	<b>15,087,257</b>

\* There are no disputed trade receivables.

7 (iv) Cash and Cash Equivalents

	As at	
	March 31, 2024	March 31, 2023
Balance with banks		
-On Current Accounts		
<b>Total</b>	<b>5,626,278</b>	<b>4,545,315</b>

7 (v) Bank Balances other than above

	As at	
	March 31, 2024	March 31, 2023
Bank deposits		
-With original maturity of more than 3 months and upto 12 months *		
<b>Total</b>	<b>-</b>	<b>2,751,243</b>

\*Pledged as a collateral for letter of credit arranged by the Company on behalf of its affiliate NIIT Learning Solutions (Canada) Limited.

7 (vi) Other financial assets

	As at	
	March 31, 2024	March 31, 2023
<b>a) Contract assets</b>		
Unbilled revenue (Refer note 18.1)#		
-Unsecured, considered good	4,091,757	2,499,185
-Unsecured, credit impaired	-	-
Less: Allowance for expected credit loss of unbilled revenue	-	-
	<b>4,091,757</b>	<b>2,499,185</b>
<b>b) Interest Receivable</b>		
	7,838	13,235
<b>c) Bank deposits</b>		
With remaining maturity of less than 12 months*	1,163,837	1,100,000
<b>d) Other receivables**</b>		
Unsecured, considered good	10,650,191	6,805,321
<b>Total</b>	<b>15,913,623</b>	<b>10,417,741</b>

\*Pledged as a collateral in respect to loan taken from ICICI bank during the year 2022-23 (Refer note 13).

\*\*Includes receivables relating to strategic sourcing.

#Ageing of unbilled revenue from transaction date as at March 31, 2024\*

Particulars	Less than 6 Months	6 months – 1 year	1-2 years	2-3 years	More than 3 years	Total
Undisputed Unbilled revenue - Considered Good	4,091,757	-	-	-	-	4,091,757
Undisputed Unbilled revenue - Credit impaired	-	-	-	-	-	-
<b>Total</b>	<b>4,091,757</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>4,091,757</b>
Less: Allowance for expected credit loss of unbilled revenue						-
<b>Total</b>						<b>4,091,757</b>

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

Particulars	Less than 6 Months	6 months – 1 year	1-2 years	2-3 years	More than 3 years	Total
Undisputed Unbilled revenue - Considered Good	2,499,185	-	-	-	-	2,499,185
Undisputed Unbilled revenue - Credit impaired	-	-	-	-	-	-
<b>Total</b>	<b>2,499,185</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>2,499,185</b>
Less: Allowance for expected credit loss of unbilled revenue						-
<b>Total</b>						<b>2,499,185</b>

\* There are no disputed unbilled revenues.



NIIT (USA), Inc.

Notes to the Special Purpose Financial Statements for the year ended March 31, 2024

(All amounts are in USD, unless otherwise stated)

	As at	
	March 31, 2024	March 31, 2023
8 Tax Assets (net)		
8(i) Deferred tax (liabilities) / assets (net)		
The balance comprises temporary differences attributable to:		
Provision for compensated absences	133,130	122,595
Unrealised foreign currency	(4,310)	11,486
Carried forward losses	638,150	638,150
Provision for Doubtful Debts	215,922	-
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	34,822	33,012
<b>Total deferred tax asset (A)</b>	<b>1,017,716</b>	<b>805,243</b>
Deferred tax liabilities		
Less: Tax impact of difference between carrying amount of property, plant & equipment as per financial statements and as per the income tax calculation.	1,254,007	681,480
<b>Total deferred tax liabilities (B)</b>	<b>1,254,007</b>	<b>681,480</b>
<b>Deferred tax (liabilities) / assets (net) (A-B)</b>	<b>(236,291)</b>	<b>123,763</b>

Deferred tax assets on timing differences have been recognised as at March 31, 2024 owing to reasonable certainty of future taxable income based on business plans of the Company.

Movement in deferred tax asset	Property, plant & equipment	Employee benefit	Unrealised foreign currency	Carried forward losses	Lease assets (net)	Total
As at April 1, 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)
<b>As at March 31, 2023</b>	<b>(681,480)</b>	<b>122,595</b>	<b>11,486</b>	<b>638,150</b>	<b>33,012</b>	<b>123,763</b>
(charged)/credited:						
- to profit or loss	(572,527)	10,538	(15,797)	215,922	1,810	(360,052)
<b>As at March 31, 2024</b>	<b>(1,254,007)</b>	<b>133,133</b>	<b>(4,311)</b>	<b>854,072</b>	<b>34,822</b>	<b>(236,291)</b>

	As at			
	March 31, 2024 Non Current	March 31, 2023	March 31, 2024 Current	March 31, 2023
9 Income Tax Assets (net)				
Advance income tax*	257,233	795,338	1,998,307	547,380
Less : Provision for income tax	-	(116,303)	(818,181)	(44,728)
	<b>257,233</b>	<b>679,035</b>	<b>1,180,126</b>	<b>502,652</b>

\* As per taxation laws applicable in United states of America ("USA"), the tax liability is assessed and computed at fiscal consolidated level i.e. the tax liability is discharged by the Company on behalf of its subsidiaries named as ST. Charles Consulting Group LLC and Stackroute Learning Inc.( based out of USA), and payment is made to the tax authorities. Accordingly, the Income tax liability is receivable from its subsidiaries by the Company.

	As at	
	March 31, 2024	March 31, 2023
10 Other Assets		
(i) Advances recoverable in cash or in kind		
Unsecured, considered good	92,608	272,066
	<b>92,608</b>	<b>272,066</b>
(ii) Prepaid expenses		
Unsecured, considered good	415,656	257,205
	<b>415,656</b>	<b>257,205</b>
(iii) Balances with Government Authorities (net)		
	2,139	2,139
	<b>2,139</b>	<b>2,139</b>
<b>Total</b>	<b>510,403</b>	<b>531,410</b>



NIIT (USA), Inc.

Notes to the Special Purpose Financial Statements for the year ended March 31, 2024

(All amounts are in USD, unless otherwise stated)

11 EQUITY SHARE CAPITAL

i) Authorised Equity share capital

Particulars	Equity shares of USD 1 each	
	Number	Amount
As at April 1, 2022	25,000,000	25,000,000
Issued during the year	-	-
As at March 31, 2023	25,000,000	25,000,000
Issued during the year	-	-
As at March 31, 2024	25,000,000	25,000,000

ii) Issued Equity share capital

Particulars	Equity shares of USD 1 each	
	Number	Amount
As at April 1, 2022	10,662,113	10,662,113
Issued during the year	-	-
As at March 31, 2023	10,662,113	10,662,113
Issued during the year	-	-
As at March 31, 2024	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, 2024	March 31, 2023
			No. of shares	No. of shares
Holding Company	NIIT Learning Systems Limited	Equity	10,662,113	10,662,113

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

Name of shareholder*	Equity Shares			
	March 31, 2024		March 31, 2023	
	No. of shares	% of holding	No. of shares	% of holding
NIIT Learning Systems Limited	10,662,113	100%	10,662,113	100%
<b>Total</b>	<b>10,662,113</b>	<b>100%</b>	<b>10,662,113</b>	<b>100%</b>

(v) Details of shares held by promoters

As at March 31, 2024

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%
<b>Total</b>		<b>10,662,113</b>	<b>-</b>	<b>10,662,113</b>	<b>100%</b>	<b>0%</b>

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%
<b>Total</b>		<b>10,662,113</b>	<b>-</b>	<b>10,662,113</b>	<b>100%</b>	<b>0%</b>

\* 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.

vi) 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.



NIIT (USA), Inc.  
Notes to the Special Purpose Financial Statements for the year ended March 31, 2024

(All amounts are in USD, unless otherwise stated)

	As at	
	March 31, 2024	March 31, 2023
<b>12 Other Equity</b>		
Retained Earnings [Refer footnote (i)]		
Opening Balance	14,203,041	9,269,734
Add: Profit for the year	14,433,243	4,934,307
Closing Balance	28,636,284	14,203,041
Capital Reserve [Refer footnote (ii)]		
Opening balance	(552,742)	(552,742)
Addition during the year	-	-
Closing Balance	(552,742)	(552,742)
<b>Total</b>	<b>28,083,542</b>	<b>13,650,299</b>

Nature and purpose of Reserves

(i) Retained Earnings

Retained earnings are the profit/(loss) that the Company has earned/incurred till date, less any transfers to General reserve, dividends or other distribution paid to shareholders. Retained Earnings include re-measurement loss/(gain) on defined benefit plans, net of taxes that will not be reclassified to statement of profit and loss.

(ii) Capital Reserve

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, 2024

(All amounts are in USD, unless otherwise stated)

13 Financial Liabilities	As at			
	March 31, 2024		March 31, 2023	
	Non Current	Current	Non Current	Current
<b>Borrowings</b>				
i) <b>Secured Borrowings</b>				
Term Loans from Banks [Refer footnote (a)]	8,198,925	11,159,594	2,960,253	2,950,292
ii) <b>Unsecured Borrowings</b>				
Inter Corporate Borrowings [Refer footnote (b & c) & note 31]	10,000,000	-	-	10,000,000
<b>Total</b>	<b>18,198,925</b>	<b>11,159,594</b>	<b>2,960,253</b>	<b>12,950,292</b>

**Footnotes:**

(a) The Company has availed Term loan for USD 15.00 Million from ICICI Bank Limited (New York Branch) for the purpose of acquisition of St. Charles Consulting Group. The said loan is secured by way of first & exclusive charge over all the assets (including brands, patents, intangibles, investments) of the Company and St. Charles Consulting Group (both present and future). The current outstanding as on March 31, 2024 for Term Loan is USD 11.25 Million (Previous year : USD 14.25 Million) net of processing fees in relation to the borrowings. The loan is fully repayable in twenty equal quarterly instalments of USD 750,000 each as per the agreement.

**Interest**

The revolving and Term Loan facility availed shall bear interest at a rate per annum equal at sum of (a) 3-month SOFR plus (b) the Margin. The average effective interest rate of term loan is 7.51% p.a (Previous year 6.91% p.a).

**Maturity Date**

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

(b) The Company has taken unsecured Inter Corporate Borrowings of USD 10 Mn from NIIT (Ireland) Limited.

**Interest**

The said loan bear interest rate at 6.23% p.a and is payable annually.

**Maturity Date**

The maturity date of the term loan is March 04, 2027.

(c) The Company had taken unsecured Inter Corporate Borrowings of USD 10 Mn from NIIT Learning Solutions (Canada) Limited in FY 2022-23.

**Interest**

The said loan bear interest rate at 5.82% p.a and is payable annually.

**Repayment Date**

Entire loan including interest was repaid on October 27, 2023.

14 Trade Payables	As at	
	March 31, 2024	March 31, 2023
	Current	
Trade Payables	1,996,972	2,828,013
Trade payables to related parties (Refer note 31)	12,050,877	11,004,686
<b>Total</b>	<b>14,047,849</b>	<b>13,832,699</b>

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

For amount due and terms and conditions of related party payables (Refer note 31).

**Aging of Trade payables as on March 31, 2024\***

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	9,857,422	2,174,950	-	-	-	12,032,372
<b>Total</b>	<b>9,857,422</b>	<b>2,174,950</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>12,032,372</b>
Add: Unbilled dues						2,015,477
<b>Total Trade Payables</b>						<b>14,047,849</b>

**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	804,835	10,929,691	-	-	-	11,734,526
<b>Total</b>	<b>804,835</b>	<b>10,929,691</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>11,734,526</b>
Add: Unbilled dues						2,098,173
<b>Total Trade Payables</b>						<b>13,832,699</b>

\* There are no disputed trade payables.



NIIT (USA), Inc.

Notes to the Special Purpose Financial Statements for the year ended March 31, 2024

(All amounts are in USD, unless otherwise stated)

15 Other Financial Liabilities

	As at		As at	
	March 31, 2024	March 31, 2023	March 31, 2024	March 31, 2023
	Non Current		Current	
Interest accrued but not due on borrowings	-	-	52,833	2,563
Payable to employees*	-	-	2,262,252	2,022,880
Contingent consideration payable**	18,025,703	24,817,723	10,410,312	10,828,150
Other payables***	-	-	11,269,503	6,096,532
<b>Total</b>	<b>18,025,703</b>	<b>24,817,723</b>	<b>23,994,900</b>	<b>18,950,125</b>

\*Includes salary and other expense payable to employees.

\*\*Includes contingent consideration payable in respect to acquisition of St.Charles Consulting Group, LLC (Refer note 7 (i)).

\*\*\*Includes Payables relating to strategic sourcing.

16 Other Liabilities

	As at	
	March 31, 2024	March 31, 2023
	Current	
Contract liabilities (Refer note 18.1)		
- Deferred revenue		
- Advances from customers	5,179,587	3,722,689
Statutory dues*	4,198	71,756
<b>Total</b>	<b>101,550</b>	<b>97,191</b>
	<b>5,285,335</b>	<b>3,891,636</b>

\*Statutory dues mainly includes withholding tax, GST, 401(K) and superannuation liability etc.

17 Provisions

	As at	
	March 31, 2024	March 31, 2023
	Current	
Provision for compensated absences	522,900	536,701
<b>Total</b>	<b>522,900</b>	<b>536,701</b>



NIIT (USA), Inc.

Notes to the Special Purpose Financial Statements for the year ended March 31, 2024

(All amounts are in USD, unless otherwise stated)

18 Revenue from operations

	Year ended	
	March 31, 2024	March 31, 2023
Sale of Services (Refer note 18.1)	87,730,530	89,792,674
Total	87,730,530	89,792,674

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

a. Disaggregated revenue information

Type of Services

Sale of Services (Refer note 18)

Total

Timing of Revenue Recognition

Services transferred over time

Total

b. Contract Balances

Trade Receivables (Refer note 7 (iii))

Contract Assets [Refer note 7 (vi) (a)]

Contract Liabilities (Refer note 16)

	Year ended	
	March 31, 2024	March 31, 2023
Sale of Services (Refer note 18)	87,730,530	89,792,674
Total	87,730,530	89,792,674
Trade Receivables (Refer note 7 (iii))	18,472,620	15,087,257
Contract Assets [Refer note 7 (vi) (a)]	4,091,757	2,499,185
Contract Liabilities (Refer note 16)	(5,183,785)	(3,794,445)

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.

A contract liability arises when there is excess billing over the revenue recognized and advances received from customers as per Contractual terms.

c. Reconciliation of revenue recognised in the statement of profit and loss with the revenue as per contracted prices

Revenue as per contracted prices

	Year ended	
	March 31, 2024	March 31, 2023
Revenue as per contracted prices	87,730,530	89,792,674
Total	87,730,530	89,792,674

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, 2024, there were no remaining performance obligation as the same is satisfied upon delivery of services.

19 Other Income

	Year ended	
	March 31, 2024	March 31, 2023
Interest income		
-Deposits with banks & other financial institutions	166,715	53,503
-Interest Income on loan to related party (Refer note 31)	347,356	47,729
-Interest on income tax refund	38,481	-
Recoveries for Sales, marketing and other support services	4,677,608	4,270,687
Dividend Income from Subsidiary (Refer note 31)	10,000,000	-
Other non-operating income	8,626	3,724
Total	15,238,786	4,375,643



NIIT (USA), Inc.

Notes to the Special Purpose Financial Statements for the year ended March 31, 2024

(All amounts are in USD, unless otherwise stated)

20 Employee Benefit Expenses\*

	Year ended	
	March 31, 2024	March 31, 2023
Salaries, Wages and Bonus	36,274,701	37,938,741
Contribution to employees pension scheme (401K) (Refer note 20.1)	934,200	906,631
Share Based Payments**(Refer note 31)	741,674	1,088,998
Staff Welfare Expense	120,906	379,805
<b>Total</b>	<b>38,071,481</b>	<b>40,314,175</b>

\*Net of USD 95,410 (Previous year Nil) capitalized in Intangible asset under development (refer note 4(b)).

\*\*Shares based payments are charged by the Holding Company.

20.1 Employee Benefit

Defined contribution plans

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

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

Particulars

	Year ended	
	March 31, 2024	March 31, 2023
Employers' contribution to social security schemes	38,661	24,604
Employers' contribution to superannuation fund	73,515	69,228
Employers' contribution to employees pension scheme(401K)	822,024	812,799
<b>Total</b>	<b>934,200</b>	<b>906,631</b>

Contribution towards employees pension scheme (401K) to the defined contribution plans includes following cost for key management personnel (Refer note 31):

	Year ended	
	March 31, 2024	March 31, 2023
Employers' contribution to employees pension scheme(401K)	52,936	50,883
<b>Total</b>	<b>52,936</b>	<b>50,883</b>



**NIIT (USA), Inc.**

**Notes to the Special Purpose Financial Statements for the year ended March 31, 2024**

(All amounts are in USD, unless otherwise stated)

**21 Finance Costs**

	Year ended	
	March 31, 2024	March 31, 2023
Interest on borrowings- Term loan	940,961	317,734
Interest on borrowings- Related Party (Refer note 31)	380,934	321,455
Interest on lease liabilities [Refer note 5(ii)]	42,124	39,187
Fair value loss on contingent consideration (Refer note 15)	2,401,834	1,120,798
Other borrowing costs	121,952	115,316
<b>Total</b>	<b>3,887,805</b>	<b>1,914,490</b>

**22 Other Expenses**

	Year ended	
	March 31, 2024	March 31, 2023
Rent [Refer note 5(i)]	136,319	70,260
Royalties (Refer note 31)	438,722	-
Rates and taxes	13,858	36,398
Power and fuel	11,027	29,632
Communication Costs	201,804	251,818
Legal and professional (Refer note 22.1)	589,344	580,142
Management cost recovery by Holding Company (Refer note 31)	1,879,514	2,176,803
Travelling and conveyance	1,046,543	826,945
Allowance for expected credit loss (net of reversal) (Refer note 26)	860,355	-
Insurance	176,112	158,113
Repairs and Maintenance		
- Plant and machinery	19,804	37,499
- Others	8,443	9,855
Consumables	29,486	63,132
Loss on disposal of property, plant & equipment	2,215	3,239
Loss on foreign currency translation and transaction (Net)	326,667	115,522
Security and Administration Services	-	139
Marketing and advertising expenses	1,480,433	1,284,542
Bank Charges	161,977	130,418
Subscription and Membership Fee	313,852	633,213
Software Subscription	348,553	-
Sundry expenses	6,000	38,652
<b>Total</b>	<b>8,051,028</b>	<b>6,446,322</b>

**22.1 Details of payments to auditors (excluding taxes)  
(Included in legal and professional fees)**

	Year ended	
	March 31, 2024	March 31, 2023
Audit fee	10,803	10,858
Reimbursement of expenses	832	760
<b>Total</b>	<b>11,635</b>	<b>11,618</b>

**23 Exceptional Items**

	Year ended	
	March 31, 2024	March 31, 2023
Legal and professional cost towards acquisition of subsidiary (Refer note 7 (i))	-	280,691
<b>Total</b>	<b>-</b>	<b>280,691</b>



**NIIT (USA), Inc.**

**Notes to the Special Purpose Financial Statements for the year ended March 31, 2024**

(All amounts are in USD, unless otherwise stated)

24 Income Tax Expense	Year ended	
	March 31, 2024	March 31, 2023
(a) Income tax expense		
Current tax		
Current tax on profits of the year	782,084	22,915
Foreign tax credit written off	(280,833)	(27,537)
<b>Total current tax expense [A]</b>	<b>501,251</b>	<b>(4,622)</b>
Deferred tax		
Deferred tax charge	360,052	405,933
<b>Total deferred tax expense [B]</b>	<b>360,052</b>	<b>405,933</b>
<b>Income tax expense [A+B]</b>	<b>861,303</b>	<b>401,312</b>
(b) Reconciliation of tax expense and the accounting profit multiplied by US tax rate:		
Profit before tax	15,294,546	5,335,619
Tax at the US tax rate @ 21%	3,211,855	1,120,480
Tax effect of amounts which are not deductible/ (taxable) in calculating taxable income:		
- Tax impact of permanent difference (Income)	(1,586,996)	29,393
- Impact of state tax	480,479	320,452
- Foreign tax credit written off	(280,833)	-
- Unrecognized deferred tax asset on losses of subsidiaries	(1,024,931)	(1,068,864)
- Impact of state tax on timing differences	63,073	-
- Others	(1,344)	(149)
<b>Total</b>	<b>861,303</b>	<b>401,312</b>



## NIIT (USA), Inc.

Notes to the Special Purpose Financial Statements for the year ended March 31, 2024

(All amounts are in USD, unless otherwise stated)

### 25 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) Valuation technique used to determine fair value

Specific valuation techniques used to value financial instruments include:

- The use of quoted market prices for similar instruments.
- The fair value of forward foreign exchange contracts is determined using Mark to Market Valuation by the respective bank at the balance sheet date.
- The fair value of the remaining financial instruments is determined using discounted cash flow analysis.

#### Financial instruments by category and hierarchy of measurement

	As at			
	March 31, 2024		March 31, 2023	
	FVTPL Level 3	Amortised cost	FVTPL Level 3	Amortised cost
<b>Financial assets</b>				
Trade receivables	-	18,472,620	-	15,087,257
Cash and bank balances	-	5,626,278	-	4,545,315
Other bank balances	-	-	-	2,751,243
Other financial assets	-	15,913,623	-	10,417,741
Loans to related parties	-	6,250,000	-	4,250,000
<b>Total financial assets</b>	-	<b>46,262,521</b>	-	<b>37,051,556</b>
<b>Financial liabilities</b>				
Borrowings	-	21,159,178	-	24,109,886
Trade payables	-	14,047,849	-	13,832,699
Contingent Consideration	28,436,015	-	10,410,312	-
Other financial liabilities	-	13,584,588	-	33,357,536
Lease liabilities	-	1,025,593	-	1,274,420
<b>Total financial liabilities</b>	<b>28,436,015</b>	<b>49,817,208</b>	<b>10,410,312</b>	<b>72,574,541</b>

As of March 31, 2024 and March 31, 2023, the fair value of cash and bank balances, other bank balances, trade receivables, other financial assets and liabilities, borrowings, lease liabilities, 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, 2024

(All amounts are in USD, unless otherwise stated)

**26 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 (net) amounting to USD 18,472,620 and USD 15,087,257 as of March 31, 2024 and March 31, 2023 respectively and unbilled revenue (net) amounting to USD 4,091,757 and USD 2,499,185 as of March 31, 2024 and March 31, 2023 respectively. Trade receivables and unbilled revenue are typically unsecured and are derived from revenue earned through customers. The Company has used the expected credit loss model to assess the impairment loss or gain on trade receivables and unbilled revenue, and has provided it wherever appropriate. The following table gives the movement in allowance for expected credit loss for the year ended March 31, 2024:

**Reconciliation of loss allowance provision**

Particulars	Amount
Loss allowance on April 1, 2022	707,381
Add: Provision for expected credit loss	-
Loss allowance on March 31, 2023	707,381
Add: Provision for expected credit loss	860,355
Loss allowance on March 31, 2024	1,567,736

**ii) Liquidity risk**

The Company's principal sources of liquidity are cash and cash equivalents and the cash flow that is generated from operations. The Company has outstanding borrowings as term loans. The term loans are secured by a charge on the book debts and movable & immovable assets of the Company. However, the Company believes that the working capital is sufficient to meet its current requirements. Accordingly, no liquidity risk is perceived.

**(a) Maturities of financial liabilities**

The amount disclosed in the below table represent the contractual undiscounted cash flows:

**Contractual maturities of financial liabilities**

Particulars	Less than 1 year	Between 1 and 2 years	More than 2 years	Total
<b>March 31, 2024</b>				
Borrowings	3,000,000	3,000,000	5,250,000	11,250,000
Trade payables	14,047,849	-	-	14,047,849
Contingent consideration	10,968,193	9,676,286	11,506,977	32,151,456
Other financial liabilities	13,584,588	-	-	13,584,588
Lease liabilities	299,713	308,723	486,685	1,095,121
<b>Total</b>	<b>41,900,343</b>	<b>12,985,009</b>	<b>17,243,662</b>	<b>72,129,014</b>
<b>March 31, 2023</b>				
Borrowings	3,000,000	3,000,000	8,250,000	14,250,000
Trade payables	13,832,699	-	-	13,832,699
Contingent consideration	11,486,781	14,369,073	15,799,649	41,655,503
Other financial liabilities	8,121,975	-	-	8,121,975
Lease liabilities	290,951	299,713	795,408	1,386,072
<b>Total</b>	<b>36,732,406</b>	<b>17,668,786</b>	<b>24,845,057</b>	<b>79,246,249</b>



**NIIT (USA), Inc.**

Notes to the Special Purpose Financial Statements for the year ended March 31, 2024

(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, 2024	March 31, 2023
<b>Receivables</b>		
AUD	265,167	8,695
CAD	21,241	4,233
CHF	170,397	287,557
EUR	300,666	407,314
SGD	51,025	35,942
MXN	1,710	13,623
Others	242,953	-
	14,240	5,573
	<u>1,067,399</u>	<u>762,936</u>
<b>Bank</b>		
AUD	950,566	384,482
SGD	525,716	728,214
	<u>1,476,282</u>	<u>1,112,696</u>
<b>Net exposure to foreign currency risk (assets)</b>	<u>2,543,681</u>	<u>1,875,632</u>
<b>Financial Liabilities</b>	<b>March 31, 2024</b>	<b>March 31, 2023</b>
<b>Trade Payables</b>		
AUD	285,820	246,490
CAD	2,422,260	1,185,983
EUR	375,952	301,731
SGD	39,147	4,681
GBP	4,478,903	1,010,980
MYR	174,042	-
Others	13,497	53,233
<b>Net exposure to foreign currency risk (liabilities)</b>	<u>7,789,621</u>	<u>2,803,098</u>

**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, 2024		Impact on Profit and Loss for the year ended March 31, 2023	
	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	9,299	(9,299)	1,467	(1,467)
CAD	(24,010)	24,010	(11,818)	11,818
CHF	1,704	(1,704)	2,876	(2,876)
EUR	(753)	753	1,056	(1,056)
SGD	5,376	(5,376)	7,595	(7,595)
GBP	(44,772)	44,772	(9,974)	9,974
MXN	2,430	(2,430)	-	-
MYR	(1,740)	1,740	-	-
Others	7	(7)	(477)	477
	<u>(52,459)</u>	<u>52,459</u>	<u>(9,275)</u>	<u>9,275</u>

\* Holding all other variables constant

GBP: Great Britain Pound sterling, EUR: Euro, AUD: Australian Dollar, CAD: Canadian Dollar, SGD: Singapore Dollar, CHF: Swiss Franc, MXN: Mexican Peso, MYR: Malaysian Ringgit.



NIIT (USA), Inc.

Notes to the Special Purpose Financial Statements for the year ended March 31, 2024

(All amounts are in USD, unless otherwise stated)

27 Commitments and Contingent Liabilities

a) Claims against the Company not acknowledged as debts:

Tax Matters

Total contingent liabilities

	As at	
	March 31, 2024	March 31, 2023
	151,742	151,742
	151,742	151,742

b) Commitments

During the year, the Company has issued need based financial support letter to its wholly owned Subsidiary (Stackroute Learning Inc, USA).

28 Earnings Per Share

Particular

Profit attributable to equity shareholders (USD) - (A)

Weighted average number of equity shares outstanding during the year (Nos.) - (B)

Nominal value of equity shares (USD)

Basic earnings per share (USD) (A/B)

Diluted earnings per share (USD) (A/B)

	Year ended	
	March 31, 2024	March 31, 2023
	14,433,243	4,934,307
	10,662,113	10,662,113
	1	1
	1.35	0.46
	1.35	0.46

29 Non cash items

Particulars

As at

As at

	As at			As at
	March 31, 2023	Cash Flows (net)	Non cash changes	
Borrowings (including current maturities and interest on borrowing)	14,112,449	(4,344,285)	1,443,847	11,212,011
Contingent Consideration	35,645,873	(9,611,692)	2,401,834	28,436,015
Lease Liabilities	1,274,420	(290,951)	42,124	1,025,593

30 Segmental Reporting

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



**NIIT (USA), Inc.**

Notes to the Special Purpose Financial Statements for the year ended March 31, 2024

**31 Related Party Transactions :**

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

**Holding Company - NIIT Learning Systems Limited, India (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 Training Spain, S.L.U

**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 34)**

1. NIIT Limited, India (Erstwhile Holding Company 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 (Liquidated on August 11, 2023)
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 NIIT Business Consulting Co. 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 ( 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, 2024

(All amounts are in USD, unless otherwise stated)

**F. Detail of transactions with related parties carried out in ordinary course of business.**

Particulars	Year ended	
	March 31, 2024	March 31, 2023
<b>Purchase of services</b>		
- NIIT Limited UK	3,843,187	3,080,371
- NIIT Malaysia Sdn. Bhd, Malaysia	390,351	199,392
- NIIT (Ireland) Limited	1,198,183	897,728
- NIIT Learning Solutions (Canada) Limited	2,815,170	2,336,782
- NIIT Learning Systems Limited	18,835,765	21,275,901
- NIIT China (Shanghai) Limited, Shanghai	263,421	80,872
- Eagle Training Spain, S.L.U	1,250,544	895,130
- RPS Consulting Private Limited	177,573	243,788
- Stackroute Learning Inc.	34,414	24,479
- St.Charles Consulting Group	89,989	7,580
- NIIT Brazil LTDA	84	-
<b>Sale of Services</b>		
- NIIT Limited UK	686,266	300,427
- NIIT Limited, India	40,028	585,142
- NIIT Malaysia Sdn. Bhd, Malaysia	19,015	-
- NIIT (Ireland) Limited	2,965,261	3,622,621
- NIIT Learning Solutions (Canada) Limited	799,619	1,167,178
- NIIT Learning Systems Limited	1,967,083	198,689
- Stackroute Learning Inc.	218,521	274,119
- NIIT Mexico, S. DE R.L. DE C.V.	17,078	-
- St.Charles Consulting Group	-	2,032
<b>Dividend Income</b>		
- St.Charles Consulting Group	10,000,000	-
<b>Royalty Expenses</b>		
- NIIT Learning Systems Limited	438,722	-
<b>Share Based Payment Expenses</b>		
- NIIT Learning Systems Limited	741,674	-
<b>Loan taken / (repaid)</b>		
- NIIT (Ireland) Limited	10,000,000	-
- NIIT Learning Solutions (Canada) Limited	(10,000,000)	10,000,000
- NIIT Limited UK	-	6,000,000
- NIIT Limited UK	-	(6,000,000)



## NIIT (USA), Inc.

Notes to the Special Purpose Financial Statements for the year ended March 31, 2024

(All amounts are in USD, unless otherwise stated)

### F. Detail of transactions with related parties carried out in ordinary course of business.

Particulars	Year ended	
	March 31, 2024	March 31, 2023
<b>Interest paid on loan taken</b>		
- NIIT (Ireland) Limited	46,085	
- NIIT Learning Solutions (Canada) Limited	334,849	239,178
- NIIT Limited UK	-	82,277
<b>Loan given</b>		
- Stackroute Learning Inc.	2,000,000	2,750,000
<b>Interest received on Loan given</b>		
- Stackroute Learning Inc.	347,356	47,729
<b>Issuance of share capital</b>		
- Stackroute Learning Inc.	2,000,000	2,750,000
- NIIT Brazil LTDA	61,748	-
- NIIT Mexico, S. DE R.L. DE C.V.	169	-
- St.Charles Consulting Group	-	60,522,748
<b>Management cost Recovery</b>		
- NIIT Learning Systems Limited	1,879,514	2,176,803
<b>Other Income</b>		
- NIIT Limited UK	1,019,907	772,478
- NIIT Malaysia Sdn. Bhd, Malaysia	8,457	6,312
- NIIT (Ireland) Limited	897,072	941,387
- NIIT Learning Solutions (Canada) Limited	1,345,485	1,233,012
- NIIT Learning Systems Limited	1,405,724	1,317,498
- NIIT Mexico, S. DE R.L. DE C.V.	963	-
<b>Recovery of expense from- Employee</b>		
- NIIT Limited UK	30,575	10,681
- NIIT Malaysia Sdn. Bhd, Malaysia	89	3,057
- NIIT (Ireland) Limited	4,360	2,814
- NIIT Learning Solutions (Canada) Limited	113	-
- NIIT Learning Systems Limited	33,646	-
- Eagle Training Spain, S.L.U	4,250	2,323
- Stackroute Learning Inc.	12,718	-



**NIIT (USA), Inc.**

Notes to the Special Purpose Financial Statements for the year ended March 31, 2024

(All amounts are in USD, unless otherwise stated)

**F. Detail of transactions with related parties carried out in ordinary course of business.**

Particulars	Year ended	
	March 31, 2024	March 31, 2023
<b>Recovery of Expenses from- Others</b>		
- NIIT Limited UK	2,228,114	1,133,280
- NIIT Limited, India	8,307	21,266
- NIIT Malaysia Sdn. Bhd, Malaysia	83,198	24,516
- NIIT (Ireland) Limited	138,296	81,993
- NIIT Learning Solutions (Canada) Limited	733,225	370,483
- NIIT Learning Systems Limited	643,844	238,067
- NIIT China (Shanghai) Limited, Shanghai	8,161	1,702
- Eagle Training Spain, S.L.U	25,260	7,919
- Stackroute Learning Inc.	1,270,669	1,032,266
- St.Charles Consulting Group	38,377	-
- NIIT Brazil LTDA	26,854	-
- NIIT Mexico, S. DE R.L. DE C.V.	8,700	-
- RPS Consulting Private Limited	-	80,000
<b>Recovery of Expenses by- Employee</b>		
- NIIT Limited UK	541	-
- Stackroute Learning Inc.	3,348	10,907
- Eagle Training Spain, S.L.U	-	3,562
- NIIT Learning Systems Limited	-	3,873
- NIIT Limited, India	-	1,088,998
<b>Recovery of Expenses by- Others</b>		
- NIIT Limited UK	445,171	382,962
- NIIT Malaysia Sdn. Bhd, Malaysia	10,102	-
- NIIT (Ireland) Limited	5,935	9,083
- NIIT Learning Solutions (Canada) Limited	580	4,204
- NIIT Learning Systems Limited	37,368	40,691
- Eagle Training Spain, S.L.U	37,911	791
- St.Charles Consulting Group	25,000	1,589
- NIIT Limited, India	-	35,510

Note: Refer note 27 for Guarantees and commitments as at the year end.

Key management personnel compensation	Year ended	
	March 31, 2024	March 31, 2023
Short-term employee benefits	2,092,415	2,279,430
Post-employment benefits	52,936	50,883
Share based payments	297,555	429,867
<b>Total</b>	<b>2,442,906</b>	<b>2,760,180</b>



## NIIT (USA), Inc.

### Notes to the Special Purpose Financial Statements for the year ended March 31, 2024

(All amounts are in USD, unless otherwise stated)

#### G. Details of outstanding balances with related parties

Particulars	As at	
	March 31, 2024	March 31, 2023
<b>Trade and other receivables</b>		
- NIIT Limited UK	925,545	482,787
- NIIT Limited, India	6,504	557,006
- NIIT Malaysia Sdn. Bhd, Malaysia	43,509	7,639
- NIIT (Ireland) Limited	731,887	837,261
- NIIT Learning Solutions (Canada) Limited	571,884	623,815
- NIIT Learning Systems Limited	1,277,119	-
- NIIT China (Shanghai) Limited, Shanghai	18,966	10,823
- Eagle Training Spain, S.L.U	4,730	1,169
- Stackroute Learning Inc.	379,520	84,465
- St.Charles Consulting Group	644,987	2,032
- NIIT Brazil LTDA	34,246	-
- NIIT Mexico, S. DE R.L. DE C.V.	308,592	-
- Sailesh Lalla	4,420	19,268
<b>Trade and other payables</b>		
- NIIT Limited UK	3,425,633	1,033,366
- NIIT Limited, India	-	8,256,390
- NIIT Malaysia Sdn. Bhd, Malaysia	174,820	45,192
- NIIT (Ireland) Limited	344,804	298,058
- NIIT Learning Solutions (Canada) Limited	2,426,784	1,181,747
- NIIT Learning Systems Limited	5,348,274	-
- NIIT China (Shanghai) Limited, Shanghai	89,767	36,681
- Eagle Training Spain, S.L.U	170,980	34,119
- Stackroute Learning Inc.	5,907	5,053
- St.Charles Consulting Group	38,542	9,169
- NIIT Brazil LTDA	84	-
- RPS Consulting Private Limited	25,283	64,093
- Sapnesh Lalla	1,312	4,143
- P R Subramanian	605	1,174
- Abhas Kumar	2,101	1,607
- Devenderjit Chadha	664	-
<b>Loan given</b>		
- Stackroute Learning Inc.	6,250,000	4,250,000
<b>Loan received</b>		
- NIIT (Ireland) Limited	10,000,000	-
- NIIT Learning Solutions (Canada) Limited	-	10,000,000



## NIIT (USA), Inc.

Notes to the Special Purpose Financial Statements for the year ended March 31, 2024

(All amounts are in USD, unless otherwise stated)

### 32 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.

The Board of directors regularly review the Company's capital structure in light of the economic conditions, business strategies and future commitments.

For the purpose of the Company's capital management, capital includes issued share capital and other reserves. Debt includes, foreign currency term loan and lease liabilities.

There is no default on the repayment of borrowings (including interest thereon) during the year ended March 31, 2024.

No changes were made in the objectives, policies or processes for managing capital during the years ended March 31, 2024 and March 31, 2023.

#### Debt equity ratio:

Particulars	As at	
	March 31, 2024	March 31, 2023
Borrowings (Refer note 13)	21,159,178	24,109,886
Lease Liabilities [Refer note 5(ii)]	1,025,593	1,274,420
<b>Total Debt (A)</b>	<b>22,184,771</b>	<b>25,384,306</b>
Equity share capital (Refer note 11)	10,662,113	10,662,113
Other equity (Refer note 12)	28,083,542	13,650,299
<b>Total Equity (B)</b>	<b>38,745,655</b>	<b>24,312,412</b>
<b>Profit after tax (C)</b>	<b>14,433,243</b>	<b>4,934,307</b>
Opening Shareholders equity	24,312,412	19,378,105
Closing Shareholders equity	38,745,655	24,312,412
<b>Average Shareholder's Equity (D)</b>	<b>31,529,034</b>	<b>21,845,259</b>
<b>Debt equity ratio (A/B)</b>	<b>0.57</b>	<b>1.04</b>
<b>Return on equity Ratio (%) (C/D)</b>	<b>45.8%</b>	<b>22.6%</b>

### 33 Additional Regulatory Information

- There are no immovable properties included in Property Plant and Equipment, whose title deeds are not held in the name of the the Company.
- The Company has not revalued its Property, Plant and Equipment (including Right of use assets) and intangible assets during the year ended March 31, 2024.
- The Company has not traded or invested in cryptocurrency transactions during the financial year and there is no balance as at year end.
- 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.

(This space has been intentionally left blank)



NIIT (USA), Inc.

Notes to the Special Purpose Financial Statements for the year ended March 31, 2024

(v) Ratio Analysis and its elements

Particulars	Numerator	Denominator	As at		% Change	Reasons for variance
			March 31, 2024	March 31, 2023		
Current Ratio	Current Assets	Current Liabilities	1.02	0.67	52%	Increase in ratio due to increase in debtors and increase in investment classified to current asset during the year.
Debt equity ratio	Total Debt = Borrowings + Lease Liabilities	Shareholder's Equity	0.57	1.04	(45%)	Decrease in borrowings has resulted in lower 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 = Borrowings + Lease Liabilities	1.19	7.61	(84%)	Partial repayment of term loan from Banks and repayment of entire loan from NIIT Canada has resulted in reduction in debt service coverage ratio.
Return on equity Ratio	Net Profits after taxes	Average Shareholder's Equity	46%	23%	103%	Increase in profitability has resulted in increased in this ratio.
Trade receivables turnover ratio	Total Sales	Closing balance of trade receivables	4.75	5.95	(20%)	NA
Trade payables turnover ratio	Total Purchases	Closing balance of trade payables	3.13	3.31	(5%)	NA
Net capital turnover ratio	Net Sales	Average Working Capital (i.e. Total current assets less Total current liabilities)	(11.18)	(21.41)	(48%)	Change is mainly due to cash utilization in relation to contingent consideration paid in respect to investment in STC, and fresh loan taken during the year.
Net profit ratio	Net profit	Net Sales	16%	5%	199%	Increase in profitability due to increase in profit has resulted in increased in this ratio.
Return on capital employed	Earning before interest and taxes	Capital employed = Tangible Net worth + Lease liabilities + Borrowings	30%	14%	118%	Increased in profitability has resulted in increased in this ratio.
Return on investments Fixed deposits	Income generated from invested funds	Weighted average investments	5%	2%	179%	Increase in investment in Fixed Deposits has resulted in improvement of this ratio.

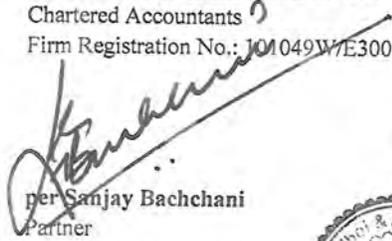


NIIT (USA), Inc.

Notes to the Special Purpose Financial Statements for the year ended March 31, 2024

- (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
- 34 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.

For S. R. Batliboi & Associates LLP  
Chartered Accountants  
Firm Registration No.: J01049W/E300004

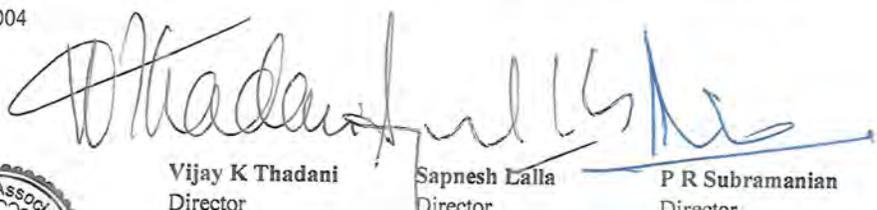
  
per Sanjay Bachchani  
Partner

Membership No. 400419

Place: Gurugram  
Date: May 17, 2024



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



Vijay K Thadani  
Director

Sapnesh Lalla  
Director

P R Subramanian  
Director

Place: Gurugram  
Date: May 17, 2024

Place: Gurugram  
Date: May 17, 2024

Place: Atlanta  
Date: May 17, 2024

