



MANAGED  
TRAINING  
SERVICES



**LEARNING** in an age of  
**TRANSFORMATION**

NIIT LEARNING SYSTEMS LIMITED  
**ANNUAL REPORT 2022-23**

# TABLE OF CONTENTS



OUR VISION	02
CHAIRMAN'S MESSAGE	03 - 05
CORPORATE INFORMATION	06
BOARD OF DIRECTORS	07
NLSL AT A GLANCE	08 - 10
AWARDS & ACKNOWLEDGEMENTS	11
FINANCIAL HISTORY	12 - 13
AGM NOTICE	14 - 23
BOARD'S REPORT	24 - 38
MANAGEMENT DISCUSSION & ANALYSIS	39 - 70
BUSINESS RESPONSIBILITY AND SUSTAINABILITY REPORT	71 - 97
CORPORATE GOVERNANCE REPORT	98 - 109
STANDALONE FINANCIAL STATEMENT	110 - 170
CONSOLIDATED FINANCIAL STATEMENT	171 - 234



# OUR VISION

## VALUES, MOTIVES AND BELIEFS

- ✓ We, NLSL, believe that our growth is the derivative of the growth of each one of us. It is the duty of each one of us to espouse and give active effect to the values, motives and beliefs we state here

## NLSL IS PEOPLE

- ✓ We have positive regard for each one of us.
- ✓ We will foster career-building by creating opportunities that demand learning, thinking and innovation from each one of us.
- ✓ We expect each one of us to contribute to the process of organisation building and thus derive pride, loyalty and emotional ownership.
- ✓ We recognise the necessity of making mistakes and risk-taking when it contributes to the learning, innovation and growth of each one of us.

## NLSL IS QUALITY AND VALUE

- ✓ Each of us will ensure that in any association with the society, society benefits substantially more than:
  - a) What society gives to us.
  - b) What society would gain from any other similar association
- ✓ We will meet any and every commitment made to society irrespective of any cost that may have to be incurred.
- ✓ We will ensure our profitability, long-term growth and financial stability, through the process of delivering the best, being seen as the best and being the best.
- ✓ We will be fair in all our dealings and promote high standards of business ethics.

## NLSL IS A MISSION

- ✓ We will grow in the recognition and respect we command, through pioneering and leading in the effective deployment of technology and know-how.
- ✓ We will seek to play a key-role in the directions & deployment of technology & know-how for the benefit of mankind.



## CHAIRMAN'S MESSAGE

### Dear Shareholders,

I am happy to share with you the business performance highlights of NIIT Learning Systems Limited, at its very first AGM, post the completion of its demerger from NIIT Limited.

The demerger has led to the establishment of two separate companies—NIIT Ltd. and NIIT Learning Systems Ltd. (NLSL).

The Composite Scheme of Arrangement plan, which was announced in January 2022 was completed in accordance with timelines, in May 2023. Post the demerger, all shareholders of NIIT Limited on the Record Date of June 8, 2023, were allotted equal number of shares of NIIT Learning Systems Limited.

These shares are now separately listed on both the Bombay Stock Exchange and the National Stock Exchange with the trading symbol NIITMTS.

The demerger recognizes the distinct market dynamics, customer segments, product offerings, and growth trajectories

of each business and will enable both entities to create sharper focus, simplify decision-making, and enhance agility. This is expected to result in significant value for stakeholders—including customers, employees, and investors.

NIIT Learning Systems Ltd. offers Managed Training Services to Fortune 1000 and Global 500 corporations across North America and Europe. It is armed with the necessary capital to take advantage of the opportunities opening up, particularly in the underpenetrated Learning Outsourcing market which has headroom for growth.

The financial year ending March 31, 2023, was marked by a sharp increase in global economic uncertainty due to the continuing war in Europe, supply chain bottlenecks, high inflation, and consequent tightening of monetary policies and increase in interest rates by central banks across major economies. This caused organizations, including existing customers, to pause or defer discretionary spending in various areas including training.

# CHAIRMAN'S MESSAGE

## BUSINESS PERFORMANCE

Despite these headwinds, your Company achieved robust growth during the year. Revenue for the year was Rs. 13,618 million. This was up 20% as compared to the previous year. The growth was 14% in terms of constant currency. Another significant development was the acquisition of St. Charles Consulting Group during the year. Headquartered in St. Charles, Illinois, St. Charles Consulting Group is a leading provider of Strategic Learning Interventions to top tier Global Professional Services and Management Consulting Firms. The StCG acquisition is part of our stated strategy to strengthen our capabilities and expand penetration in attractive customer segments. The acquisition was completed on November 4, 2022.

Excluding StCG, revenue was up 11% year over year. The company added 12 new Managed Training Services customers during the year and secured 12 customer renewals and two scope expansions. As of March 31, 2023, your company had a customer tally of 80 MTS customers with a Revenue Visibility of USD 363 million.

## AWARDS AND RECOGNITIONS

NIIT Learning Systems Limited distinguished itself during the year, winning key industry acknowledgments and accolades.

During the year, it earned 45 Brandon Hall Excellence in HCM Awards and 21 Brandon Hall Excellence in Technology Awards. Your Company was also featured, by the

Training Industry, among the Top 20 Companies in various categories such as Learning Services, Custom Content Development, IT and Technical Training, Advanced Learning Technologies, and Experiential Learning.

Your Company also ranked Number 1 in Innovation and Deal Size in the HRO Today Baker's Dozen for Learning and Development in 2022. It was conferred with the Gold Standard accreditation by the Learning and Performance Institute and named as a Nelson Hall Learning BPS NEAT Leader. NLSL, your Company also received a Net Promoter Score of 9 on 10 in the Annual Voice of Customer Survey.

Overall, the business has won over 400 industry awards and ranks among the Top 5 Learning Outsourcing Companies worldwide.

Your Company's track record of 100% renewals in contracts over the last few years and 80 marquee customers, who are leaders within their respective industries, are a testimony of its high-quality services.

## FUTURE OUTLOOK

The global corporate training market—with over USD 370 billion in annual spend and less than 5 percent penetration—continues to be a large, multi-year growth opportunity for NIIT Learning Systems Limited.

Going forward, NIIT Learning Systems will leverage its strengths—a sharp focus, strong balance sheet, and impressive

## CHAIRMAN'S MESSAGE

customer credentials—to establish its leadership in the global corporate learning space. Your Company already ranks among the Top 5 global players in terms of revenue from Training Outsourcing. Among specialist training firms, it is ranked number Two globally.

NLSL intends to capitalize on its expertise and capabilities to expedite growth. In pursuit of this goal, the Company is committed to maintaining ongoing investments in innovation to ensure customer satisfaction, in consulting and advisory services to foster thought leadership, and in Sales & Marketing to build a global platform for large-scale comprehensive deals aimed at accelerating growth.

Your Company will continue to explore inorganic opportunities to add new

capabilities and penetrate desired markets and customer segments. The Company is actively engaged in assessing potential target businesses for such opportunities.

Clearly, with all these positives supporting it, NLSL has primed itself for its next stage of growth. We invite you to be a part of this exhilarating journey. As always, you are the wind beneath our wings.

### **RAJENDRA S. PAWAR**

Chairman,  
NIIT Learning Systems Limited

# CORPORATE INFORMATION

**CIN:** U72200HR2001PLC099478

**CHIEF FINANCIAL OFFICER:** Sanjay Mal

**COMPANY SECRETARY:** Deepak Bansal

**AUDITORS:** S. R. Batliboi & Associates, LLP

**LISTED AT (w.e.f. AUGUST 8, 2023):**

BSE Limited

(Trading symbol: NIITMTS / 543952)

National Stock Exchange of India Limited

(Trading symbol: NIITMTS)

**BANKS:**

Citi Bank N.A. | Indian Overseas Bank

ICICI Bank Limited | Wells Fargo Bank

Bank of America | Bank of Ireland

Lloyds TSB Bank PLC | Deutsche Bank

Banco Bilbao Vizcaya Argentaria | J.P. Morgan

HSBC Mexico, S.A.

**REGISTERED OFFICE:**

Plot No. 85, Sector 32, Institutional Area,

Gurugram - 122001, Haryana, India,

Tel. No.: +91-124 4293000

Website: [www.niitmts.com](http://www.niitmts.com)

Email: [info@niitmts.com](mailto:info@niitmts.com)

**CORPORATE OFFICE:**

Infocity, A-24, Sector 34,

Gurugram - 122001, Haryana, India

Tel. No.: +91-124 4916500

**REGISTRAR AND SHARE TRANSFER AGENT:**

KFin Technologies Limited

Selenium Tower B, Plot No. 31 & 32,

Gachibowli, Financial District,

Nanakramguda, Hyderabad - 500032,

Telangana, India

Email: [einward.ris@kfintech.com](mailto:einward.ris@kfintech.com)

Tel. No.: +91-40-79611000

# BOARD OF DIRECTORS



**RAJENDRA S. PAWAR**

Chairman



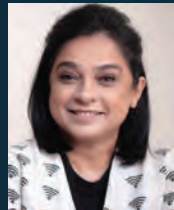
**VIJAY KUMAR THADANI**

Vice-Chairman and Managing Director



**SAPNESH LALLA**

Executive Director and Chief Executive Officer



**SANGITA SINGH**

Non-Executive Independent Director



**RAVINDER SINGH**

Non-Executive Independent Director



**RAVINDRA BABU GARIKIPATI**

Non-Executive Independent Director



**LEHER VIJAY THADANI**

Non-Executive Non-Independent Director



**PARTHASARATHY V S**

Non-Executive Independent Director





## NLSL AT A GLANCE

NIIT Learning Systems Limited offers Managed Training Services to market-leading companies across 30 countries. Trusted by the world's leading companies, NLSL provides high-impact managed learning solutions that weave together the best of learning theory, technology, operations, and services to enable a thriving workforce. The NLSL comprehensive suite of Managed Training Services includes Custom Content and Curriculum Design, Learning Delivery, Learning Administration, Strategic Sourcing, Learning Technology, and L&D consulting services.

The company also offers specialized solutions including immersive learning, customer education, talent pipeline as a service, DE&I training, digital and IT training as well as leadership and professional development services.

With a Net Promoter Score of 9 on 10 and a 100% renewal rate, NLSL helps leading companies transform their learning ecosystems while increasing the business value and impact of learning.

## NLSL FY 2023 HIGHLIGHTS

In FY 2023, NLSL added 12 global Managed Training Services (MTS) contracts during the year and completed 2 contract expansions and 13 contract extensions. The company ended the year with 80 MTS customers.

During the year, the company acquired 100% membership interest in St. Charles Consulting Group LLC (StCG). Headquartered in St. Charles, Illinois, StCG is a leading provider of consulting, design, and implementation solutions for strategic learning programs to professional services firms and Fortune 500 companies.

The company also organized the 15th edition of its flagship customer conference, Confluence 2022 in Miami in September 2022. The event was attended by learning leaders from the world's leading Fortune 1000 and Global 500 Companies. NLSL also organized its first ever Customer Advisory Board Meeting represented by learning leaders from eleven major companies.

The company earned several industry awards and rankings and has consistently been recognized as a global leader in learning outsourcing for the past decade.



# NIIT LEARNING SYSTEMS LIMITED LISTING CEREMONY ON AUGUST 8, 2023



# AWARDS AND ACKNOWLEDGEMENTS



302 BRANDON HALL HCM AND TECH AWARDS



17 CLO LEARNING IN PRACTICE AWARDS



10 LEARNING TECHNOLOGIES AWARDS



2 ATD EXCELLENCE IN PRACTICE AWARDS



ACCREDITED GOLD STANDARD BY LPI, 2 LPI AWARDS



NUMBER ONE IN INNOVATION AND SIZE OF DEAL FOR L&D, 2022



TOP 20 COMPANIES IN LEARNING SERVICES 2008-2022



TOP 20 COMPANIES IN CONTENT DEVELOPMENT 2011-2023



TOP 20 COMPANIES IN IT & TECH TRAINING 2008-2010, 2013-2022



TOP 20 COMPANIES EXPERIENTIAL LEARNING, 2021- 2022



TOP 20 COMPANIES IN ADVANCED LEARNING TECHNOLOGIES 2022



LEADER IN NELSON HALL LEARNING BPS NEAT EVALUATION 2022

STRATEGIC LEADERS IN FOSWAY 9-Grid™ FOR DIGITAL LEARNING

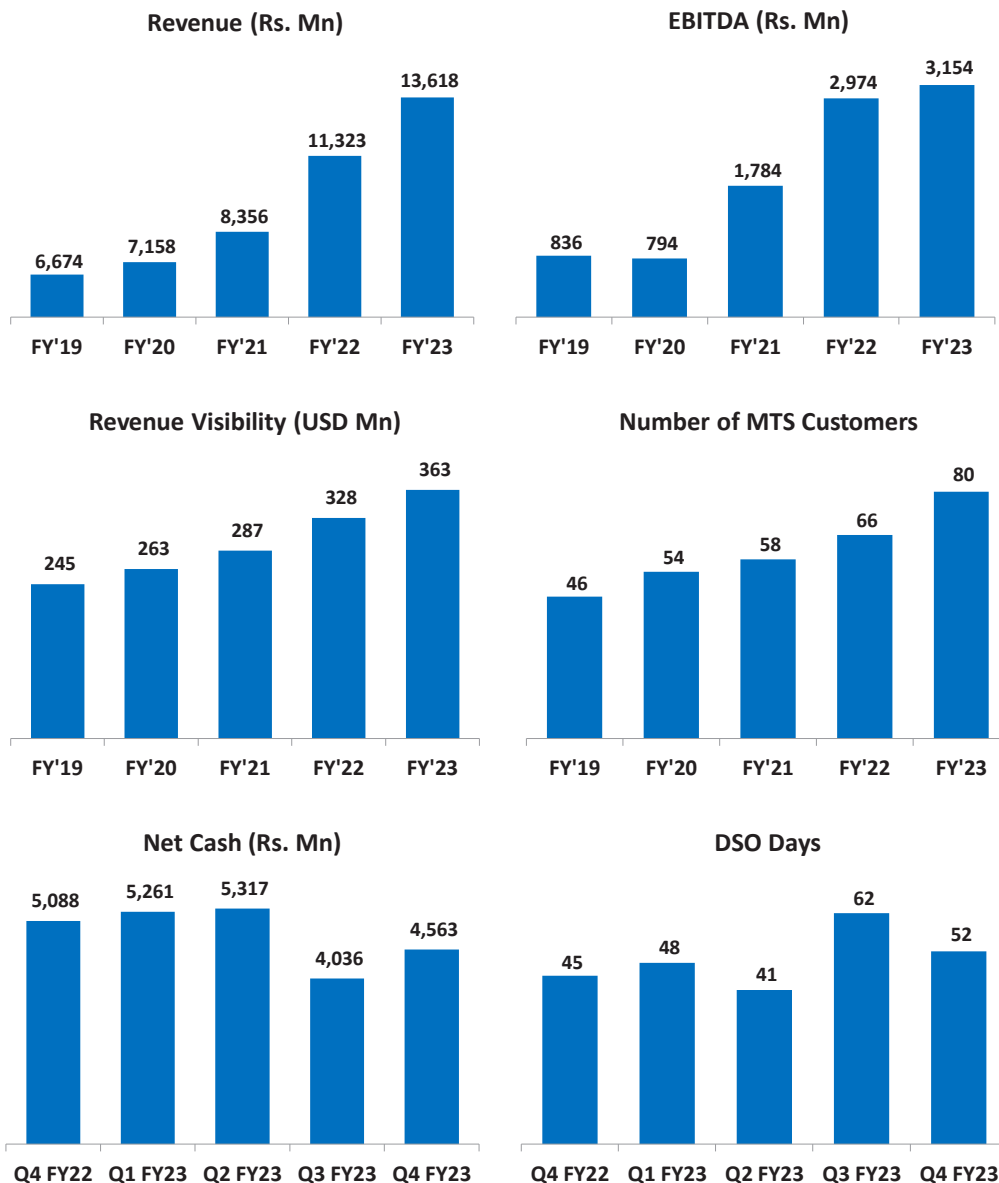


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# FINANCIAL HISTORY

NIIT Learning Systems Limited

## FINANCIAL HISTORY



### Note:

The Corporate Learning Business undertaking has been transferred to NIIT Learning Systems Limited pursuant to the Composite Scheme of Arrangement (Scheme) becoming effective on May 24, 2023. The Appointed Date for the Scheme is April 1, 2022. The accounting treatment for the Scheme follows Ind AS 103 Business Combinations. Figures for prior years have been restated for like for like comparison.



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# NOTICE

NIIT Learning Systems Limited

## NOTICE

**Notice** is hereby given that the 21<sup>st</sup> Annual General Meeting ("AGM") of the Members of NIIT Learning Systems Limited ("the Company") will be held on Wednesday, 27<sup>th</sup> day of September 2023 at 10:00 a.m. (IST) through Video Conferencing ("VC") / Other Audio Visual Means ("OAVM"), to transact the following businesses. The proceedings of the AGM shall be deemed to be conducted at the Registered Office of the Company at Plot No. 85, Sector 32, Institutional Area, Gurugram - 122001, Haryana.

### ORDINARY BUSINESS

- To receive, consider and adopt:
  - the audited standalone financial statement of the Company for the financial year ended March 31, 2023, and the reports of the Board of Directors and Auditors thereon; and
  - the audited consolidated financial statement of the Company for the financial year ended March 31, 2023, and the report of the Auditors thereon.
- To appoint Mr. Sapnesh Kumar Lalla (DIN: 06808242) as a director, who retires by rotation and being eligible, offers himself for re-appointment.

By Order of the Board  
**For NIIT Learning Systems Limited**

**Deepak Bansal**

**Place: Gurugram**  
**Date : May 29, 2023**

**Company Secretary**  
**Membership No. ACS 11579**

### NOTES:

- Pursuant to the General Circular 10/2022 dated December 28, 2022 and other circulars issued by the Ministry of Corporate Affairs (MCA) and Circular No. SEBI/HO/CFD/PoD-2/P/CIR/2023/4 dated January 5, 2023 issued by SEBI (hereinafter collectively referred to as "the Circulars"), companies are allowed to hold AGM through video conferencing (VC) or other audio visual means (OAVM), without the physical presence of members at a common venue. In compliance with the said Circulars, the 21<sup>st</sup> AGM shall be conducted through VC / OAVM. The deemed venue for the AGM shall be the Registered Office of the Company. National Securities Depositories Limited ("NSDL") will be providing facility for voting through remote e-voting, for participation in the AGM through VC / OAVM facility and e-voting during the AGM. The procedure for participating in the meeting through VC / OAVM is explained in Note nos. 15 to 19 hereinafter.
- The physical presence/attendance of Members is not required at the AGM conducted through VC/OAVM. The attendance of the Members through VC/OAVM will be counted for the purpose of reckoning the quorum under section 103 of the Companies Act, 2013 ("the Act").
- Pursuant to the provision of the Act, a Member entitled to attend and vote at the AGM is entitled to appoint a proxy to attend and vote on his /her behalf and the

proxy need not be a Member of the Company. Since this AGM is being held through VC / OAVM, physical attendance of Members is not required at the AGM pursuant to the Circulars. Accordingly, the facility for appointment of proxies by the Member will not be available for the AGM and hence the Proxy Form and Attendance Slip are not annexed to this Notice.

- Since the AGM will be held through VC/OAVM without the physical presence of Members at a common venue, the route map is not required/annexed.
- Institutional/Corporate Shareholders (i.e. other than individuals/HUF, NRI etc.) are required to send a scanned copy (PDF/JPG Format) of its board or governing body Resolution/Authorization etc, authorizing its representative to attend the AGM through VC/OAVM on its behalf and to vote through remote e-voting or to vote at AGM. The said Resolution/Authorization shall be sent to the Scrutinizer by email through registered email address to [csmilanmalik@gmail.com](mailto:csmilanmalik@gmail.com) with a copy marked to [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in) and to the Company at [investors@niitmts.com](mailto:investors@niitmts.com).

Members of the Company under the category of Institutional/Corporate Shareholders are encouraged to attend and participate in the AGM through VC/OAVM and vote thereat.

In compliance with the aforesaid Circulars, Notice of the AGM along with the Annual Report 2022-23 is being sent only through electronic mode to those Members whose email addresses are registered with the Company/ Depositories. Members may note that the Notice and Annual Report for FY2022-23 will also be available on the Company's website at [www.niitmts.com](http://www.niitmts.com), websites of the Stock Exchanges, i.e., BSE Limited and National Stock Exchange of India Limited at [www.bseindia.com](http://www.bseindia.com) and [www.nseindia.com](http://www.nseindia.com) respectively.

- For receiving all communication (including Annual Report) from the Company electronically, members are requested to register / update their email addresses with the relevant Depository Participant(s).
- In terms of Section 152 of the Act, Mr. Sapnesh Kumar Lalla, Director of the Company, retires by rotation at the AGM and being eligible, offers himself for re-appointment. The Board of Directors of the Company recommend his re-appointment.

The relevant details, pursuant to Regulations 36(3) and other applicable provisions of the SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 (Listing Regulations) and Secretarial Standard on General Meetings issued by the Institute of Company Secretaries of India, in respect of director seeking re-appointment at AGM is annexed to the Notice as **Annexure - I**.

Mr. Sapnesh Kumar Lalla and his relatives shall be deemed to be interested in Item No. 2 of the Notice, to the extent of their shareholding, if any, in the Company. None of the other Directors / Key Managerial Personnel



## NOTICE (Contd.)

of the Company / their relatives are, in any way, concerned or interested, financially or otherwise, in the item no. 2 of the Notice.

8. The Members, whose names appear in the Register of Members / list of Beneficial Owners as on Wednesday, September 20, 2023, being the cut-off date, shall be entitled to vote on the Resolutions set forth in this Notice and attend AGM. A person who is not a Member as on the cut-off date should treat this Notice of AGM for information purpose only.

9. Members who would like to express their views or ask questions during the AGM may register themselves till Friday, September 22, 2023, by sending request mentioning their name, demat account, email id, mobile number through their registered email to the Company at [investors@niitmts.com](mailto:investors@niitmts.com). Members holding shares as on the cut-off date shall be entitled to register and participate at the AGM.

Members who are registered in advance will only be allowed to express their views or ask questions at AGM. The Company reserves the right to restrict the number of questions and number of speakers, depending upon availability of time as appropriate for smooth conduct of the AGM.

10. (a) Since AGM is being conducted through VC / OAVM, Members having any query or seeking any information with regard to the accounts or any matter to be placed at the AGM, are requested to write /send email to the Company at least seven days in advance at [investors@niitmts.com](mailto:investors@niitmts.com). The same will be replied by the Company suitably.
- (b) Members who will participate in the AGM through VC/OAVM can also post question/feedback through question box option. Such questions by the Members shall be taken up either during the meeting or shall be replied by the Company suitably within 7 days from AGM date.
11. The Register of Directors and Key Managerial Personnel and their shareholding maintained under section 170 of the Act and Register of Contracts or arrangements in which directors are interested maintained under section 189 of the Companies Act, 2013 and any other relevant documents referred to in this Notice of AGM and explanatory statement and also referred in other reports attached with this Notice, will be available electronically for inspection by the members without any fee from the date of circulation of this Notice up to the date of AGM and during AGM. Members seeking to inspect such documents, can send an email to [investors@niitmts.com](mailto:investors@niitmts.com).
12. Members are advised to:

- (a) submit their PAN and bank account details to their respective Depository Participants (DPs) with whom they are maintaining their demat accounts and complete KYC process to keep demat account active.

- (b) contact their respective DPs for registering the nomination, in respect of their shareholding in the Company.

- (c) register / update their mobile number and e-mail address with their respective DPs for receiving communications electronically.

- (d) inform any change in address and bank mandate to DP.

13. Non-Resident Indian members are requested to inform RTA / respective DPs, immediately of:

- (a) Change in their residential status on return to India for permanent settlement.

- (b) Particulars of their bank account maintained in India with complete name, branch, account type, account number and address of the bank.

14. There is no Unclaimed/Unpaid Dividend in the Company. Therefore, the provisions of the Act and the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 ("IEPF Rules") for transfer of unpaid/ unclaimed dividend as well as shares on which dividend remain unpaid/ unclaimed for a period of seven consecutive years to IEPF Account, are not applicable on the Company.

### JOINING AGM THROUGH VC / OAVM:

15. Member will be provided with a facility to attend the AGM through VC/OAVM through the NSDL e-Voting system. Members may access the same by following the steps mentioned below for Access to NSDL e-Voting system. After successful login, you can see link of "VC/OAVM link" placed under "Join meeting" menu against company name. You are requested to click on VC/OAVM link placed under Join Meeting menu. The link for VC/OAVM will be available in Shareholder/Member login where the EVEN of Company will be displayed. Please note that the members who do not have the User ID and Password for e-Voting or have forgotten the User ID and Password may retrieve the same by following the remote e-Voting instructions mentioned in the notice to avoid last minute rush.
16. For convenience of the Members and proper conduct of AGM, Members can login and join at least 30 (thirty) minutes before the time scheduled for the AGM. Members can also login and join anytime throughout the proceedings of AGM.
17. Members are encouraged to join the Meeting through Laptops for better experience. Further members desirous of speaking at AGM, will be required to use Camera and use Internet with a good speed to avoid any disturbance during the meeting.
18. Please note that members connecting from Mobile Devices or Tablets or through Laptop connecting via Mobile Hotspot may experience audio/video loss due to fluctuation in their respective network. It is therefore recommended to use Stable Wi-Fi or LAN Connection to mitigate any kind of aforesaid glitches.

## NOTICE (Contd.)

19. The process and manner for remote e-voting and e-voting at AGM are as under:
- I. In compliance with the provisions of Section 108 of the Act, Rule 20 of the Companies (Management and Administration) Rules, 2014 as amended by the Companies (Management and Administration) Amendment Rules 2015, Regulation 44 of Listing Regulations and MCA Circulars, the Members are provided with the facility to cast their vote electronically, through the e-voting services provided by NSDL, on all the resolutions set forth in this Notice. The instructions for e-voting are given herein below.
  - II. The remote e-voting period shall commence on Friday, September 22, 2023 (9:00 A.M.) (IST) and ends on Tuesday, September 26, 2023 (5:00 P.M.) (IST). During this period, members of the Company, as on the cut-off date i.e. Wednesday, September 20, 2023, may cast their vote by remote e-voting. The remote e-voting module shall be disabled by NSDL for voting thereafter. Once the vote on a resolution is cast by the member, it can not be changed subsequently.
  - III. All persons who shall not be members as on the cut-off date, should treat this Notice for information purposes only.

### IV. Instruction:

#### For Remote E-voting:

The way to vote electronically on NSDL e-Voting system consists of “Two Steps” which are mentioned below:




#### Step 1: Access to NSDL e-Voting system

#### Step 2: Cast your vote electronically and join virtual meeting on NSDL e-Voting system

Details on Step 1 are mentioned below:

#### A) Login method for e-Voting and joining virtual meeting for Individual shareholders holding securities in demat mode

Login method for Individual shareholders holding securities in demat mode is given below:

Type of shareholders	Login Method
Individual Shareholders holding securities in demat mode with NSDL.	<p>Existing <b>IDEAS</b> user can visit the e-Services website of NSDL Viz. <a href="https://eservices.nsd.com">https://eservices.nsd.com</a> either on a Personal Computer or on a mobile. On the e-Services home page click on the “<b>Beneficial Owner</b>” icon under “<b>Login</b>” which is available under ‘<b>IDEAS</b>’ section, which will prompt you to enter your existing User ID and Password. After successful authentication, you will be able to see e-Voting services under Value added services. Click on “<b>Access to e-Voting</b>” under e-Voting services and you will be able to see e-Voting page. Click on company name or e-Voting service provider i.e. NSDL and you will be re-directed to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting &amp; voting during the meeting.</p> <p>If you are not registered for IDEAS e-Services, option to register is available at <a href="https://eservices.nsd.com">https://eservices.nsd.com</a>. Select “<b>Register Online for IDEAS Portal</b>” or click at <a href="https://eservices.nsd.com/SecureWeb/IdeasDirectReg.jsp">https://eservices.nsd.com/SecureWeb/IdeasDirectReg.jsp</a></p> <p>Visit the e-Voting website of NSDL. Open web browser by typing the following URL: <a href="https://www.evoting.nsd.com/">https://www.evoting.nsd.com/</a> either on a Personal Computer or on a mobile. Once the home page of e-Voting system is launched, click on the icon “Login” which is available under ‘Shareholder/Member’ section. A new screen will open. You will have to enter your User ID (i.e. your sixteen digit demat account number held with NSDL), Password/OTP and a Verification Code as shown on the screen. After successful authentication, you will be redirected to NSDL Depository site wherein you can see e-Voting page. Click on company name or <b>e-Voting service provider i.e. NSDL</b> and you will be redirected to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting &amp; voting during the meeting.</p> <p>Shareholders/Members can also download NSDL Mobile App “<b>NSDL Speede</b>” facility by scanning the QR code mentioned below for seamless voting experience.</p> <div style="text-align: center;"> <p>NSDL Mobile App is available on</p>    </div>

## NOTICE (Contd.)

Individual Shareholders holding securities in demat mode with CDSL	<ol style="list-style-type: none"> <li>Users who have opted for CDSL Easi / Easiest facility, can login through their existing user id and password. Option will be made available to reach e-Voting page without any further authentication. The users to login Easi / Easiest are requested to visit CDSL website <a href="http://www.cdslindia.com">www.cdslindia.com</a> and click on login icon &amp; New System Myeasi Tab and then user your existing my easi username &amp; password.</li> <li>After successful login into Easi / Easiest user will be able to see the e-Voting option for eligible companies where the evoting is in progress as per the information provided by company. On clicking the evoting option, the user will be able to see e-Voting page of the e-Voting service provider for casting your vote during the remote e-Voting period. Additionally, there is also links provided to access the system of all e-Voting Service Providers, so that the user can visit the e-Voting service providers' website directly.</li> <li>If the user is not registered for Easi/Easiest, option to register is available at CDSL website <a href="http://www.cdslindia.com">www.cdslindia.com</a> and click on login &amp; New System Myeasi Tab and then click on registration option.</li> <li>Alternatively, the user can directly access e-Voting page by providing Demat Account Number and PAN No. from a e-Voting link available on <a href="http://www.cdslindia.com">www.cdslindia.com</a> home page. The system will authenticate the user by sending OTP on registered Mobile &amp; Email as recorded in the Demat Account. After successful authentication, user will be able to see the e-Voting option where the evoting is in progress and also able to directly access the system of all e-Voting Service Providers.</li> </ol>
Individual Shareholders (holding securities in demat mode) login through their depository participants	You can also login using the login credentials of your demat account through your Depository Participant registered with NSDL/CDSL for e-Voting facility. Upon logging in, you will be able to see e-Voting option. Click on e-Voting option and you will be redirected to NSDL/CDSL Depository site after successful authentication, wherein you can see e-Voting feature. Click on company name or e-Voting service provider i.e. NSDL and you will be redirected to e-Voting website of NSDL for casting your vote during the remote e-Voting period 'or joining virtual meeting & voting during the meeting' after period.

**Important note:** Members who are unable to retrieve User ID/ Password are advised to use Forget User ID and Forget Password option available at abovementioned website.

**Helpdesk for Individual Shareholders for any technical issues related to login through Depository i.e. NSDL and CDSL.**

Login type	Helpdesk details
Individual Shareholders holding securities in demat mode with NSDL	Members facing any technical issue in login can contact NSDL helpdesk by sending a request to <a href="mailto:evoting@nsdl.co.in">evoting@nsdl.co.in</a> or call on 022 - 4886 7000 and 022 - 2499 7000
Individual Shareholders holding securities in demat mode with CDSL	Members facing any technical issue in login can contact CDSL helpdesk by sending a request to <a href="mailto:helpdesk.evoting@cdslindia.com">helpdesk.evoting@cdslindia.com</a> or contact toll free no. 1800 22 55 33

**B) Login Method for e-Voting and joining virtual meeting for shareholders other than Individual shareholders.**

**How to Log-in to NSDL e-Voting website?**

- Visit the e-Voting website of NSDL. Open web browser by typing the following URL: <https://www.evoting.nsdl.com/> either on a Personal Computer or on a mobile.
- Once the home page of e-Voting system is launched, click on the icon "Login" which is available under 'Shareholder/Member' section.
- A new screen will open. You will have to enter your User ID, your Password/OTP and a Verification Code as shown on the screen.  
Alternatively, if you are registered for NSDL eservices i.e. IDeAS, you can log-in at <https://eservices.nsdl.com/> with your existing IDeAS login. Once you log-in to NSDL eservices after using your log-in credentials, click on e-Voting and you can proceed to Step 2 i.e. Cast your vote electronically.
- Your User ID details are given below :

Manner of holding shares i.e. Demat (NSDL or CDSL)	Tour User ID is:
a) For Members who hold shares in demat account with NSDL	8 Character DP ID followed by 8 Digit Client ID For example if your DP ID is IN300*** and Client ID is 12***** then your user ID is IN3***12*****
b) For Members who hold shares in demat account with CDSL	16 Digit Beneficiary ID For example if your Beneficiary ID is 12***** then your user ID is 12*****

## NOTICE (Contd.)

5. Password details for shareholders other than Individual shareholders are given below:
  - a) If you are already registered for e-Voting, then you can use your existing password to login and cast your vote.
  - b) If you are using NSDL e-Voting system for the first time, you will need to retrieve the 'initial password' which was communicated to you. Once you retrieve your 'initial password', you need to enter the 'initial password' and the system will force you to change your password.
  - c) How to retrieve your 'initial password'?
    - i. If your email ID is registered in your demat account or with the company, your 'initial password' is communicated to you on your email ID. Trace the email sent to you from NSDL from your mailbox. Open the email and open the attachment which is a .pdf file. Open the .pdf file. The password to open the .pdf file is your 8 digit client ID for NSDL account or last 8 digits of client ID for CDSL account. The .pdf file contains your 'User ID' and your 'initial password'.
    - ii. If your email ID is not registered, please follow steps mentioned below in process for those shareholders whose email IDs are not registered.
6. If you are unable to retrieve or have not received the "Initial password" or have forgotten your password:
  - a) Click on "Forgot User Details/Password?"(If you are holding shares in your demat account with NSDL or CDSL) option available on [www.evoting.nsdl.com](http://www.evoting.nsdl.com).
  - b) If you are still unable to get the password by aforesaid two options, you can send a request at [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in) mentioning your demat account number/folio number, your PAN, your name and your registered address.
  - c) Members can also use the OTP (One Time Password) based login for casting the votes on the e-Voting system of NSDL.
7. After entering your password, tick on Agree to "Terms and Conditions" by selecting on the check box.
8. Now, you will have to click on "Login" button.
9. After you click on the "Login" button, Home page of e-Voting will open.
2. Select "EVEN" of company for which you wish to cast your vote during the remote e-Voting period and casting your vote during the General Meeting.
3. For joining virtual meeting, you need to click on "VC/OAVM" link placed under "Join Meeting".
4. Now you are ready for e-Voting as the Voting page opens.
5. Cast your vote by selecting appropriate options i.e. assent or dissent, verify/modify the number of shares for which you wish to cast your vote and click on "Submit" and also "Confirm" when prompted.
6. Upon confirmation, the message "Vote cast successfully" will be displayed.
7. You can also take the printout of the votes cast by you by clicking on the print option on the confirmation page.
8. Once you confirm your vote on the resolution, you will not be allowed to modify your vote.

**Process for those shareholders whose email ids are not registered with the depositories for procuring user id and password and registration of e mail ids for e-voting for the resolutions set out in this notice:**

- Shareholders are requested to provide DPID-CLID (16 digit DPID + CLID or 16 digit beneficiary ID), Name, client master or copy of Consolidated Account statement, PAN (self attested scanned copy of PAN card), AADHAR (self attested scanned copy of Aadhar Card) to [investors@niitmts.com](mailto:investors@niitmts.com). If you are an Individual shareholder, you are requested to refer to the login method explained at step 1 (A) i.e. Login method for e-Voting and joining virtual meeting for Individual shareholders holding securities in demat mode.
  - Alternatively shareholder/members may send a request to [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in) for procuring user id and password for e-voting by providing above mentioned documents.
- V. In terms of SEBI circular dated December 9, 2020 on e-Voting facility provided by Listed Companies, Individual shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Shareholders are required to update their mobile number and email ID correctly in their demat account in order to access e-Voting facility.
- The procedure for e-Voting on the day of the AGM is same as the instructions mentioned above for remote e-voting.
  - Only those Members/ shareholders, who will be present in the AGM through VC/OAVM facility and have not casted their vote on the Resolutions through remote e-Voting and are otherwise not barred from doing so, shall be eligible to vote through e-Voting system in the AGM.

**Details on step 2 are mentioned below:**

**How to cast your vote electronically and join virtual meeting on NSDL e-voting system**

1. After successful login at Step 1, you will be able to see all the companies "EVEN" in which you are holding shares and whose voting cycle and General Meeting is in active status.

## NOTICE (Contd.)

- Members who have voted through Remote e-Voting will be eligible to attend the AGM. However, they will not be eligible to vote at the AGM.
  - Please use helpdesk detail for any grievances connected with the facility for e-Voting on the day of the AGM, as mentioned for Remote e-voting.
- VI. In case of any queries, Members may refer Frequently Asked Questions (FAQs) and remote e-voting user manual available at the download section of [www.evoting.nsdl.com](http://www.evoting.nsdl.com) or call on : 022 - 4886 7000 and 022 - 2499 7000 or send a request at [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in)
- VII. Members can also update their mobile number and e-mail addresses in the user profile details of the folio which may be used for sending future communication(s).
- VIII. The voting rights of Members shall be in proportion to their shares of the paid up equity share capital of the Company as on the cut-off date i.e. Wednesday, September 20, 2023.
- IX. Mr. Milan Malik, Company Secretary (Membership No. FCS 9888) of M/s. Milan Malik & Associates, Company Secretaries has been appointed as the Scrutinizer to scrutinize the entire e-voting process in a fair and transparent manner.
- XI. E-Voting Results
- The Scrutinizer shall, immediately after the conclusion of voting at the AGM, unblock the votes cast through remote e-voting and votes cast during the AGM and will submit a consolidated Scrutinizer's Report of the total votes cast in favour or against, if any, to the Chairman or a person authorised by him in writing, who shall countersign the same. The results will be announced within the time stipulated under the applicable laws. The results of the voting shall be displayed on the Notice Board of the Company at its Registered Office.
  - The Results declared, along with the report of the Scrutinizer, shall be displayed on the website of the Company [www.niitmts.com](http://www.niitmts.com) and on the website of NSDL immediately after the declaration of result by the Chairman or a person authorized by him in writing and communicated to National Stock Exchange of India Limited and BSE Limited.
  - Subject to receipt of requisite number of votes, the Resolutions proposed in the Notice shall be deemed to be passed on the date of the Meeting, i.e., Wednesday, September 27, 2023.

### Other instructions:

Please note that:

- Login to e-voting website will be disabled upon five unsuccessful attempts to key-in the correct password. In such an event, you will need to go through 'Forgot Password' option available on the site to reset the same.
- It is strongly recommended not to share your password/OTP with any other person and take utmost care to keep it confidential.

## NOTICE (Contd.)

### AGM – INFORMATION IN BRIEF:

S. No.	Particulars	Details
1.	Day, Date and Time of AGM	Wednesday, September 27, 2023 at 10:00 A.M. (IST)
2.	AGM Mode /Venue	Through Video conference (VC) and Other Audio-Visual Means (OAVM) without physical presence of shareholders at common venue. AGM shall be deemed to be conducted at registered office of the Company
3.	Participation through Video Conferencing	Members can login from 09:30 A.M. (IST) on the date of AGM through NSDL link.
4.	Name and address of e-voting and VC/OAVM service provider	National Securities Depository Limited 4th Floor, 'A' Wing, Trade World, Kamala Mills Compound Senapati Bapat Marg, Lower Parel, Mumbai-400 013
5.	NSDL Email ID / Helpline numbers	Email at the designated email id – <a href="mailto:evoting@nsdl.co.in">evoting@nsdl.co.in</a> or Call on: 022 - 4886 7000 / 022 - 2499 7000
6.	Cut-off date for entitlement: e-voting/AGM participation / Speaker Registration request	Wednesday, September 20, 2023
7.	Remote E-voting start time and date	9.00 A.M. (IST), Friday, September 22, 2023
8.	Remote E-voting end time and date	5.00 P.M. (IST), Tuesday, September 26, 2023
9.	Remote E-voting website	<a href="http://www.evoting.nsdl.com">www.evoting.nsdl.com</a>
10.	Emails: Company/documents/ AGM Speaker registration Registrar & Share Transfer Agent NSDL	<a href="mailto:investors@niitmts.com">investors@niitmts.com</a> <a href="mailto:einward.ris@kfintech.com">einward.ris@kfintech.com</a> <a href="mailto:evoting@nsdl.co.in">evoting@nsdl.co.in</a>
11.	Recorded transcript	To be available after AGM at Company's website in investors information section.
12.	Email & Contact updation	through Depository Participant

Details of Director seeking appointment/re-appointment at the Annual General Meeting of the Company pursuant to Regulation 36(3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Secretarial Standard on General Meetings issued by the Institute of Company Secretaries of India ('SS-2')

<b>Particulars/Name</b>	<b>Sapnesh Kumar Lalla</b>
<b>Age</b>	57 years
<b>Date of first appointment on the Board</b>	May 10, 2017
<b>Background, Expertise and Qualification</b>	<p>Sapnesh Lalla is Executive Director and Chief Executive Officer of the Company.</p> <p>He is also non-executive Director of NIIT Ltd, a global leader in skills and talent development and a leading provider of managed training services, offering broad-based education and training solutions to corporations, institutions, and individuals in over 30 countries.</p> <p>Sapnesh has served in NIIT India and USA for over 30 years. He started his journey as a Project Lead in the Learning Content Development Team and over the years, has held various Management and Leadership roles in Product Management, Customer Support, Channel Development, Sales and Support functions. He has worked on a number of critical initiatives including NIIT's expansion into North America &amp; Europe and has led significant acquisitions including Cognitive Arts and Element K. He was selected to the Managing Director's Quality Club (MDQC) in 1997 and received the coveted Global Leadership Award in 2001 and 2010. In 2010, he joined the board of NIIT(USA), Inc. in Atlanta, Georgia, USA. He led the enterprise business of the company outside India and helped create and grow unique solutions in the areas of Learning content, learning administration &amp; learning technologies. Among others, he led the conceptualization and growth of Managed Training Services outsourcing which are now being delivered to many global firms in the Fortune 500.</p> <p>He has also featured as an Industry expert in number of panel discussions at business TV channels, industry seminars and magazines.</p> <p>In 2017, Sapnesh was appointed CEO of NIIT Ltd. and in August 2021, he was re-designated as Executive Director and Chief Executive Officer of NIIT Limited. During this period, he had taken charge, learned the role, improved the business and order book, organically &amp; inorganically, streamlined the Stackroute business in India and led the company through the recent difficult pandemic times with determination and perseverance. Since then, he has passionately driven the digital transformation of the company and the agenda to scale up the business on company's new NIIT Digital platform. He became non-executive director of NIIT Limited on May 24, 2023.</p> <p>Sapnesh is an Electronics and Communications Engineer from Bangalore University and received his Executive Education at the Ross School of Business, University of Michigan.</p>
<b>Number of Equity Shares held in the Company including shareholding as beneficial owner</b>	473,052 equity shares (to be issued pursuant to Composite Scheme of Arrangement)

Relationship with other Directors, Manager and other Key Managerial Personnel	None
Terms and conditions of appointment or re-appointment and remuneration to be paid	Retiring by rotation
No. of Board Meetings attended during the financial year 2022-23	Held: 8 Attended: 8
Directorships of other Boards as on date of the Notice	NIIT Limited NIIT Institute of Finance Banking and Insurance Training Limited RPS Consulting Private Limited NIIT Limited, UK NIIT USA Inc, USA NIIT (Ireland) Limited NIIT Learning Solutions (Canada) Limited NIIT China (Shanghai) Limited Eagle Training, Spain S.L.U Stackroute Learning Inc., USA St. Charles Consulting Group LLC, USA NIIT Mexico, S. DE R.L. DE C.V., Mexico NIIT Brazil LTDA, Brazil NIIT Institute of Process Excellence Limited (under liquidation w.e.f. 19.02.2020)
Membership / Chairmanship of Committees of companies as on date of the Notice	<ul style="list-style-type: none"> <li>• NIIT Learning Systems Limited <ul style="list-style-type: none"> <li>– Risk Management Committee – Member</li> <li>– Share Allotment Committee – Member</li> </ul> </li> <li>• NIIT Limited <ul style="list-style-type: none"> <li>– Risk Management Committee- Member</li> </ul> </li> <li>• NIIT Institute of Finance Banking &amp; Insurance Training Limited <ul style="list-style-type: none"> <li>– Corporate Social Responsibility Committee – Member</li> </ul> </li> <li>• RPS Consulting Private Limited <ul style="list-style-type: none"> <li>– Corporate Social Responsibility Committee - Member</li> </ul> </li> </ul>
Remuneration last drawn	NIL*
List of core skills/ expertise/ competencies identified by the Board and those actually available: Leadership - 1 Board experience & governance oversight in public companies – 2 Financial - 3 Global business - 4 Technology/Talent development industry experience - 5 Sales, Marketing & customer service - 6 Innovation & entrepreneurship - 7 M & A - 8 Legal, risk & compliance management - 9	1, 3-8

\*Non-Executive Director of the Company, until May 23, 2023





MANAGED  
TRAINING  
SERVICES

# BOARD'S REPORT

NIIT Learning Systems Limited

## BOARD'S REPORT

To  
The Members,

Your Directors take pleasure in presenting the 21<sup>st</sup> Annual Report along with the Audited Financial Statements (Standalone and Consolidated) for the financial year ended March 31, 2023.

### Financial Highlights

On May 19, 2023, the Hon'ble National Company Law Tribunal (NCLT), Chandigarh Bench sanctioned/ approved the Composite Scheme of Arrangement between NIIT Limited ('the Transferor Company' or 'NIIT') and NIIT Learning Systems Limited ('the Transferee Company' or 'the Company' or 'NLSL') and their respective shareholders and creditors ('Scheme'), which was made effective on May 24, 2023 by filing of the certified copy of the NCLT Order approving the Scheme with the Registrar of Companies, NCT of Delhi & Haryana. Pursuant to the Scheme becoming effective, the CLG Business Undertaking ("Demerged Undertaking") is demerged from NIIT and transferred to and vested in NLSL with effect from April 1, 2022 i.e. the Appointed Date as per Scheme.

The transfer of the Demerged Undertaking is accounted for in the books of the NLSL using the pooling of interest method in accordance with Appendix C "Business Combinations of entities under common control" of the Indian Accounting Standard (IND- AS) 103-Business Combinations and the financial statements for the year ended March 31, 2022 have been prepared in accordance with the requirements of Ind AS 103. Consequently, the figures of standalone financials for the year ended March 31, 2022 have been restated to give impact of the Scheme of Arrangement.

The highlights of your Company's financial results for the financial year (FY) April 1, 2022, to March 31, 2023, (FY23) are as follows:

(All Amounts in Rs. Million, unless otherwise stated)

Particulars	CONSOLIDATED		STANDALONE (Restated)	
	March 31, 2023	March 31, 2022	March 31, 2023	March 31, 2022
<b>INCOME</b>				
Revenue from operations	13,618	11,323	4,038	3,285
Other Income	151	139	574	414
<b>Total Income</b>	<b>13,769</b>	<b>11,463</b>	<b>4,612</b>	<b>3,699</b>
<b>Total Expenses</b>	<b>11,298</b>	<b>8,840</b>	<b>3,594</b>	<b>3,036</b>
<b>Profit before exceptional items and tax</b>	<b>2,471</b>	<b>2,622</b>	<b>1,018</b>	<b>663</b>
Exceptional items	(186)	(0.30)	(36)	(0.30)
<b>Profit before Tax</b>	<b>2,285</b>	<b>2,622</b>	<b>982</b>	<b>662</b>
Tax Expenses	363	601	(10)	77
<b>Profit for the year</b>	<b>1,922</b>	<b>2,021</b>	<b>993</b>	<b>585</b>
<b>Earnings per equity share (EPS)</b>				
Basic (Rs.)	14.31	17.48	7.39	5.06
Diluted (Rs.)	13.97	17.48	7.22	5.06

Your Company's consolidated revenue from operations for current year is Rs. 13,618 million as against Rs. 11,323 million in the previous year and the profit after tax is Rs. 1,922 million as against Rs. 2,021 million in the previous year.

Your Company's standalone revenue from operations for the current year is Rs. 4,038 million as against Rs. 3,285 million in the previous year, and the profit after tax is Rs. 993 million as against Rs. 585 million in the previous year.

### Business Operations

The Corporate Learning Business Undertaking from NIIT Limited has been transferred to NIIT Learning Systems Limited (NLSL) through the Composite Scheme of Arrangement (Scheme) from the Appointed Date i.e. April 1, 2022. The Revenue of the Company grew 20% in FY23. The growth was 14% YoY in constant currency. Growth was aided by the acquisition of St. Charles Consulting Group (StC), whose accounts were consolidated from November 4, 2022. Organic revenues grew 11% YoY despite impact of the macro economic environment which resulted in compression in spending on training by existing customers during the year and also led to faster than expected normalization of volumes in North American Real Estate training contract. Organic growth was led by strong addition of new logos as well as expansion of wallet share in existing accounts. During the year, the business added 12 new customers. The Company maintained 100% renewal track record in contracts that came up for renewal. Including significant customers of StC, NLSL ended the year with 80 customers and Revenue Visibility of USD 363 million. EBITDA for the year was Rs. 3,154 million, up 6% YoY. EBITDA margin was 23%, down 310 bps due to planned investments in S&M and new sectors as well as pick up in premise and travel expenses post Covid.

A detailed analysis of the overall performance is given in the Management Discussion and Analysis Report, forming part of this Report.

### Future Plans

Global spending on Corporate Learning & Development (L&D) is USD 370 billion per annum. Currently, less than 5% of these spends are outsourced. With close to two-thirds of the expenditure on internal resources, there is a large, multi-year headroom for growth for training outsourcing. Outsourcing has been going up driven by increasing complexity, and as organizations demand greater accountability from their L&D functions. Outsourcing to specialist firms also frees customers to focus on their core while improving both efficiency and effectiveness of learning.

The economic uncertainty caused by the continuing war in Europe, disruption of supply chains, high inflation and coordinated monetary tightening by central banks around the world has led to contraction in consumption of training in the near term as companies push out discretionary spending. These spends are expected to revert to normal over a period of time, as economic activity picks up post the pandemic. Also, as economies emerge from the slowdown, companies

## BOARD'S REPORT (Contd.)

are expected to seek the reduction of fixed expenses and outsource non-core functions. Training is a potential area for greater penetration of outsourcing, driven by this move. As the situation stabilizes, NLSL expects a big shift to outsourcing and is well positioned to benefit from this.

With consistent performance and industry-leading growth over the last several years, NLSL is ranked among the Top 5 global providers of Managed Training Services. With a strong balance sheet and availability of growth capital, NLSL sees an opportunity to move up the leadership ladder.

The Company anticipates that the successful completion of the planned demerger will provide the business with a sharper focus and energy to further accelerate its growth.

NLSL intends to capitalize on its expertise and capabilities to expedite growth. In pursuit of this goal, the Company is committed to maintaining ongoing investments in innovation to ensure customer satisfaction, in advisory services to foster thought leadership, and in Sales & Marketing to build a global platform for large-scale comprehensive deals aimed at accelerating growth.

The Company would continue to explore inorganic opportunities to add new capabilities and penetrate desired markets and customer segments. The Company is actively engaged in assessing potential target businesses for such opportunities.

### Dividend

The Board of Directors have not recommended any dividend for the financial year 2022-23.

### Transfer to Reserves

The Company has not transferred any sum to the general reserve for the financial year 2022-23.

### Material changes and commitments, if any, affecting the financial position of the Company

#### Scheme of Arrangement

Your Board of Directors had, at its meeting held on January 28, 2022, approved Composite Scheme of Arrangement between NIIT Limited ("the Transferor Company" or "NIIT") and NIIT Learning Systems Limited (formerly known as Mindchampion Learning Systems Limited), a wholly owned subsidiary of NIIT ("the Transferee Company" or "NLSL") and their respective shareholders and creditors ("the Scheme") as per the provisions of Sections 230-232 and any other applicable provisions of the Companies Act, 2013 ("the Act"), the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, ("Listing Regulations"), and in terms of SEBI Circular No. SEBI/HO/CFD/DIL1/CIR/P/2021/000000065 dated November 23, 2021.

The Scheme inter alia, provided the following:

- reduction of the existing paid up equity share capital and the securities premium against the accumulated

losses of the Transferee Company without any further act and deed, with the approval of Hon'ble Tribunal in terms of Section 66 of the Act as elaborated in Part III of the Scheme;

- the transfer and vesting of the CLG Business Undertaking of the Transferor Company to the Transferee Company and the consequent issue of equity shares by the Transferee Company to the shareholders of the Transferor Company pursuant to Sections 230 to 232 and other relevant provisions of the Act in the manner provided for in the Scheme and in compliance with Section 2(19AA) of Income Tax Act, 1961 as elaborated in Part IV of the Scheme;
- re-organization of the authorized share capital of the Transferee Company as elaborated in Part V of the Scheme.
- listing of the share capital of the Transferee Company, consisting of the fully paid-up equity shares of the Transferee Company issued as consideration in terms of this Scheme to the shareholders of the Transferor Company, on the National Stock Exchange of India Limited and the BSE Limited (Stock Exchanges) after the Scheme becomes effective post approval by NCLT and filing with the RoC [Registrar of Companies], in accordance with the provisions of the SEBI Circular, as elaborated in the Scheme;
- The Appointed Date of the Scheme is April 1, 2022; and
- various other matters consequential or otherwise integrally connected therewith.

The Scheme was approved by the Hon'ble National Company Law Tribunal, Chandigarh Bench (NCLT/ Tribunal) vide its order dated May 19, 2023. The Effective Date of the Scheme was May 24, 2023, with effect from the Appointed Date i.e., April 1, 2022.

Upon the Scheme becoming effective:

- the existing paid up equity share capital of the Transferee Company comprising of 11,55,64,072 equity shares of INR 10/- each aggregating to INR 1,15,56,40,720 (Indian Rupees One Hundred Fifteen Crores Fifty-Six Lakh Forty Thousand Seven Hundred and Twenty) and securities premium amounting to INR 2,00,00,000 (Indian Rupees Two Crores) stand reduced and cancelled pursuant to Section 66 and other applicable provisions of the Act.
- the authorised share capital of the Company got reclassified/reorganized by reducing the face value of equity shares to INR 2 (Indian Rupees Two, only) divided into 60,00,00,000 equity shares of INR 2 (Indian Rupees Two, only) each aggregating to INR 1,20,00,00,000 (Indian Rupees One Hundred Twenty Crores).

## BOARD'S REPORT (Contd.)

- the CLG Business Undertaking of the Transferor Company got transferred and vested to the Transferee Company
- in consideration of the transfer and vesting of the CLG Business Undertaking from the Transferor Company into the Transferee Company pursuant to Part IV of the Scheme, the Transferee Company to issue and allot 13,46,14,360 (Thirteen Crores Forty Six Lakh Fourteen Thousand Three Hundred Sixty only) equity shares of Rs.2/- (Rupees Two) each to the equity shareholders of NIIT Limited, whose name is recorded in the register of members of NIIT Limited as Shareholder on the Record Date, in the Ratio of 1:1 [i.e. 1 (one) equity share of the Transferee Company for every 1 (one) equity share held of the Transferor Company of face value of INR. 2 each as on the Record Date]. These equity shares of the Transferee Company to be listed on the Stock Exchanges

### Subsidiaries, Joint Ventures and Associate Companies

Pursuant to Scheme of Arrangement, following entities became subsidiaries of the Company, being a part of CLG Business Undertaking:

- a) NIIT USA Inc, USA
  - Stackroute Learning Inc, USA (subsidiary of entity at serial no. a)
  - St. Charles Consulting Group, LLC (subsidiary of entity at serial no. a, w.e.f. November 4, 2022)
  - Eagle Training Spain, S.L.U (subsidiary of entity at Serial no. a)
  - NIIT Mexico, S. DE R.L. DE C.V. (subsidiary of entity at serial no. a - incorporated on February 23, 2023)
  - NIIT Brazil LTDA (subsidiary of entity at serial no. a - incorporated on March 23, 2023)
- b) NIIT Limited, UK
- c) NIIT Malaysia Sdn. Bhd, Malaysia
- d) NIIT (Ireland) Limited, Ireland
  - NIIT Learning Solutions (Canada) Limited, Canada (subsidiary of entity at serial no. d)
- e) NIIT West Africa Limited, Nigeria

Pursuant to the provisions of Section 129(3) of the Act, a statement containing the salient features of each of the Company's subsidiaries, associates and joint venture companies are provided in the prescribed Form AOC-1, annexed herewith as "Annexure-A" forming part of this Report.

The list of Subsidiaries, Joint Ventures, and Associates of the Company, including the change (if any) during the year, is provided in Form AOC-1 and notes to standalone financial statement of the Company.

### Consolidated Financial Statement

Pursuant to Section 129 of the Act and Regulation 34 of the Listing Regulations, the Consolidated Financial Statement of the Company is attached herewith, as prepared in accordance with the provisions of the Act.

Pursuant to the provisions of Section 136 of the Act, the audited financial statements of the Company (Standalone and Consolidated) along with the relevant documents and the audited accounts of each of its subsidiaries are available on the website of the Company, i.e., <https://www.niit.com/regulation46-of-the-lodr/>. The same shall also be available for inspection by members upon request.

### Directors

In accordance with the provisions of the Section 152 of the Companies Act, 2013 ("the Act") Mr. Sapnesh Kumar Lalla (DIN: 06808242), Director retires by rotation at the forthcoming Annual General Meeting ("AGM") and being eligible has offered himself for re-appointment as Director of the Company. The relevant detail is provided in the Notice.

The Board recommends the appointment of Mr. Sapnesh Kumar Lalla, to the members for their approval by passing ordinary resolution.

After the closure of financial year:

- Mr. Ravinder Singh and Ms. Sangita Singh were appointed as Independent Directors of the Company, not liable to retire by rotation, with effect from May 20, 2023, for a term of five years
- Mr. Rajendra Singh Pawar was appointed as Non-Executive and Non-Independent Director and Chairman of the Company, liable to retire by rotation, with effect from May 24, 2023.
- Mr. Vijay K Thadani, Non-executive Director was appointed as Vice-Chairman & Managing Director of the Company, liable to retire by rotation, for a period of 5 years w.e.f. May 24, 2023
- Mr. Sapnesh Kumar Lalla, Non-executive Director was appointed as Executive Director and Chief Executive Officer of the Company, liable to retire by rotation, for a period of 5 years w.e.f. May 24, 2023
- Mr. Ravindra Babu Garikipati was appointed as an Independent Director of the Company, not liable to retire by rotation, with effect from May 24, 2023, for a term of five years
- Ms. Leher Vijay Thadani was appointed as Non-Executive and Non-Independent Director of the Company, liable to retire by rotation, with effect from May 24, 2023.

The Board has recommended the appointment of these Directors for approval of shareholders through postal ballot.

With these additions, the Board shall have increased diversity in terms of age, expertise, domain experience, gender and geography.

## BOARD'S REPORT (Contd.)

The Company has received declarations from all the Independent Directors confirming that they meet the criteria of Independence as prescribed under the Act and Listing Regulations.

Further, in the opinion of the Board and on the basis of declaration of independence provided by the Independent Directors, they all fulfill the conditions specified in the Act and Rules made thereunder, read with the applicable regulations of Listing Regulations, for their appointment as Independent Directors of the Company and are independent of the management.

All Independent Directors have registered themselves with the Indian Institute of Corporate Affairs for the inclusion of their name in the data bank of independent directors, pursuant to the provision of Rule 6 (1) of Companies (Appointment and Qualification of Directors) Rules, 2014. Further, they have confirmed that they shall comply with other requirements, as applicable under the said rule.

Further, Mr. Parappil Rajendran and Ms. Mita Brahma, Non-executive Directors of the Company, had resigned from the Board of the Company with effect from May 24, 2023, due to their inability to devote adequate time in view of their other pre-occupation. The Board placed on record its appreciation for the valuable contribution and guidance by Mr. Parappil Rajendran and Ms. Mita Brahma during their tenure as Non-executive Directors of the Company.

### Key Managerial Personnel (KMP)

As on the date of this Report, the following officials are the Key Managerial Personnel of the Company in terms of provisions of the Act:

- Mr. Vijay Kumar Thadani, Vice Chairman & Managing Director (appointed w.e.f. May 24, 2023)<sup>#</sup>
- Mr. Sapnesh Kumar Lalla, Executive Director and Chief Executive Officer (appointed w.e.f. May 24, 2023)<sup>#\*</sup>
- Mr. Sanjay Mal, Chief Financial Officer (appointed w.e.f. May 24, 2023)<sup>\*</sup>
- Mr. Deepak Bansal, Company Secretary (appointed w.e.f. May 24, 2023)<sup>\*</sup>

<sup>#</sup>Non-executive Director upto May 23, 2023<sup>#</sup>

<sup>\*</sup>Pursuant to the Scheme of Arrangement, employment transferred as part of CLG business undertaking and appointed in the Company.

The following officials ceased to be the Key Managerial Personnel of the Company in terms of provisions of the Companies Act, 2013:

- Ms. Leena Khokha as Manager (w.e.f. April 30, 2023)
- Mr. Sanjay Kumar Jain as Chief Financial Officer (w.e.f. May 24, 2023)
- Mr. Siddharth Nath as Company Secretary (w.e.f. May 24, 2023)

### Meetings of the Board

During the year under review, eight (8) Board meetings were convened and held. The intervening gap between the Meetings was within the period prescribed under the Act.

### Board Evaluation

Pursuant to the provisions of the Companies Act, 2013, the Board has carried out the annual performance evaluation of its own performance for the financial year 2022-23. A separate exercise was carried out to evaluate the performance of individual Directors including the Chairman of the Board, who were evaluated on parameters such as level of engagement and contribution, effective participation in Board/Committee Meetings, independence of judgment, safeguarding the interest of the Company providing of expert advice to Board, deliberations on approving related party transactions etc.

### Directors' Responsibility Statement

As required under Section 134(3)(c) of the Act, the Directors of the Company hereby state and confirm that:

- in preparation of annual accounts for the financial year, the applicable Accounting Standards had been followed along with the proper explanations relating to material departures;
- the Directors have selected such accounting policies and applied them consistently and made judgment and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at March 31, 2023 and of the profit and loss of the Company for that year;
- the Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Act, for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- the Directors have prepared Annual accounts on a going concern basis;
- the Directors have laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and were operating effectively; and
- the Directors have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

### Secretarial Standards

The Directors state that the applicable mandatory Secretarial Standards, i.e., SS-1: Secretarial Standard on Meetings of the Board of Directors and SS-2: Secretarial Standard on General Meetings issued by the Institute of Company Secretaries of India, have been followed by the Company.

### Statutory Auditors

S. R. Batliboi & Associates LLP, Chartered Accountants, Gurugram (FRN 101049W/ E300004), was appointed as Statutory Auditors of the Company, for a term of 5 (five) consecutive years, at the AGM held on July 29, 2022. The Statutory Auditors have confirmed that they are eligible and qualified to continue as Statutory Auditors of the Company.

## BOARD'S REPORT (Contd.)

### Statutory Auditors' Report

The notes on the Financial Statements (Standalone and Consolidated) referred to in the Auditors' Reports are self-explanatory and do not require any further comments. The Auditors' Reports do not contain any qualification, reservation or adverse remark.

### Secretarial Auditors

Pursuant to provision of Section 204 of the Act and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Board had appointed Mr. Sandeep Chandna, Practicing Company Secretary as Secretarial Auditor to conduct secretarial audit of the Company for FY23. The Secretarial Audit Report for FY23 is annexed herewith as "Annexure B", and does not contain any qualification, reservation, or adverse remark.

### Cost Accounts and Cost Auditors

The cost accounts and records are maintained by the Company, as required in accordance with the provisions of Section 148 of the Act.

For the year under review, the provisions of Section 148 of the Companies Act, 2013 regarding Cost Audit were not applicable to the Company.

### Reporting of Frauds by Auditors

During the year under review, the Statutory Auditor and the Secretarial Auditor have not reported any matter under Section 143(12) of the Act. Hence, no detail is required to be disclosed under Section 134(3)(ca) of the Act.

### Management Discussion and Analysis

As on March 31, 2023, the Company was an unlisted public Company. Thus, the provisions of the Listing Regulations were not applicable to the Company for the financial year ended March 31, 2023. Pursuant to the Scheme, the Company shall be listed at BSE Limited and National Stock Exchange of India Limited. However, as a good governance practice for information to shareholders of the Company, Management Discussion and Analysis Report, along with Business Responsibility and Sustainability Report and Corporate Governance Report are given as separate sections voluntarily and forms a part of this Report.

### Internal Financial Controls

A detailed note on the Internal Financial Controls system and its adequacy is given in the Management Discussion and Analysis Report, forming part of this Report. The Company has designed and implemented a process-driven framework for internal financial controls within the meaning of explanation to section 134(5)(e) of the Act. For FY23, the Board is of the opinion that the Company has sound Internal Financial controls commensurate with the nature and size of its business operations, wherein controls are in place and operating effectively.

The Company's risk management mechanism is detailed in the Management Discussion and Analysis Report.

### Committees of the Board

The Company has following Committees:

- Audit Committee (with effect from May 20, 2023)
- Nomination and Remuneration Committee (with effect from May 20, 2023)
- Stakeholders' Relationship Committee (with effect from May 24, 2023)
- Corporate Social Responsibility Committee (with effect from May 24, 2023)
- Risk Management Committee (with effect from May 24, 2023)

The details of these Committees constituted in compliance with the provisions of the Act and Listing Regulations are provided in the Corporate Governance Report, forming part of this Report.

### Statutory Policies/Codes

The Board at its meeting held on May 24, 2023, adopted following policies/ codes in compliance with the various provisions of the Act and Listing Regulations:

- Policy on Determination of Material Subsidiaries
- Policy on Determination of Materiality for Disclosure
- Policy on Related Party Transactions
- Nomination and Remuneration Policy
- Code of Conduct to Regulate, Monitor and Trading by Designated Persons
- Code of Practices and Procedures for Fair Disclosure of UPSI
- Policy for Procedure of Inquiry in Case of Leak of UPSI
- Archival Policy
- Whistle Blower Policy
- Code of Conduct
- Corporate Social Responsibility Policy
- Dividend Distribution Policy

The Company has an Internal Complaints Committee (ICC) for providing a redressal mechanism pertaining to sexual harassment of women employees at workplace. Employees are sensitized on regular intervals through structured training program and mailers. No complaint was received during the financial year 2022-23. No complaint was pending at the end of the financial year.

### Nomination and Remuneration Policy

The Board has on the recommendation of the Nomination & Remuneration Committee, adopted the Nomination and Remuneration Policy on May 24, 2023, as stated in the Corporate Governance Report.

### Corporate Social Responsibility

The provisions of Section 135 of the Companies Act, 2013 related to Corporate Social Responsibility were not applicable on the Company for the year under review.

## BOARD'S REPORT (Contd.)

### Related Party Transactions

All related party transactions that were entered into during the financial year were on an arm's length basis and were in the ordinary course of business other than transactions mentioned in Form AOC-2. There are no materially significant related party transactions made by the Company with Promoters, Directors, Key Managerial Personnel or other designated persons which may have a potential conflict with the interest of the Company at large.

The disclosure of related party transactions as required under Section 134(3)(h) of the Act in Form AOC-2 is attached as "Annexure C".

### Vigil Mechanism

As on March 31, 2023, the Company was an unlisted public Company. Thus, the provisions of the Listing Regulations were not applicable to the Company for the financial year ended March 31, 2023.

After closure of FY23 and pursuant to the provisions of Sections 177(9) & (10) of the Act and Regulation 22 of Listing Regulations, the Company has established a vigil mechanism for directors and employees to report genuine concerns, as stated in the Corporate Governance Report.

### Dividend Distribution Policy

After closure of FY23 and pursuant to the provisions of Regulation 43A of Listing Regulations, the Board of Directors had approved the Dividend Distribution Policy on May 24, 2023.

The Policy is given in "Annexure D", forming part of this Report and is also available on the website of the Company at <https://info.niit.com/hubfs/section46-of-the-lodr/code-of-conduct-policies/Dividend%20Distribution%20Policy.pdf>.

### Information relating to Conservation of Energy, Technology Absorption, Research and Development, Foreign Exchange Earnings and Outgo:

#### a) Conservation of energy

Although the operations of the Company are not energy-intensive, the management has been highly conscious of the criticality of conservation of energy at all the operational levels and efforts are being made in this direction on a continuous basis. Adequate measures have been taken to reduce energy consumption, whenever possible, by using energy-efficient equipment. The requirement of disclosure of particulars with respect to conservation of energy as prescribed in Section 134(3) of the Act read with the Companies (Accounts) Rules, 2014, is not applicable to the Company and hence not provided.

#### b) Technology absorption

The Company believes that technological obsolescence is a reality. In its endeavour to obtain and deliver the best, your Company has entered into alliances/ tie-ups with major global players in the Information Technology industry to harness and tap the latest and best technology in its field, upgrade itself in line

with the latest technology in the world, and deploy/absorb technology wherever feasible, relevant, and appropriate. The key areas where technology has made an impact are marketing and customer acquisition, digital online learning delivery, and mobile app-based learning and engagement. Technology has been deployed to enable staff members to work securely from home or anywhere. A productivity platform, including a common collaboration platform has been implemented to ensure seamless work delivery and management. A personal Security Umbrella along with multifactor authentication has been implemented to further enhance security. Security Event and Incident Management monitoring systems have been deployed to accelerate threat detection and efficient incident response.

#### c) Research and development

Your Company believes that in addition to a progressive thought, it is imperative to invest in research and development to ascertain future exposure and prepare for challenges. Only progressive research and development will help us measure up to future challenges and opportunities. We invest in and encourage continuous innovation. Capability was developed to create digital point solutions. Digital point solutions are assembled quickly to help deliver impactful solutions to customers. With this model, the speed of delivery has improved significantly. An innovative online training delivery platform with unique learning analytics was included in digital point solutions. During the year under review, the expenditure is not significant in relation to the nature and size of the operations of your Company.

#### d) Foreign exchange earnings and outgo

(i) Activities relating to exports, initiatives taken to increase exports, development of new export markets for products and services and export plans.

The Company exports customized learning content and other services to its overseas clients to meet their varying learning needs. The Company develops content in a range of subjects for a widely varied audience. The Company will continue to strengthen its presence in the USA, Europe, China, Africa, South East Asia, etc., with a view to increase exports.

(ii) Expenditure and Earnings in Foreign Currency

The details of foreign exchange earned in terms of actual inflows and the foreign exchange outgo in terms of actual outflows, during the year are as follows:

(Rs. million)

Particulars	FY23	FY22
Foreign Exchange Earnings	3720	55
Foreign Exchange Outflow	512	-

## BOARD'S REPORT (Contd.)

### Particulars of Loans, Guarantees, or Investments

Details of Loans, Guarantees or Investments (if any) covered under the provisions of Section 186 of the Act are given in the Notes to the Financial Statement.

### Annual Return

The Annual Return as required under Section 134 (3) read with 92(3) of the Act is available on the website of the Company at <https://www.niit.com/regulation46-of-the-lodr/Annual>Returns.html>.

### General

Your Directors state that no disclosure or reporting is required in respect of the following matters, as there were no transactions on these items during the year under review:

- Issue of equity shares with differential rights as to dividend, voting or otherwise
- Issue of shares (including sweat equity shares) to the employees of the Company under any scheme
- Any scheme of provision of money for the purchase of its own shares by employees or by trustees for the benefit of employees
- Payment of remuneration or commission to Managing Director/ Joint Managing Director from any subsidiary
- Significant or material orders passed by the Regulators or Courts or Tribunals, which impact the going concern status of the Company and its operation in future.

### Public Deposits

In terms of the provisions of section 73 to 76 of the Act read with the relevant rules made thereunder your Company has not accepted any fixed deposit from the public.

### Particulars of Employees

For the year under review, the Company is not required to provide statement containing the names and other particulars of employees in accordance with the provisions of Section 197(12) of the Act read with Rules 5(2) and 5(3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (as amended).

### Human Resources

NIITians are the key resource for your Company. Your Company continued to have a favorable work environment that encourages innovation and meritocracy at all levels. A detailed note on human resources is given in the Management Discussion and Analysis Report forming part of this Report. Employee relations remained cordial at all the locations of the Company.

### Acknowledgement

The Financial year 2022-23 continued to be a challenging period for the business. The Directors express their gratitude to the Company's customers, business partners, vendors, bankers, financial institutions, governmental and non-governmental agencies, and other business associates for their ongoing support. The Directors formally acknowledge and appreciate the dedication and remarkable contributions made by the Company's employees at all levels throughout the year, despite the enduring challenges posed by the environment. Additionally, the directors thank the Governments of all countries where the company has its operations and acknowledge the support and trust of its shareholders. The Directors remain committed to enabling the company to achieve its long-term growth objectives in the years ahead.

By Order of the Board  
For NIIT Learning Systems Limited

Rajendra Singh Pawar

Chairman

DIN: 00042516

Place: Gurugram

Date: May 29, 2023



**Statement Containing the Salient Features of the Financial Statements of Subsidiaries**

[Pursuant to first proviso to sub-section (3) of Section 129 of the Companies Act, 2013, read with Rule 5 of the Companies (Accounts) Rules, 2014]

(Amount in Rs. Millions except % of shareholding)

S. No.	Name of the Subsidiary Company	Date of acquisition	Currency*	Exchange Rate	Year ended	Share Capital	Reserves (Refer Note 2)	Total Assets	Total Liabilities	Investments (Refer note 3)	Turnover (Refer Note 4)	Profit/(Loss) before Taxation	Provision for Taxation	Profit/(loss) after Taxation	Proposed Dividend	% of Share holding
1	NIIT (USA) Inc, USA	NA	USD	1 USD = 82.1128 INR	March 31, 2023	528.30	1,451.29	9,119.81	7,140.23	316.24	7,189.89	407.14	32.51	374.63	-	100
2	Eagle Training Spain, S.L.U	January 03, 2018	USD	1 USD = 82.1128 INR	March 31, 2023	0.23	22.28	73.85	51.34	-	101.72	8.59	1.39	7.20	-	100
3	Stackroute Learning Inc, USA	NA	USD	1 USD = 82.1128 INR	March 31, 2023	333.12	(705.31)	66.76	438.96	-	67.63	(386.94)	0.41	(387.35)	-	100
4	St. Charles Consulting Group LLC	November 04, 2022	USD	1 USD = 82.1128 INR	March 31, 2023	0.83	475.11	1,149.03	673.10	-	1,043.84	326.08	70.16	255.92	-	100
5	NIIT (Ireland) Limited	NA	EURO	1 EURO = 89.2756 INR	March 31, 2023	362.53	256.31	1,474.02	855.19	-	1,509.78	160.09	20.42	139.66	-	100
6	NIIT Learning Solutions Canada Limited	NA	CAD	1 CAD = 60.7048 INR	March 31, 2023	507.72	1,188.34	2,061.72	365.65	-	2,040.35	776.56	208.39	568.17	-	100
7	NIIT Limited, UK	NA	GBP	1 GBP = 101.559 INR	March 31, 2023	12.65	421.32	2,111.07	1,677.10	-	1,686.67	214.70	38.84	175.86	-	100
8	NIIT Malaysia Sdn. Bhd, Malaysia	NA	MYR	1 MYR = 18.5651 INR	March 31, 2023	71.10	65.60	147.33	10.63	-	32.32	7.78	0.70	7.08	-	100
9	NIIT West Africa Limited	NA	NGN	1 NGN = 0.1777 INR	March 31, 2023	3.32	(1.38)	2.74	0.80	-	2.60	0.05	0.24	(0.20)	-	100

\* Local currency of the respective entity in which financials are made.

Notes: 1. Amount in foreign currency in the Financial Statements of the subsidiaries mentioned above have been converted in Indian Rupee equivalent as per the generally accepted accounting principles in India.

2. Reserves include Currency Translation Reserve.

3. Investment does not include investment in Subsidiaries.

4. Turnover includes inter-company revenues and does not include other income.

5. Refer Note No. 34 of standalone financial statement for detail of subsidiaries acquired/ incorporated during the year.

**For and on behalf of the Board of Directors of NIIT Learning Systems Limited**
**Rajendra S Pagar**

Chairman

DIN - 00042516

**Vijay K Thadani**

Vice-Chairman &amp; Managing Director

DIN - 00042527

**Sapnesh Kumar Lalla**

Executive Director and Chief Executive Officer

DIN - 06808242

**Sanjay Mal**

Chief Financial Officer

DIN - 00042527

**Deepak Bansal**

Company Secretary

DIN - 00042527

Place: Gurugram

Date : May 29, 2023

Form No. MR-3  
SECRETARIAL AUDIT REPORT  
for the Financial Year ended on 31st March 2023

[Pursuant to section 204(1) of the Companies Act, 2013 and rule No. 9 of the Companies (Appointment and Remuneration Personnel) Rules, 2014]

To,  
The Members,

**NIIT Learning Systems Limited**  
(Formerly MindChampion Learning Systems Limited)  
CIN: U72200HR2001PLC099478  
Plot No. 85, Sector 32,  
Institutional Area, Gurugram  
Haryana - 122001

I have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **NIIT Learning Systems Limited** (hereinafter called "**the Company**"). Secretarial Audit was conducted in a manner that provided me/us a reasonable basis for evaluating the corporate conducts/statutory compliances. I am expressing my opinion on such basis and the information made available.

Based on my verification of the company's Statutory records, papers, minute books, forms and returns filed and other records maintained by the company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, I hereby report that in my opinion, the company has, during the audit period covering the financial year ended on 31st March, 2023 (hereinafter "**the review period/period under review**"), complied with the statutory provisions listed hereunder, and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

I have examined the books, papers, minute books, forms, and returns filed, and other records maintained by the Company for the period under review according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the Rules made thereunder;
- (ii) Secretarial Standards issued by The Institute of Company Secretaries of India.
- (iii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the Rules made thereunder;
- (iv) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;

During the period under review the Company has complied with the provisions of the Acts, Rules, Regulations, Guidelines, Standards, etc. mentioned above.

I further report that during the period under review, the Company has a duly constituted Board of Directors.

The Board during the period under review was as under:

S. No.	Name of Director	Designation
1.	Mr. P Rajendran	Chairman
2.	Mr. Vijay K Thadani	Director
3.	Mr. Sapnesh Kumar Lalla	Director
4.	Ms. Mita Brahma	Director

No change in the composition of the Board of Directors took place during the period under review.

After the close of financial year, there has been change in the Board of Directors of the Company. The following is the constitution of Board of Directors as per the details hereunder:

S. No.	Name of Director	Designation
1.	Mr. Rajendra S Pawar	Non-Executive Chairman (Appointed w.e.f. May 24, 2023)
2.	Mr. Vijay K Thadani	Vice-Chairman & Managing Director (Re-designated w.e.f. May 24, 2023)
3.	Mr. P Rajendran	Resigned w.e.f. May 24, 2023
4.	Mr. Sapnesh K Lalla	Executive Director & CEO (Re-designated w.e.f. May 24, 2023)

## ANNEXURE-B (Contd.)

S. No.	Name of Director	Designation
5.	Mr. Ravinder Singh	Independent Director (Appointed w.e.f. May 20, 2023)
6.	Ms. Sangita Singh	Independent Director (Appointed w.e.f. May 20, 2023)
7.	Ms. Leher V Thadani	Non-Executive Director (Appointed w.e.f. May 24, 2023)
8.	Mr. Ravindra Babu Garikipati	Independent Director (Appointed w.e.f. May 24, 2023)
9.	Ms. Mita Brahma	Resigned w.e.f. May 24, 2023

As on date of this report, the Board has following committees:

S. No.	Name of Committee	Name of Members	Chairman
1.	Audit Committee	1. Mr. Ravinder Singh 2. Mr. Vijay K Thadani 3. Mr. Ravindra Babu Garikipati 4. Ms. Sangita Singh	Mr. Ravinder Singh
2.	Nomination and Remuneration Committee	1. Mr. Ravinder Singh 2. Mr. Rajendra S Pawar 3. Ms. Sangita Singh 4. Mr. Ravindra Babu Garikipati	Mr. Ravinder Singh
3.	Stakeholders Relationship Committee	1. Mr. Ravindra Babu Garikipati 2. Mr. Vijay K Thadani 3. Mr. Ravinder Singh 4. Ms. Leher V Thadani	Mr. Ravindra Babu Garikipati
4.	Risk Management Committee	1. Mr. Ravinder Singh 2. Mr. Vijay K Thadani 3. Mr. Sapnesh K Lalla 4. Mr. Sanjay Mal 5. Mr. Jaydip Gupta	Mr. Ravinder Singh
5.	Corporate Social Responsibility Committee	1. Mr. Ravinder Singh 2. Mr. Rajendra S Pawar 3. Mr. Vijay K Thadani 4. Mr. Ravindra Babu Garikipati	Mr. Ravinder Singh

**I further report that** there are adequate systems and processes in the company commensurate with the size and operations of the company to monitor and ensure compliance with applicable laws, rules, regulations, and guidelines.

For the Board meetings, adequate notice was given to all directors, agenda and detailed notes on agenda were sent at least seven days in advance, and the company has a system in place for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting. Majority decision is carried through while the dissenting members' views are captured and recorded as part of the minutes.

The Board met eight times during the year under review, on the following dates:

- i. May 14, 2022
- ii. June 22, 2022
- iii. July 22, 2022
- iv. September 30, 2022
- v. October 21, 2022
- vi. November 04, 2022
- vii. January 27, 2023
- viii. March 27, 2023

**We further report that** during the audit period there are following events occurred in the Company having major bearing on the Company's affairs:

The Board of Directors ("Board") of the Company, 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) and NIIT Learning Systems Limited (Formerly known as Mindchampion Learning Systems Limited) (Transferee Company) a wholly owned subsidiary of the Company and their respective shareholders and creditors {"Scheme"}. The Scheme inter-alia provides for, (i) Transfer and Vesting of CLG Business Undertaking by the Transferor Company to Transferee Company, (ii) Reduction and cancellation of Share Capital of Transferee Company held by Transferor Company, (iii) Issuance and allotment of shares by the Transferee Company to the shareholders of Transferor Company in consideration of transfer of CLG Business undertaking.

In this regard, the Company had convened the meeting of creditors in accordance with the directions issued by the National Company Law Tribunal, Chandigarh Bench ("NCLT") and the approval therefrom has been received. The Company had filed 2nd motion petition with the NCLT for approval of the Scheme. The NCLT heard the petition on 2nd March 2023 and reserved the Order.

After the closure of the audit period, the Scheme was approved by NCLT vide Order dated May 19, 2023. A Certified Copy of the Order was received on May 23, 2023. The Scheme become effective with approval of the Board by filing the said Order with the Registrar of Companies, NCT of Delhi & Haryana on May 24, 2023.

**Date: May 29, 2023**  
**Place: Gurugram**

**Sandeep Chandna**  
**Practicing Company Secretary**  
**C.P. No.: 19610**  
**FCS No.: 6345**

To

The Members,  
**NIIT Learning Systems Limited**  
(Formerly MindChampion Learning Systems Limited)  
CIN: U72200HR2001PLC099478  
Plot No. 85, Sector 32,  
Institutional Area, Gurugram  
Haryana - 122001

My Report of even date is to be read along with this letter:

1. Maintenance of Secretarial records is the responsibility of the Management of the Company. My responsibility is to express an opinion on the Secretarial Records based on my audit.
2. I have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verifications were done on test basis to ensure that correct facts are reflected in secretarial records. I believe that the processes and practices followed provide a reasonable basis for my opinion.
3. I have not verified the correctness and appropriateness of financials and books of accounts of the Company.
4. Wherever required, I have obtained the Management representation about the compliances of Laws, rules and regulations and happening of events etc.
5. The compliance of the provisions of corporate and other applicable laws, rules and regulations, standards are the responsibility of the Management. My examination was limited to the verification of procedures on test basis.
6. My Secretarial Audit Report is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the Management has conducted the affairs of the Company.

Date: May 29, 2023  
Place: Gurugram

Sandeep Chandna  
Practicing Company Secretary  
C.P. No.: 19610  
FCS No.: 6345

## FORM NO. AOC 2

Form for disclosure of particulars of contracts/arrangements entered into by the company with related parties referred to in sub-section (1) of section 188 of the Companies Act, 2013 including certain arms length transactions under third proviso thereto

*(Pursuant to clause (h) of sub-section (3) of section 134 of the Act and Rule 8(2) of the Companies (Accounts) Rules, 2014)*

1. Details of contracts or arrangements or transactions not at arm's length basis

Name(s) of the related party and nature of relationship	Nature of contracts / arrangements/ transactions	Duration of the contracts/ arrangements/ transactions	Salient terms of the contracts or arrangements or transactions including the value, if any	Justification for entering into such contracts or arrangements or transactions	date(s) of approval by the Board	Amount paid as advance, if any:	Date on which the special resolution was passed in general meeting as required under first proviso to section 188
NIL							

2. Details of material contracts or arrangement or transactions at arm's length basis

Name(s) of the related party and nature of relationship	Nature of contracts / arrangements/ transactions	Duration of the contracts/ arrangements/ transactions	Salient terms of the contracts or arrangements or transactions including the value, if any	Date(s) of approval by the Board	Amount paid as advances, if any:
NIL					

By Order of the Board  
For NIIT Learning Systems Limited

Place: Gurugram  
Date: May 29, 2023

Rajendra Singh Pawar  
Chairman  
DIN: 00042516

## DIVIDEND DISTRIBUTION POLICY

### 1. PREAMBLE

This Policy (hereinafter referred to as “Policy”) shall be called “Dividend Distribution Policy” of the Company.

The “Dividend Distribution Policy” has been framed in compliance with the provisions of Regulation 43A of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (hereinafter referred to as “Listing Regulations”).

This Policy has been adopted by the Board of Directors of the Company at its meeting held on May 24, 2023. This Policy shall be effective immediately.

### 2. OBJECTIVES OF THE POLICY

In accordance with the requirements of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended (Listing Regulations), the Board of Directors (the Board) of NIIT Learning Systems Limited (the Company) has approved this Dividend Distribution Policy (the Policy) which provides the guidelines on distribution of dividend to the shareholders from time to time. The Board may deviate from the parameters listed in this Policy under unexpected/ extraordinary circumstances. This Policy shall be applicable to Equity Shares, the only class of shares issued by the Company.

### 3. DEFINITIONS/TERMS USED

“Board of Directors” or “Board” means the Board of Directors of NIIT Learning Systems Limited, as constituted from time to time.

“Company or NLSL” means NIIT Learning Systems Limited.

“Listing Regulations or LODR” means the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 including any subsequent amendments thereof.

“Stock exchange(s)” means the stock exchange(s) where thesecurities of the Company are listed.

### 4. POLICY

The Board shall determine the dividend after taking into consideration the financial performance of the Company, divestment proceeds, applicable statutory provisions, investment opportunities, competitive and macroeconomic environment, industry trends, advice of executive management, and other parameters described in this Policy. Dividend will normally be declared from the Profit After Tax of the current year’s operations of the Company. Dividend may also be declared in any particular financial year by utilizing retained earnings.

The following financial and other internal parameters shall be considered by the Board for dividend:

- Current year profits and future outlook
- Excess cash after providing for
  - o Capital allocation plans, including
    - Expected cash requirements of the Company towards working capital, and capital expenditure in content, technology and Infrastructure etc.;

- Investments required towards execution of the Company’s strategy;
  - Funds required for any acquisitions; and
  - Any share buy-back plans.
- o Funds required to service any outstanding loans and other liabilities
  - o Sufficient cash balance required for maintaining strong balance sheet, after providing for contingencies and unforeseen events
  - o Any other developments that may require material cash investments

- Debt to Equity, and other liquidity ratios
- Any contractual and other covenants

Similarly, the following external parameters would be considered:

- Macro-economic environment affecting the geographies in which the Company and its clients operate
- Significant change in the business or technological environment leading to major investments for business transformation
- Changes in the competitive environment.
- Changes in the Political, tax and regulatory environment relevant to the Company.

The profits earned shall be used for the business purpose mentioned hereinabove to maximize shareholders’ value, create cash reserve and distribution to the shareholders.

The Board shall consider dividend alongwith annual financial Results of the Company. The Board may also consider dividend at any other time, at its discretion, based on excess cash in the Company or at any specific event.

This Policy will be reviewed periodically and will be published on the Company’s site and in the Annual report.

### 5. REVIEW / AMENDMENT

The Board may, subject to applicable laws, review and amend any provision(s) or substitute any of the provision(s) with the new provision(s) or replace the Policy entirely with a new Policy.

The Board may establish further rules and procedures, from time to time, to give effect to this Policy and to ensure governance.

### 6. SCOPE AND LIMITATION

In the event of any conflict between the provisions of this Policy and the Listing Regulations/ the Act or any other statutory enactments, rules, the provisions of such Listing Regulations / the Act or statutory enactments, rules (as amended from time to time) shall prevail over this Policy. The provisions in the Policy would be modified in due course to make it consistent with statutory provisions/ law.

# MANAGEMENT DISCUSSION AND ANALYSIS





# 1. COMPANY OVERVIEW

NIIT Learning Systems Limited (“NLSL” or “the Company”) offers Managed Training Services (MTS), which includes outsourcing of Learning & Development (L&D) and Talent Transformation Services to market-leading companies and institutions headquartered predominantly in North America & Europe.



The comprehensive suite of Managed Training Services includes Custom Content and Curriculum Design, Learning Delivery, Learning Administration, Strategic Sourcing, Learning Technology, and L&D consulting services. The company also offers specialized solutions including immersive learning, customer education, talent pipeline as a service,

DE&I training, digital and IT training as well as leadership and professional development training services.

With a Net Promoter Score of 9 on 10 and a 100% renewal rate, NLSL helps leading companies transform their learning ecosystems while increasing the business value and impact of learning.



## 2. BRIEF HISTORY OF THE COMPANY

NIIT Learning Systems Limited having Corporate Identity Number (CIN) U72200HR2001PLC099478 was incorporated as a public limited company under the Companies Act, 1956 on July 16, 2001, under the name of Minimally Invasive Education Company Limited as a Subsidiary of NIIT Limited. The name of the Company was changed to Hole-In-The-Wall Education Limited vide fresh certificate of incorporation dated February 7, 2003, issued by the Registrar of Companies, National Capital Territory of Delhi, and Haryana. The name of the Company was changed to MindChampion Learning Systems Limited vide fresh certificate of incorporation dated June 18, 2015, issued by Registrar of Companies, National Capital Territory of

Delhi and Haryana. Further, the name of the Company was changed to its present name i.e., NIIT Learning Systems Limited vide fresh certificate of incorporation dated January 18, 2022. The Company had its registered office at 8, Balaji Estate, First Floor, Guru Ravi Das Marg, Kalkaji, New Delhi-110019 which was shifted to Plot No. 85, Sector-32, Institutional Area, Gurugram 122001 (Haryana) with effect from November 5, 2021.

### 3. UPDATE ON THE COMPOSITE SCHEME OF ARRANGEMENT

The Board of Directors, in their 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 NIIT and their respective shareholders and creditors ("Scheme"). The Scheme inter-alia provided for, (i) Transfer and Vesting of CLG Business Undertaking by the Transferor Company to Transferee Company, (ii) Reduction and cancellation of Share Capital of Transferee Company held by Transferor Company, (iii) Issuance and allotment of shares by the Transferee Company to the shareholders of Transferor Company in consideration of transfer of CLG Business undertaking.

The Hon'ble National Company Law Tribunal, Chandigarh Bench ("NCLT") approved the Composite Scheme of Arrangement vide Order dated May 19, 2023. The Scheme became effective on May 24, 2023 (Effective Date) upon filing of the certified copies of the NCLT order with the Registrar of Companies, NCT of Delhi & Haryana. Pursuant to the

Scheme becoming effective, the CLG Business Undertaking is demerged from NIIT and transferred to and vested in NLSL with effect from April 1, 2022 i.e., the Appointed Date as per the Scheme. Transactions pertaining to the CLG Business Undertaking from the Appointed Date up to the Effective Date of the Scheme have been deemed to be made by NLSL.

The transfer of the demerged business undertaking is accounted for in the books of NLSL using the pooling of interest method in accordance with Appendix C "Business Combinations of entities under common control" of the Indian Accounting Standard (IND- AS) 103-Business Combinations and the financial statements for the year ended March 31, 2022 have been prepared in accordance with the requirements of Ind AS 103. Consequently, the figures for the year ended March 31, 2022 have been restated to give impact of the Scheme of Arrangement.

➤ Strategic action which was initiated early last year has now been completed with receipt of the customary approvals from all stakeholders and regulatory bodies. With filing of necessary forms with MCA and adoption by the Board, the demerger has created two independent companies - NIIT Limited and NIIT Learning Systems Limited (NLSL) with effect from May 24, 2023.

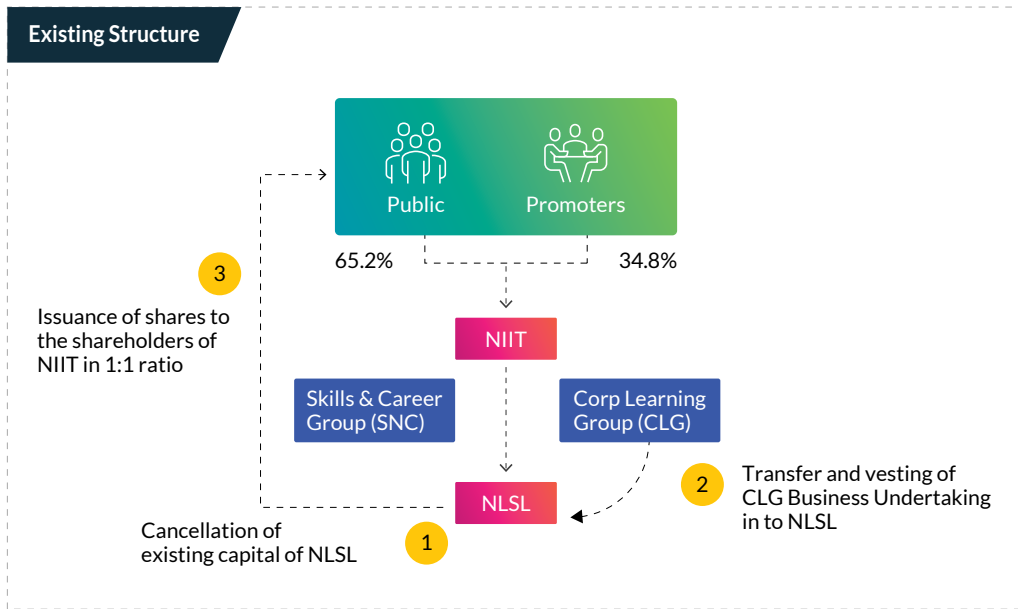
- This is a mirror demerger i.e., the shareholding of NLSL shall mirror the shareholding of NIIT Limited on the Record Date of June 8, 2023. Accordingly, 13,46,14,360 Equity Shares of Rs. 2 each shall be allotted to the shareholders of NIIT Limited as on Record Date and the existing/pre-scheme share capital of the Company shall get cancelled/extinguished.
- Subsequently the Company shall be listed on BSE and NSE after customary listing approvals.

### **NIIT LEARNING SYSTEMS LIMITED – POST DEMERGER >>>**

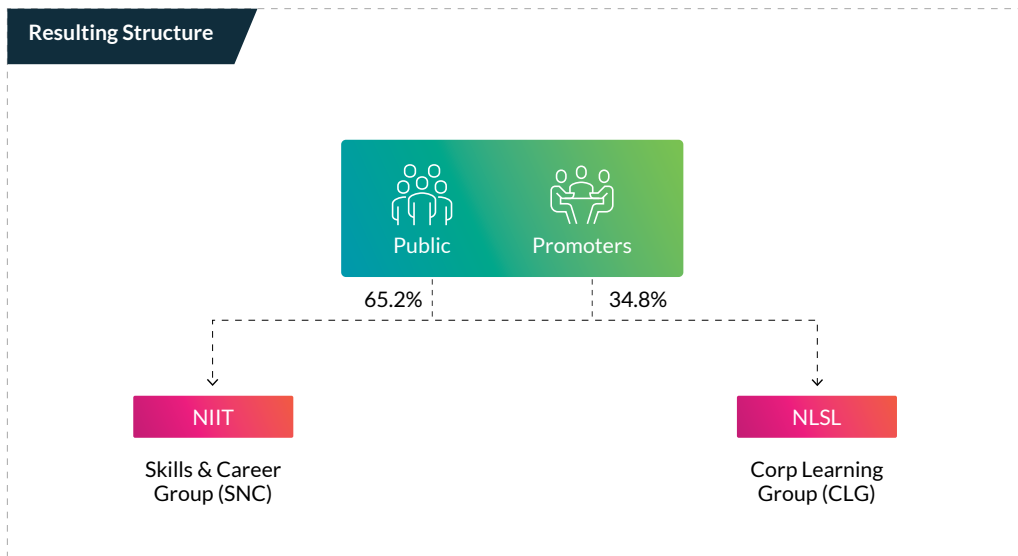
- This demerger recognizes the distinct market dynamics, customer segments, product offerings, and growth trajectories of each business to provide sharper focus, simplified decision-making, and enhanced agility. It will enable both the businesses to pursue their independent growth trajectories to create greater value for all their stakeholders – customers, NIITians and investors.
- As a result of this, NIIT's Corporate Learning Business has been transferred to NIIT Learning Systems Limited (NLSL) from the Appointed Date of April 1, 2022, and NLSL will operate the Corporate Learning Business – which will now be known as NIIT MTS.

- The Learning Outsourcing market is underpenetrated and offers significant headroom for growth. The demerger empowers the newly created NLSL to sharply focus its management team and capital allocation on the significant opportunities emerging in the Learning Outsourcing space.
- NLSL offers Managed Training Services to Fortune 1000 and Global 500 corporations across North America and Europe. The business has over 80 global customers that it services in over 30 countries. With a team of over 2300 world class learning professionals, it has won over 400 industry awards and is ranked among the Top 5 Learning Outsourcing Companies worldwide.
- The Learning Outsourcing market is underpenetrated and offers significant headroom for growth. Given NLSL's track record and its strong balance sheet there is a unique opportunity to become a Global Leader.

**Figure 1: Key Mechanics**



**Figure 2: Post Demerger**



## 4. ACQUISITION OF ST. CHARLES CONSULTING GROUP

During the year, NLSL acquired 100% Membership interest in St. Charles Consulting Group (StC) a company based in Illinois, USA, through its wholly owned subsidiary NIIT (USA), Inc. Headquartered in St. Charles, Illinois, StC is a leading provider of consulting, design, and implementation solutions for strategic learning programs to Fortune 500 companies.

Founded in 2002, St. Charles Consulting Group has a network of over 500 consultants including premier management consultants in the fields of learning, organization development, knowledge services, and workforce planning. The company offers solutions in four key areas - strategic consulting, custom learning experiences, learning curation, and managed services.

With their genesis as leading Arthur Andersen learning professionals at Andersen's Worldwide Center for Training and Development, the company's founders and key team members have served over 12 out of the top 15 global management consulting and professional services firms.

The acquisition helps NLSL add significant presence in the management consulting and professional services sectors while strengthening NLSL's rapidly growing learning consulting practice. The transaction is in line with NLSL's stated goal of accelerating growth through investments that add new capabilities to bring more value to its customers and strengthen presence in attractive customer segments. St. Charles' deep experience in Strategic Learning Programs that are aimed towards advancing overall strategy, addressing strategic business priorities, and key initiatives at large organizations which are in high demand across large, global organizations. NLSL believes there is a significant growth opportunity for StC's business going forward and expects the transaction to be margin and EPS accretive from the first year.

The transaction was closed with an upfront consideration of USD 25.56 million with balance to be paid as earnout in tranches over the next 4 years contingent of performance over this period. For further details refer Note 38(a) of the Consolidated Financial Statements.

The logo for St. Charles Consulting Group features the text "St. Charles" in a serif font, with a green curved line above the "St." and "Charles". Below "St. Charles" is a horizontal line, and under that line, the words "Consulting Group" are written in a smaller, sans-serif font.

St. Charles  
Consulting Group

## 5. ENVIRONMENT AND STATE OF THE INDUSTRY

Global growth slowed from 6.1% in the calendar year 2021 to 3.5% in calendar year 2022. As the world completes the third year of the pandemic, the global economy is going through a phase of exceptional uncertainty caused by continuing supply chain bottlenecks leading to high inflation in labor, food, and commodity prices, even as major economies are forced to roll back stimulus measures, tighten money supply, and increase interest rates to counter the imbalances during the previous two years. This is further compounded by the war in Europe, the economic fallout from which has further contributed to the slowdown in global growth and also added to inflation. The International Monetary Fund (IMF) now forecasts 3% growth in both 2023 and 2024. War-induced commodity price increases and broadening price pressures have further fueled inflationary pressures with headline inflation at multi-decade high of 8.7% in 2022. While global inflation has started to decline and headline inflation is expected to decline to 6.8 percent in 2023 and 5.2 percent in 2024, the underlying (core) inflation is projected to decline more gradually.

Covid-19 had resulted in the compression of digital adoption expected over the next several years into a few months. Businesses

accelerated their digital transformation not only to ensure continuity but also to take advantage of this trend. As economies emerged from lockdowns, hybrid models have emerged as the new normal.

Overall consumption of corporate training, which had seen a sharp declining trend in FY21, stabilized during FY22 and had started to see some recovery. The prevailing economic uncertainty is not only impacting the recovery of spending and slowed down decision making, but also leading to cutbacks and/or deferral of expenditure for the near term. However, increasing complexity, demand for new skills, and demand for greater accountability on spends are expected to continue to drive companies to partner with specialist learning services providers to achieve greater efficiency and effectiveness of spends.





Global companies spend over USD 370 billion per year on training (Source: Training Industry) with about two thirds of the spending on proprietary training. The majority of this cost is for internal L&D resources which are fixed in nature and inefficient due to less-than-optimal utilization. At less than five percent, the penetration of learning outsourcing is low. Changing skills requirements and pressure to reduce costs is driving a steady increase in demand for specialist training firms that can help to improve both efficiency and effectiveness of training.

The market is dominated by a few large players that have achieved scale including large technology and HR outsourcing firms and a few specialist providers. NLSL ranks among the top 5 global players in terms of revenue from Learning Outsourcing. Among specialist providers, the Company is ranked number two globally in terms of size.



## 6. MARKET OPPORTUNITY

The global corporate training market is expected to grow to \$460.04 billion in 2027 (Source: Research and Corporate Training Global Market Report 2023). According to LinkedIn's Workplace Learning Report, 41% of L&D leaders expect to have more spending power in 2023.

Companies typically spend between 0.5% and 2% of their revenue on employee training. This is the amount spent on both internal and external L&D resources and does not include the cost of employees undergoing training.

In North America and Europe, (excluding the cost of employees in training), this represents an average of over USD 1200 per employee each year according to ATD's State of the Industry Report 2023. About two-thirds of the spending is typically toward proprietary training so that employees can do their specific job or customers can adopt their products. This includes areas such as training on proprietary products, processes, and systems of respective companies. The majority of this spending is on the salaries of internal L&D staff. Balance spending is on buying off-the-shelf or standardized training from third parties.

All this training needs to be created, maintained, updated frequently for changes, and delivered to internal

employees or customers. Companies employ dedicated L&D staff to do this, which is often underutilized. While training demand fluctuates, the cost is largely fixed. Training is not the companies' core activity, and therefore the efficiency and effectiveness achieved by companies on their own are often inconsistent.

NLSL operates in this space and is an established leader in Managed Learning Training Services. NLSL can do this work significantly faster, better, and more efficiently compared to client companies' internal training organizations. In addition, NLSL brings unique capabilities that internal training organizations do not have and are not viable for them to invest in for captive use.





NLSL helps its corporate customers achieve strong benefits of reduction in cost and in fixed head count for training, as well as move to a variable model (pay per use) while achieving substantial improvement in learning outcomes (such as reduced time spent for upskilling, improved productivity, improved business results, increase in sales etc.) with higher predictability.

Outsourcing of proprietary training is underpenetrated, with external spending on Learning Services at about \$10 billion per annum which is less than 5% of the overall L&D spend. Currently, less than 250 out of the Fortune 1000 companies outsource training in any substantial way. This represents a large opportunity for NLSL with significant headroom for growth.

The market for Managed Training Services is expected to grow substantially as companies focus on their core business, and training specialist companies demonstrate reliability and improvement in both efficiency and effectiveness of learning.

Learning and Development (L&D) is increasingly seen as a key enabler for business success. Therefore, global corporations are not only demanding greater accountability and efficiency in spending from their L&D function but are also expecting L&D investments that lead to a measurable improvement in employee productivity and business outcomes.

## 7. BUSINESS OVERVIEW AND PERFORMANCE

NLSL offers innovative solutions under its Managed Training Services that help clients accelerate the business impact. NIIT's team of learning professionals is helping the world's leading companies transform their training function through training outsourcing services that reduce costs, add a measurable value, and increase the business impact, while allowing customers to redirect resources and energy into core business functions.

Figure 3: Driving Strong Outcomes for Customers



Global companies are increasing the use of technology, especially around augmented reality (AR) and virtual reality (VR), to drive L&D transformation. NLSL is taking the lead in helping companies in this area. The Company is also investing in Artificial Intelligence (AI) based learning pedagogies. With AI, the Company sees the potential to become significantly more ambitious in terms of learning outcomes for its customers. Many customers are interested in discussing how AI-assisted training can help them improve their learning outcomes significantly.

NLSL provides the following services to its customers:

- Custom Content and Curriculum Design
- Learning Delivery
- Learning Administration
- Strategic Sourcing
- Learning Technology
- Consulting and Advisory Services
- Immersive Learning
- Customer Education
- Talent Pipeline as a Service
- Digital and IT Training
- Leadership and Professional Skills
- HCM Technology and Consulting
- Diversity, Equity, and Inclusion

NLSL's strong value proposition, innovation, and excellence in customer service continue to be widely recognized. This is also reflected in the large number of industry recognitions and awards that the business has received year after year.



302 BRANDON HALL HCM AND TECH AWARDS



17 CLO LEARNING IN PRACTICE AWARDS



10 LEARNING TECHNOLOGIES AWARDS



2 ATD EXCELLENCE IN PRACTICE AWARDS



ACCREDITED GOLD STANDARD BY LPI, 2 LPI AWARDS



NUMBER ONE IN INNOVATION AND SIZE OF DEAL FOR L&D, 2022



TOP 20 COMPANIES IN LEARNING SERVICES 2008-2022



TOP 20 COMPANIES IN CONTENT DEVELOPMENT 2011-2023



TOP 20 COMPANIES IN IT & TECH TRAINING 2008-2010, 2013-2022



TOP 20 COMPANIES EXPERIENTIAL LEARNING, 2021- 2022



TOP 20 COMPANIES IN ADVANCED LEARNING TECHNOLOGIES 2022



LEADER IN NELSON HALL LEARNING BPS NEAT EVALUATION 2022

STRATEGIC LEADERS IN FOSWAY 9-Grid™ FOR DIGITAL LEARNING

**Figure 4: Comprehensive Content Development Capabilities**



VIRTUAL REALITY



AUGMENTED REALITY



MIXED REALITY



GAMIFICATION



3D SIMULATIONS



360 INTERACTIVE VIDEO



BROADCAST VIDEO



SCENARIO-BASED EARNING



ANIMATED ILLUSTRATION



MULTIMEDIA VIDEO



TALKING HEADS VIDEO

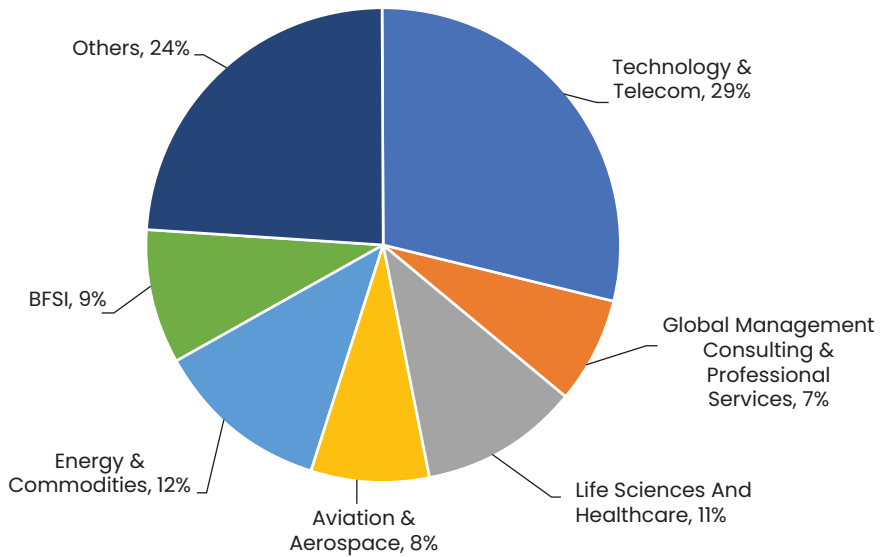


WHITEBOARD ANIMATION

**NLSL is focused on the following sectors:**

- Technology & Telecom
- Energy & Commodities
- Life Sciences & Healthcare
- Banking, Financial Services, & Insurance (BFSI)
- Aerospace and Aviation
- Global Management Consulting & Professional Services
- Manufacturing and Industrial
- Automotive
- Consumer Products and Retail
- Real Estate
- Humanitarian and NGO

Figure 5: Sector Mix



Companies in the focus sectors spend the most on training per employee per year. A significant portion of this spending is mandatory, driven by regulation or rapid industry change.

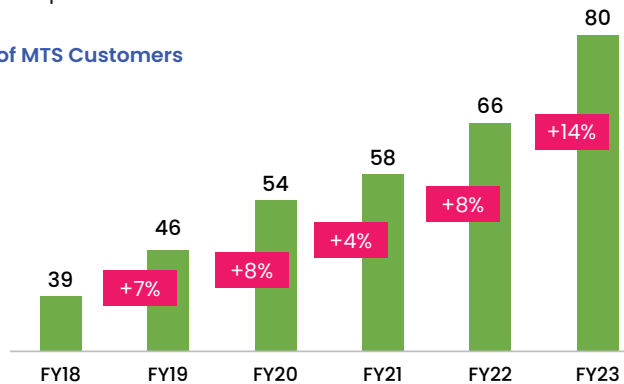
### BUSINESS UPDATE »»

The company achieved growth despite a challenging economic environment, with high inflation, war in Europe, exchange rate volatility, and rising interest rates. However, some sectors, including real estate, saw a sharp reversal from the recovery seen last year, leading to lower consumption or a deferment of training. While the company anticipated some moderation in customer spending, the compression was steeper than expected, impacting overall growth for the business.



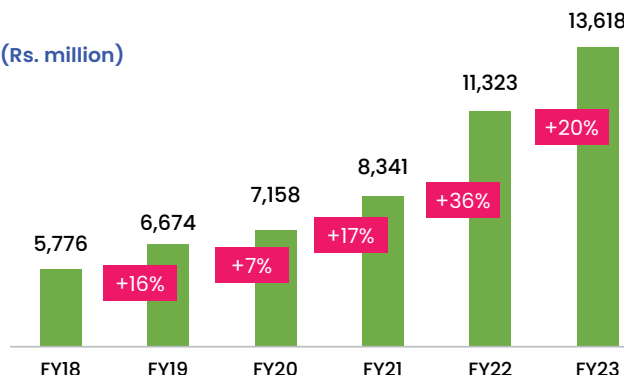
NLSL added 12 new logos in FY23 and additionally secured 12 customer renewals and 2 scope expansions during the year. The Company has been investing in building new capabilities. The strong velocity in contract wins and strong renewals are a vindication of this strategy. NLSL also entered a new sector (Global Management Consulting & Professional Services) with the acquisition of St. Charles Consulting Group. Including these, NLSL saw a record addition to MTS customer count during the year and ended the year with 80 MTS customers. The revenue visibility stood at USD 363 million. For the full year, top 5 customers contributed 40% to revenues while top 10 contributed 58%. Contribution from top 20 customers was 77%.

**Figure 6: Number of MTS Customers**



Despite the increased uncertainty and compression in spends, the organic revenue was up 11% YoY driven by new customer addition and expansion in scope from existing customers and benefit from a favorable change in foreign exchange rates. Overall Revenue, including impact of the acquisition, was up 20% YoY (up 14% in Constant Currency). The top 10 customers contributed about 58% of the CLG revenue in FY23, compared to 56% last year. The business achieved an EBITDA of Rs. 3,154 million, up 6% YoY. EBITDA margin declined by 310 basis points to 23% on account of planned investments in sales & marketing spend and investment for entry into newer industry verticals in addition to pick up in travel and premise costs post covid. The total number of employees as on March 31, 2023 stood at 2,335 as compared to 2,080 at the end of previous year.

**Figure 7: Revenue (Rs. million)**



## 8. CONSOLIDATED FINANCIALS OF THE COMPANY

The consolidated financial summary for FY23 is provided in Table 1 below:

**Table 1: Consolidated P&L**

Rs. Million	FY23	FY22	YoY
<b>Net Revenue</b>	<b>13,618</b>	<b>11,323</b>	<b>20%</b>
Operating Expenses	10,463	8,349	<b>25%</b>
Personnel Cost	6,845	5,734	19%
Professional and Technical Outsourcing Expenses	2,469	1,703	45%
Purchase of Stock in Trade	7	52	(87) %
Other Expenses excluding Finance Costs	1,142	860	33%
<b>EBITDA</b>	<b>3,154</b>	<b>2,974</b>	<b>6%</b>
EBITDA%	23.2%	26.3%	(310) bps
Depreciation & Amortization	471	423	11%
<b>EBIT</b>	<b>2683</b>	<b>2551</b>	<b>5%</b>
Net Other Income/(Expenses)	(212)	71	(284) mn
Exceptional Income/(Expenses)	(186)	0	(186) mn
<b>Profit Before Taxes</b>	<b>2,285</b>	<b>2,622</b>	<b>(13) %</b>
Tax (Operational)	363	601	(239) mn
<b>Profit After Tax Attributable to Equity Holders</b>	<b>1,922</b>	<b>2,021</b>	<b>(5) %</b>
<b>Basic EPS (Rs.)</b>	<b>14.31</b>	<b>17.48</b>	<b>(18) %</b>
<b>Basic EPS (Rs.) Proforma</b>	<b>14.31</b>	<b>15.04</b>	<b>(5) %</b>
<b>PAT %</b>	<b>14%</b>	<b>18%</b>	<b>(373) bps</b>

### NOTE:

- Results include impact of transfer of the Corporate Learning Business undertaking to NLSL pursuant to the Composite Scheme of Arrangement in compliance with IND AS 103 Business Combinations.
- EPS for FY22 has been calculated on basis of number of shares of NLSL prior to demerger. Proforma EPS has been provided for like for like comparison.
- Net Other Income/ (Expenses) includes Treasury Income and Non-Operating/Transitory Expenses related to the Composite Scheme of Arrangement.



## NET REVENUE »»

In FY23, the Company recorded revenue of Rs. 13,618 million, up 20% as compared to last year. Revenue increased 14% YoY in constant currency. Revenue includes impact of the acquisition of St. Charles Consulting Group (StC) from November 5, 2022 which contributed Rs. 1,043 million to revenue during the year. Organic growth was 11% YoY.

## OPERATING EXPENSES »»

Operating Expenses for FY23 were Rs. 10,463 million, up 25% YoY. The Operating Expenses in FY23 include impact of the acquisition of StC and are not comparable with previous year numbers. Growth in Operating Expenses was higher than the growth in Revenue due to the change in product mix, cost inflation, higher expenses driven by resumption of travel and partial re-opening of offices, as well as increased marketing investment to drive entry in new verticals.

## DEPRECIATION »»

For the year, the Depreciation & Amortization was Rs. 471 million compared to Rs. 423 million last year. This includes Rs. 53 million related to StC, including amortization of Rs. 52 million of intangibles recognized during purchase price allocation of consideration in consolidated financials. Depreciation & Amortization as a proportion has been reducing of the company over the last few years

reflecting increasing efficiency in fixed assets and capex.



## NET OTHER INCOME

The Net Other Income/(Expenses) for FY23 was Rs. (212) million compared to Rs. 71 million in FY22. This includes Interest Income (including MTM gain/(loss) on bank deposits and fixed income investments) of Rs. 137 million and Gain on Sale of Fixed Assets of Rs. 3 million. Interest Expenses & Charges include the interest on term loan related to the StC acquisition of Rs. 32 million, Bank Charges of Rs. 39 million and Fair Value Gain / Loss on Contingent Consideration related to the StC acquisition of Rs. 91 million. Scheme Related/Transitional Expenses of Rs. 97 Mn for FY23 are attributable to cost of ESOPs of NIIT Limited (Transferor Company) held by employees of NLSL, which have been regrouped with Other Expenses from the Appointed Date for analysis.

**Table 2: Net Other Income/(Expenses)**

Rs. Million	FY23	FY22
Interest Income	137	107
Gain on Sale of Fixed Assets	3	10
Foreign exchange Gain/(Loss)	(62)	4
Interest Expenses & Charges	(166)	(37)
Scheme Related Transitional Expenses	(97)	-
Miscellaneous income	(28)	(13)
<b>Net Other Expenses/(Income)</b>	<b>(212)</b>	<b>71</b>



## EXCEPTIONAL EXPENSES >>

Exceptional Expenses of Rs. 186 million include expenses related to StC acquisition of Rs. 150 million & expenses related to the Composite Scheme of Arrangement Rs. 36 million.

## TAXES >>

The Company has provided for an amount of Rs. 363 million towards income tax at consolidated level as compared to Rs. 601 million in FY22. Accordingly, the effective tax rate for the year was 15.87%. Lower tax in FY23 is on account of set-off past tax losses.

**Table 3: Detailed Analysis of Consolidated Balance Sheet at the End of the Financial Year 2022–23**

Rs. Million	31-Mar-23	31-Mar-22
<b>Sources of Funds</b>		
Share Capital	269	268
Reserves & Surplus	7,434	5,183
<b>Shareholders' Funds</b>	<b>7,703</b>	<b>5,452</b>
Secured Loans	1,159	80
Loan Funds	<b>1,159</b>	<b>80</b>
<b>Total Sources of Funds</b>	<b>8,861</b>	<b>5,532</b>
<b>Application of Funds</b>		
Net Fixed Assets (with CWIP)	<b>5,972</b>	<b>1,179</b>
Right-of-use Assets	<b>120</b>	<b>37</b>
Deferred Tax Assets net of Liabilities	<b>178</b>	<b>145</b>
Cash & Equivalents	<b>5,722</b>	<b>5,169</b>
Trade Receivables	<b>2,155</b>	<b>1,394</b>
Other Assets	<b>2,907</b>	<b>1,544</b>
Other Liabilities	<b>(8,063)</b>	<b>(3,897)</b>
Lease Liabilities	<b>(130)</b>	<b>(38)</b>
<b>Total Application of Funds</b>	<b>8,861</b>	<b>5,532</b>

The analysis in this MD&A does not conform specifically to the Schedule III format. Numbers have been regrouped for analysis.

## SHARE CAPITAL >>

The Share Capital of the Company stood at Rs. 269 million, as compared to Rs. 1,156 million in FY22. This includes impact of cancellation of existing share capital and issue of new shares to shareholders of NIIT Limited on the Record Date (13,46,14,360 Equity Shares of Rs. 2 each), pursuant to the Composite Scheme of Arrangement. See Note 11 of Consolidated Financial Statements for further details.

## RESERVES AND SURPLUS >>

Reserves and Surplus stood at Rs. 7,434 million in FY23 compared to Rs. 5,183 million last year. The increase is due to profits generated during the year and the impact of the Scheme as explained above including cancellation of existing share capital and issuance of new shares. For further details refer Note 12 of the Consolidated Financial Statements.

## LOAN FUNDS >>

As on March 31, 2023, the Gross Debt of the Company stood at Rs. 1,159 million versus Rs. 80 million in FY22. The increase is due to the new term loan taken during the year (in NIIT USA, Inc) for utilization for payment of part of the consideration towards the acquisition of St. Charles Consulting Group completed during the year, with balance being funded through internal accruals. The Debt-to-Equity ratio of the Company was 4.3 as on March 31, 2023. As of March 31, 2023, the Company has Net Cash of Rs. 4,563 million compared to Rs. 5,088 million in FY22.

## FIXED ASSETS >>

During the year, the Company had a total capital expenditure (including Capital Work in Progress) of Rs. 529 million.

The category-wise addition in fixed assets is given below:

- New initiatives and products: **Rs.212 million**
- Project-related capital expenditure: **Rs.132 million**
- Infra /Capacity enhancement: **Rs.147 million**
- Normal capital expenditure: **Rs. 38 million**

The Capital Work in Progress as on March 31, 2023, was Rs. 118 million, as compared to Rs. 25 million last year. This includes intangible assets under development.

Capital expenditure related to premise includes capex for and other infrastructure has been lower than normal over the last two years due to work from home, strong focus leveraging existing infrastructure, higher adoption of cloud and transition to digital learning. The Company invested in modernizing its facilities ahead of resuming work in hybrid mode, during the year.

**Table 4: Fixed Assets**

Rs. Million	As on Mar'23	As on Mar'22
Property, plant and equipment	350	123
Intangible assets under development	118	25
Goodwill	4,342	344
Other Intangible assets	1,162	687
<b>Net Block</b>	<b>5,972</b>	<b>1,179</b>

The Net Block stood at Rs. 5,972 million as on March 31, 2023, as compared to Rs. 1,179 million last year. The increase over the last year includes the impact of the addition of Goodwill on the acquisition of StC Consulting during the year (Rs. 3,970 million) and the capital expenditure net of depreciation and amortization of Rs. 471 million. Other Intangible Assets include Rs. 695 million recognized during purchase price allocation in the consolidated accounts related to the acquisition of StC Please see Note 3 of the Consolidated Financial Statements for details.

## RIGHT-OF-USE ASSETS >>

Right-of-Use Assets as on March 31, 2023, stood at Rs. 120 million, as compared to Rs. 37 million last year. The amount has increased due to increase in leased office space due to transition to hybrid mode of working post the pandemic.

## DEFERRED TAX ASSETS/LIABILITIES >>

As of March 31, 2023, the Deferred Tax Assets stood at Rs. 192 million. This is primarily due to long term capital loss in the books of the company that is available for set off against future long term capital gain and the timing difference on the amount of provisions carried in the financial statements and allowed on actual write-off as per the income tax provisions.

During the period, Deferred Tax Liabilities decreased from Rs. 15 million in FY22 to Rs. 14 million in FY23.

**Table 5: Deferred Tax Assets / (Liabilities)**

Rs. Million	As on Mar'23	As on Mar'22
Deferred Tax Liabilities	(14)	(15)
Deferred Tax Assets	192	160
<b>Net Deferred Tax</b>	<b>178</b>	<b>145</b>

## OTHER ASSETS & LIABILITIES >>

The elements of Net Current Assets were as follows:

### Trade Receivables

The total receivables of the Company as on March 31, 2023, were Rs. 2,155 million, as compared to Rs. 1,394 million as on March 31, 2022. Days Sales Outstanding (DSO) increased from 45 last year to 52 as of March 31, 2023. Increase in Trade receivable YoY is on account of increase in business volume, change in business mix, and the acquisition of StC during the year. Your Company continues to lay strong emphasis on managing and optimizing the working capital cycle.

### Cash and Equivalents

The Cash & Equivalents as on March 31, 2023, stood at Rs. 5,722 million compared to Rs. 5,169 million as on March 31, 2022.

Table 6: Cash & Equivalents

Rs. Million	As on Mar'23	As on Mar'22
Investments	2,826	994
Bank Deposits	2,896	4,175
<b>Cash &amp; Equivalents</b>	<b>5,722</b>	<b>5,169</b>

During the year, the cash generation was as follows:

- Net Cash from Operations for FY23 was Rs. 1,594 million vs Rs. 2,814 million for FY22. Cash generation was lower year

on year despite higher EBITDA due to an increase in working capital driven by higher volume, change in business mix and timing difference in collections at the end of the period.

- Net Cash from Investing activities for FY23 was Rs. (2,060) million vs Rs. (304) million for FY22. The increase in investments is primarily due to the payout of Rs. 2,116 million in upfront cash consideration for the acquisition of StC, and capex of Rs. 400 million net of cash available in StC at the time of acquisition of Rs. 347 million.
- Net Cash from Financing activities in FY23 was Rs. 1,020 million vs Rs. (195) million for FY22. This includes impact of loan taken during the year for the acquisition.

### Other Assets

These have increased from Rs. 1,544 million in FY22 to Rs. 2,907 million in FY23. Other Assets includes Other Receivables (Rs. 1,715 million), Unbilled Revenue (Rs. 817 million), Advance Recoverable in cash or in kind (Rs. 161 million), Advance Income Tax (Rs. 124 million), Capital Advance (Rs. 60 million) and Interest Receivable (Rs. 31 million). Other Receivables include the receivables related to the Strategic Sourcing services that are part of the MTS offering. The increase in Other Assets YoY is primarily due to higher Other Receivables related to the above. The increase in Other Receivables is offset by Other Payables, which are included in Other Liabilities.

### Other Liabilities

Other Liabilities include Trade Payables, Other Financial Liabilities, and Provisions. These have increased from Rs. 3,897 million in FY22 to Rs. 8,063 million in FY23. The increase is driven by growth in business, acquisition of StC (including future acquisition liability of Rs. 2,927 million representing fair value of potential earnout for StC), and volume of strategic sourcing services provided to customers (Other Payables). Please see Notes 13(ii), 13(iii), 14, 8(ii), and 15 of the Consolidated Financial Statements for further details.

Table 7: Other Liabilities

Rs. Million	As on Mar'23	As on Mar'22
Trade payables	1,006	882
Provisions	265	258
Statutory Dues	283	237
Deferred Revenue	928	672
Advances from Customers	126	190
Other Payables*	2,527	1,658
Future Acquisition Liability	2,927	-
<b>Other Liabilities</b>	<b>8,063</b>	<b>3,897</b>

\*Other Payables include capital creditors, amount payable to employees, income tax liability, and payables on account of Strategic Sourcing for customers.



## KEY FINANCIAL RATIOS >>

The Company has identified the following as Key Financial Ratios:

**Table 8: Key Financial Ratios**

Particulars	FY23	FY22	YoY
Revenue growth (%)	20%	36%	(1,525) bps
Operating Profit margin (%)	23%	26%	(310) bps
Net Profit margin (%)	14%	18%	(373) bps
Basic EPS (Rs)	14.3	17.5	(18)%
Basic EPS (Rs.) Proforma	14.3	15.0	(5)%
Days Sales Outstanding (DSO) days	52	45	7 days
Debt to Equity Ratio	4.3	0.1	6,090%
Interest Coverage Ratio	38.12	80.71	(53)%
ROCE	50%	62%	(21)%
Current Ratio	1.69	2.00	(15)%

Revenue grew 20% in FY23 on a strong base last year. Sharper than expected compression in training expenditure by existing customers was offset by new customer ramp-ups and acquisition of StC during the year. EBITDA Margin decreased to 23% for the year vs 26% last year. The normalization was due to the expected change in mix, resumption of certain expenses post the pandemic and planned investments in growth.

Net Profit Margin decreased to 14% in FY23, as compared to 18% in FY22. This is primarily due to impact of normalization of EBITDA margins as well as transaction related expenses during the year. As a result, Basic EPS, which is calculated by dividing net profit by the total number of shares outstanding, decreased by 18% YoY.

Current Ratio decreased to 1.69 versus 2.0 last year due to increase in current liabilities related to the acquisition of St. Charles Consulting Group.

Debt to Equity ratio increased and interest coverage Ratios decreased during the year as the company took loans in its international subsidiary towards part payment of the consideration for the acquisition completed during the year, Change in DSO has been explained in the relevant sections above. The details of Return on Net Worth are mentioned below:

Particulars	FY23	FY22	YoY
Return on Net Worth (%)	28%	41%	(1302) bps

Return on Net Worth (RoNW) is computed as Profit after Tax divided by Net Worth. Net Worth represents the total of the Company's equity and reserves, excluding capital reserves, hedging reserves, and cumulative translation reserves. RoNW was 28% in FY23, as compared to 41% in FY22. While net profit decreased by 5% to Rs. 1,922 million, Net Worth increased to Rs. 6,957 million from Rs. 4,971 million.



## ACCOUNTING POLICIES >>

The Company has selected the accounting policies described in the Notes to Accounts, which have been consistently applied, and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as on March 31, 2023, and of the Profit or Loss of the Company for the year. The significant accounting policies and practices followed by the Group are disclosed in Note 2 of the Consolidated Financial Statements for the year.

## RELATED PARTY TRANSACTIONS >>

Related Party transactions are defined as transactions of sale / purchase of goods / services made by the Company with Promoters, Directors, Key Managerial Personnel, Subsidiaries, Associates, or other parties in which Promoters or Director are having significant interest / control directly or indirectly, which may have potential conflict of interest with the Company. There were no material transactions during the year under review that were prejudicial to the interests of the Company.

All transactions covered under related party transactions were regularly ratified and/or approved by the Board, the guiding principles being arm's length, fairness, and transparency. Please refer to Note 34 of the standalone financial statements and Note 33 of the consolidated financial statements for details of related party transactions during the year.

## 9. HUMAN RESOURCES

### OVERVIEW

"NIIT is people" and the Company continues this ethos through its belief that its growth is a derivative of the growth of each NIITian (the employees of the Company). During the year the company focused on developing internal talent, maximizing the returns on existing system investments, supporting the hybrid work model, and enriching the NIITians' experience.

### MANAGEMENT & LEADERSHIP

Post the demerger, Sapnesh Lalla continues to lead NLSL's business and has been appointed as CEO and Executive Director of NLSL. He along with the seasoned leadership team of erstwhile NIIT CLG, will focus on accelerating growth for the Company and creating more value for its customers.

### KEY HR INITIATIVES

#### ▶ Talent Management:

HR leaders diligently infused fresh talent into NLSL's virtual environment while sharpening the skills of sales professionals to boost competence and results.

#### ▶ People Experience Enhancement:

NIIT launched the HCM and SuccessFactors to enhance both employee and candidate experiences. The deployment of an ESOP management portal has streamlined ESOP administration.

➤ **Learning & Development:**

The Company unveiled two leadership programs, LEAP and GROW, catering to middle to top leadership.

➤ **Talent Acquisition:**

NLSL HR adeptly met talent requirements. Emphasis was on fresher recruitment, with 60% of new hires being fresh graduates.

➤ **Performance Management:**

Data-driven evaluations continued, with an accent on developmental interventions and internal growth.

➤ **Recognition:**

NIIT clinched the Gold Award at the Economic Times Human Capital Awards summit.

➤ **Wellness Initiatives:**

The integrated "Health and Wellness Program" addressed holistic health concerns. The Company's Wellness Hub offers a diverse range of resources resulting in the Company recognized with the 'Workplace Wellness Award' by Cecure Us.

➤ **Employee Engagement:**

An AI-driven digital platform was deployed to gauge employee sentiments. The Engagement score stood at 88/100 and the Mood score was 4.3/5.

➤ **Employee Satisfaction:**

A rate of 88% was recorded, showing consistent satisfaction levels among NIITians.

## KEY HR HIGHLIGHTS

➤ **Professional Development:**

The Higher Education Scheme and the "NIIT Lifelong Learning" program remain pivotal. Training programs focused on gender sensitivity, data protection, and conduct were made mandatory.

➤ **Diversity & Inclusion:**

The Company focused on DEI activities, Gender Compensation parity, and launched inclusivity campaigns.

➤ **Orientation:**

Feedback showed a significant improvement in the induction and onboarding program.

➤ **Online Reputation:**

The Company's Glassdoor rating rose to 3.8 during the year

➤ **People Experience:**

Celebrating "Moments that Matter" was a new initiative piloted this year.

➤ **HR Policy Extension:**

Several policies were launched or expanded, including festive celebrations, special leave credits, and a birthday leave policy. Support was also provided for bereaved families of NIITians.

Looking ahead to FY24, the Company plans to zoom in on curating role-based learning paths and ensuring accelerated growth for high-potential NIITians. Mentoring for LEAP and GROW participants, enhancing the succession planning process, and emphasizing people development are on the horizon.

## 10. FUTURE OUTLOOK

With estimated annual spending at USD 370 billion and less than 5% penetration, training outsourcing continues to represent a large, multi-year growth opportunity. NLSL, being a Top-2 global training specialist firm and Top 5 overall, including general outsourcing firms, is uniquely positioned to address growing demand as companies seek greater efficiency and effectiveness from their L&D spending.

NLSL has established a strong position and 'right to win' in the market with a) proprietary learning methodologies that create predictable outcomes, b) leadership in the use of technology for education, including automation of learning processes, gamification, Augmented Reality and Virtual Reality (AR/VR) based simulations and learning analytics, c) end-end, multi-shore delivery capability, and d) strong balance sheet and availability of growth capital.

The Company continues to invest in Sales & Marketing and digital capabilities ahead of revenue growth. These have helped the business achieve growth over the last few years, despite a near-term reduction in consumption of L&D by some of its large accounts. In the near-term, the prevailing economic headwinds may

lead to continuing uncertainty and some delay in the recovery of spending. However, economic slowdowns typically push companies to find ways to drive efficiency, including outsourcing non-core functions. Despite near term uncertainty and compression in consumption, the Company expects a big shift to outsourcing and stands to benefit from this opportunity by enabling customers to focus on their core for driving growth.

NLSL intends to capitalize on its expertise and capabilities to expedite growth. In pursuit of this goal, the Company is committed to maintaining ongoing investments in innovation to ensure customer satisfaction, in advisory services to foster thought leadership, and in Sales & Marketing to build a global platform for large-scale comprehensive deals aimed at accelerating growth.

The Company would continue to explore inorganic opportunities to add new capabilities and penetrate desired markets and customer segments. The Company is actively engaged in assessing potential target businesses for such opportunities.

The Company anticipates that the successful completion of the planned demerger will provide the business with a sharper focus and energy to further accelerate its growth.



## 11. RISKS AND CONCERNS

NLSL services customers in over 30 countries. As a global enterprise, the Company faces a variety of risks. Risk management is, therefore, an integral part of the Company's core process and involves recording, monitoring, independent testing, and controlling of the internal functions of the enterprise by way of establishing the Risk Control Matrix (RCM) to ensure process control, the Business Risk Management (BRM) framework for business objectives, and Entity Level Control (ELC) for comprehensive risk reporting. The rapid changes in technology across the globe have necessitated a dynamic change in the Company's business and delivery models.

NLSL has implemented an Enterprise Risk Management framework across the organization, strengthening the existing risk management process and enhancing the risk culture across the Company. A robust structure based on global standards and best practices has been developed. The Company's Enterprise Risk Management (ERM) framework supports the achievement of strategic goals under the current disruptive environment by identifying, assessing, mitigating, monitoring, and reporting any risk to these goals thereof, enabling effective and timely decisions. Strategic decisions are taken after careful consideration of key risks and residual risks. The Company's risk framework encompasses strategic risks, operational risks, financial risks, governance risks, and information & technology risks.

### STRATEGIC RISK

Strategic risks are those risks that threaten to disrupt the assumptions at the core of business strategy and strategic objectives.

### FINANCIAL RISK

Financial risks include areas such as financial reporting, valuation, treasury, liquidity, and credit risks.

### GOVERNANCE RISK

Threat posed to a company's financial or reputational standing resulting from violations of laws, regulations, codes of conduct, or organizational internal standards and practices.

### OPERATIONAL RISK

Risks affecting our internal practices, policies, people, and systems which may impact on organization's ability to execute its strategic plan.

### INFORMATION TECHNOLOGY RISK

IT risks include hardware and software failure, human error, and malicious attacks, as well as natural disasters such as fires, cyclones, floods, or pandemic.



The Risk Management Committee reviews and provides input on the overall risk framework at regular intervals, in discussion with senior management.

As risk-taking is an intrinsic part of all businesses, it has been NLSL's constant endeavor to balance risk appetite in each line of business to ensure that each of the businesses generates high risk-adjusted returns, with the underlying objective of maximizing value for the shareholders.

## ENTERPRISE RISK MANAGEMENT FRAMEWORK >>>

The ERM framework is developed by incorporating the best practices based on COSO & ISO 31000 and then tailored to suit NLSL's business requirements. NLSL has taken proactive steps to identify and prioritize the risks upfront, document them in consultation with the business groups, and define the risk management framework. These risks include customer concentration, competition, people, cyber security and data protection, investments, and exchange rate. The Company has laid out internal controls over Financial Reporting to be followed by the Company. Such internal financial controls are adequate and operate effectively.



At the entity level, NLSL's risk management framework addresses all significant risks of the businesses as envisaged by the management from time to time, based on the experience, the environment surrounding each business activity, and future initiatives, to achieve the business group's objectives along with the relevant mitigation strategy. The mitigation strategy is simultaneously addressed by the respective business groups for each

of the identified risks while finalizing the strategic and operational parameters of the business. The compliances and assurance of the risk mitigation strategies are addressed by the Internal Audit and Assurance Group. The Company has identified the major and significant risks into two broad categories, External Risks, and Internal Risks, with mitigation strategies for each.

The Company is diversified in terms of both its service offerings and geographic spread. While there is concentration risk, as the top 5 customers contributed 40% to the revenue, the Company has maintained a strong contract renewal rate and strong velocity of adding new customers despite the pandemic earlier and the prevailing economic uncertainty currently. Also, the mix of revenue from the different geographies, sectors and diversified offerings ensures that the Company is well-positioned to manage a slowdown in a particular sector or in a specific geography.

With the increasing focus on privacy across the world, the Company is required to ensure compliance with various regulations and meet customer expectations. To do so the company invests adequately in upgrading its systems and the control environment to ensure the privacy of individuals and confidentiality of data is ensured. Also, there is a robust monitoring system of compliance confirmation to all the legal requirements. The company has also obtained various ISO certificates and is SOC 2 compliant.

With the Enterprise Risk Management (ERM) process in place, the Company

has a robust mechanism for risk management, and the strategies for risk management are reviewed at appropriate levels at regular intervals.

A strong balance sheet and liquidity position give the Company a strong ability to withstand external shocks and provide a lot of confidence for all the stakeholders, including its global customers as well as employees.

## 12. INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY

The Company has adopted global practices for evaluating and reporting on internal controls based on its operational experience in multiple countries. It has also implemented one of the leading ERP solutions in its global operations to integrate various facets of business operations, including Human Resources, Finance, Logistics, and Sales. This has enabled the Company to control and monitor its worldwide operations and strengthen the ability of internal controls to function most optimally. The evaluation of internal controls is an integral part of the plan for the Audit & Assurance Organization.

### Disclaimer

Statements in this management discussion and analysis describing the Company's views about the industry, objectives, projections, estimates, and expectations may be "forward-looking statements" within the meaning of applicable laws and regulations. The Company undertakes no obligation to publicly update or revise any forward-looking statements, whether as a result of new information, future events, or otherwise. Actual results, performances, or achievements could differ materially from those expressed or implied in such statements. Readers are cautioned not to place undue reliance.



MANAGED  
TRAINING  
SERVICES

# **BUSINESS RESPONSIBILITY AND SUSTAINABILITY REPORT**

NIIT Learning Systems Limited



# BUSINESS RESPONSIBILITY AND SUSTAINABILITY REPORT

## SECTION A: GENERAL DISCLOSURES

### I. Details of the entity

The Company is not a listed entity as on the date of this report and provisions of the Listing Regulations are not applicable to the Company. The Company shall be listed at the stock exchanges pursuant to the Composite Scheme of Arrangement between NIIT Limited ("Transferor Company" or "NIIT") and NIIT Learning Systems Limited ("Transferee Company" or "NLSL") a wholly owned subsidiary of NIIT, as approved by the Hon'ble National Company Law Tribunal ("NCLT"), Chandigarh Bench vide Order dated May 19, 2023. Pursuant to the Scheme becoming effective, the CLG Business Undertaking is demerged from NIIT and transferred to and vested in NLSL with effect from April 1, 2022 i.e., the Appointed Date as per the Scheme. The report is being provided for information, voluntarily as a good governance.

S. No.	Details of Entity	
1	Corporate Identity Number (CIN) of the Entity	U72200HR2001PLC099478
2	Name of the Entity	NIIT Learning Systems Limited ("NLSL"/ "the Company")
3	Year of incorporation	2001
4	Registered office address	Plot No. 85, Sector - 32 Institutional Area, Gurugram – 122001, Haryana, India.
5	Corporate Address	Infocity, A-24, Sector 34, Gurugram - 122001, Haryana, India.
6	E-mail	<a href="mailto:investors@niitms.com">investors@niitms.com</a>
7	Telephone	+91 1244293000
8	Website	<a href="http://www.niitms.com">www.niitms.com</a>
9	Financial year for which reporting is being done	1st April 2022 to 31st March 2023
10	Name of the Stock Exchange(s) where shares are listed	To be listed pursuant to the Composite Scheme of Arrangement at: Bombay Stock Exchange Limited (BSE), and National Stock Exchange of India Limited (NSE)
11	Paid-up Capital	As per financial statements as on 31st March 2023 (after the Composite Scheme of Arrangement): Rs. 269,128,720 comprising of 134,564,360 shares of Rs. 2/- each.
12	Name and contact details (telephone, email address) of the person who may be contacted in case of any queries on the BRSR report	Mr. Jaydip Gupta, Senior Vice President, Audit and Assurance, <a href="mailto:Esg@niitms.com">Esg@niitms.com</a>
13	Reporting boundary: Are the disclosures under this report made on a standalone basis (i.e., only for the entity) or on a consolidated basis (i.e., for the entity and all the entities which form a part of its consolidated financial statements, taken together).	NIIT Learning Systems Limited (Standalone)

### II. List of Products/Services

#### 14. Details of business activities (accounting for 90% of the turnover):

S. No.	Description of Main Activity	Description of Business Activity	% of Turnover of the entity
1	Other Education Delivery	NLSL offers Managed Training Services (MTS), which includes outsourcing of Learning & Development (L&D) and Talent Transformation Services to market-leading companies and institutions headquartered in North America & Europe.	100%

#### 15. Products/Services sold by the entity (accounting for 90% of the entity's Turnover):

S. No.	Product/Service	NIC Code	% of total Turnover contributed
1	Other Education Delivery	854	100%

### III. Operations

#### 16. Number of locations where plants and/or operations/offices of the entity are situated:

Location	Number of plants	Number of offices	Total
National	NA	01	01
International	NA	11	11

## BUSINESS RESPONSIBILITY AND SUSTAINABILITY REPORT (Contd.)

### 17. Markets served by the entity:

#### a. Number of locations

Locations	Number
National (Nos. of States and UTs)	28 states 8 union territories
International (Markets Served)	55

#### b. What is the contribution of exports as a percentage of the total turnover of the entity?

92%

#### c. A brief on types of customers

NLSL's comprehensive suite of Managed Training Services includes Custom Content and Curriculum Design, Learning Delivery, Learning Administration, Strategic Sourcing, Learning Technology, and L&D consulting services. NIIT MTS also offers specialized solutions including immersive learning, customer education, talent pipeline as a service, DE&I training, digital transformation and IT training as well as leadership and professional development programs.

## IV. Employees

### 18. Details as at the end of Financial Year:

#### a. Employees and workers (including differently abled):

S. No.	Particulars	Total (A)	Male		Female	
			No. (B)	% (B / A)	No. (C)	% (C / A)
<b>Employees</b>						
1.	Permanent (D)	1559	894	57%	665	43%
2.	Other than Permanent (E)	84	53	63%	31	37%
3.	<b>Total employees (D + E)</b>	<b>1643</b>	<b>947</b>	<b>58%</b>	<b>696</b>	<b>42%</b>
<b>Workers</b>						
4.	Permanent (F)	-	-	-	-	-
5.	Other than Permanent (G)	70	65	93%	5	7%
6.	<b>Total workers (F + G)</b>	<b>70</b>	<b>65</b>	<b>93%</b>	<b>5</b>	<b>7%</b>

#### b. Differently abled Employees and workers:

S. No.	Particulars	Total (A)	Male		Female	
			No. (B)	% (B / A)	No. (C)	% (C / A)
<b>Employees</b>						
1.	Permanent (D)	2	1	50%	1	50%
2.	Other than Permanent (E)	0	0	0%	0	0%
3.	<b>Total differently abled employees (D + E)</b>	<b>2</b>	<b>1</b>	<b>50%</b>	<b>1</b>	<b>50%</b>
<b>Workers</b>						
4.	Permanent (F)	0	0	0%	0	0%
5.	Other than permanent (G)	0	0	0%	0	0%
6.	<b>Total differently abled workers (F + G)</b>	<b>0</b>	<b>0</b>	<b>0%</b>	<b>0</b>	<b>0%</b>

### 19. Participation/Inclusion/Representation of women

	Total (A)	No. and percentage of Females	
		No. (B)	% (B / A)
Board of Directors	4	1	25%
Key Management Personnel	3	1	33.33%

### 20. Turnover rate for permanent employees and workers (Disclose for past 3 years)

	FY 2022-23			FY 2021-2022			FY 2020-2021		
	Male	Female	Total	Male	Female	Total	Male	Female	Total
Permanent Employees	13%	14%	13%	16%	19%	17%	12%	14%	13%
Permanent Workers	NIL	NIL	-	NIL	NIL	-	NIL	NIL	-

## BUSINESS RESPONSIBILITY AND SUSTAINABILITY REPORT (Contd.)

### V. Holding, Subsidiary and Associate Companies (including joint ventures)

#### 21. (a) Names of holding / subsidiary / associate companies / joint ventures

S. No.	Name of the holding/ subsidiary / associate companies / joint ventures (A)	Indicate whether holding/ subsidiary/ Associate/ Joint Venture	% Of shares held by listed entity	Does the entity indicated at column A, participate in the Business Responsibility initiatives of the listed entity? (Yes/No)
<b>Indian Subsidiaries</b>				
Nil				
<b>Foreign Subsidiaries</b>				
1	NIIT USA Inc	Subsidiary	100%	Yes
2	NIIT UK Limited	Subsidiary	100%	Yes
3	NIIT (Ireland) Limited	Subsidiary	100%	Yes
4	NIIT West Africa Limited	Subsidiary	100%	Yes
5	NIIT Malaysia Sdn Bhd	Subsidiary	100%	Yes
6	NIIT Learning Solutions (Canada) Limited	Step down Subsidiary	100%	Yes
7	Stackroute Learning Inc, USA	Step down Subsidiary	100%	Yes
8	St. Charles Consulting Group, LLC	Step down Subsidiary	100%	Yes
9	Eagle Training Spain, SLU	Step down Subsidiary	100%	Yes
10	NIIT Mexico S.DE R.L. DE C.V.	Step down Subsidiary	100%	Yes
11	NIIT Brazil LTDA	Step down Subsidiary	100%	Yes

### VI. CSR Details

22. (i) Whether CSR is applicable as per section 135 of Companies Act, 2013: (Yes/No): No

(ii) Turnover (in Rs.): INR 4,038 million

(iii) Net worth (in Rs.): INR 4,603 million

#### Transparency and Disclosures Compliances

23. Complaints/Grievances on any of the principles (Principles 1 to 9) under the National Guidelines on Responsible Business Conduct:

Stakeholder group from whom the complaint is received	Grievance Redressal Mechanism in Place (Yes/No) (If yes, then provide web-link for the grievance redress policy)	FY 2022-23			FY 2021-22		
		Number of complaints filed during the year	Number of complaints pending resolution at the close of the year	Remark	Number of complaints filed during the year	Number of complaints pending resolution at the close of the year	Remark
Investors (other than shareholders)	Refer below table "Policies associated with BRSR principle" in Section B	NIL	NIL	NIL	NIL	NIL	NIL
Shareholders		NIL	NIL	NIL	NIL	NIL	NIL
Employees and workers		NIL	NIL	NIL	NIL	NIL	NIL
Value Chain Partners		NIL	NIL	NIL	NIL	NIL	NIL
Customers		NIL	NIL	NIL	NIL	NIL	NIL

## BUSINESS RESPONSIBILITY AND SUSTAINABILITY REPORT (Contd.)

### 24. Overview of the entity's material responsible business conduct issues.

Please indicate material responsible business conduct and sustainability issues pertaining to environmental and social matters that present a risk or an opportunity to your business, rationale for identifying the same, approach to adapt or mitigate the risk along-with its financial implications, as per the following format

S. No.	Material issue identified	(R/O)	Rationale	In case of risk, approach to adapt or mitigate	Financial implications of the risk or opportunity
1	Climate Change and Energy Management	Opportunity	Climate change has resulted in virtual and hybrid working models, propelling the need for NLSL's online training modules. Considering we are already in the space of transition to virtual and hybrid work models; climate change poses a valuable advantage to our business	-	Positive
2	Talent Attraction and Development	Opportunity	Being a talent development corporation, developing our own human capital is a key strategic imperative for us at NLSL. We provide a strong learning culture within the organization. We also place a disproportionate focus and continuous investment in growing a pool of leaders. We have executive development programs running for all levels of the company; for individual contributors, managers and leaders.  We employ technology solutions to improve employee experience, eg. we are implementing Success Factors; we have an AI BOT for engagement surveys; and we use an online portal for wellness initiatives.	-	Positive
3	Employee Health and Safety	Opportunity	Poor work environments and unsafe practices can deter employee retention and discourage workplace efficiency or productivity. Lost time injuries create loss of productivity and mental dissatisfaction of employees. Given the COVID-19 pandemic, employee demands have shifted to mental and emotional wellness rather than only that of physical.  Employee well-being has been an important focus area for NLSL. When COVID first impacted us, we already had in place a wellness portal called Round Glass which was used for various health and wellness programs. We also had a panel of experts to take care of mental wellness. During the COVID period, we took care of the complete expenses related to treatment for employees and for their dependents. We also extended monthly monetary support, and educational support to the children of bereaved families.  Our online wellness portal has more than 50% of employees participating in webinars on areas related to health and wellbeing. We also drive health and wellness initiatives through a tie up with Cultfit, and provide free sponsorship of membership to our employees. We take continuous feedback from NIIITians through engagement surveys and feedback to design and incorporate newer initiatives in the area of wellbeing.	-	Positive

## BUSINESS RESPONSIBILITY AND SUSTAINABILITY REPORT (Contd.)

S. No.	Material issue identified	(R/O)	Rationale	In case of risk, approach to adapt or mitigate	Financial implications of the risk or opportunity
4	Data Privacy and Cyber Security	Risk	Risks from cyber threats which may arise are malware attack, social engineering attack and software supply chain attacks. There is a high risk of theft of sensitive customer data, which is not only a data privacy risk but also reputational risk to the organization.	NLSL has multiple controls in place for example SOD, MFA, disk encryption and disablement of USB to ensure protection from IT risks and data privacy. We have a stringent cyber security and data privacy policy to ensure timely evasion of threats and management of data, to deter any risks that emerge from data privacy and cyber security.	Negative
5	Business Ethics and Corporate Governance	Opportunity	Business ethics are cornerstones of ensuring transparent and sustainable corporate governance frameworks. Upholding policies such as code of conduct and anti-bribery & corruption and good-governance measures to effectively implement stringent actions, among others tantamount to strong business ethics. When such business ethics are not complied with it often leads to significant reputational damage.  NLSL has a Code of Conduct in place to ensure compliance with standards of business practices and legal requirements for all its employees and workers. We also have comprehensive anti-bribery and anti-corruption policy and measures to ensure compliance and management of risks. Policies such as whistleblower, related party transactions, etc. are also existent and material to business.	-	Positive
6	Supply chain Management	Risk	Supply chain management affects product and service quality, delivery, costs, customer experience and ultimately, profitability. Increased supply chain disruptions at the wake of geopolitical transitions, and crises such as the pandemic result in loss of business continuity. Lack of inclusive supply chains creates vacuum at the time of a crises and a robust supply chain includes local sourcing, also boosting local economies and disadvantaged communities.  The organization operation depends significantly on value chain partner and it maintains a very wide base of such partners globally with ability to sources at very short interval to meet customer demands. The value proposition to its enterprise customers that the organization provides is the ability to meet certain surges of demand while, on the other hand, not requiring customers to have any fixed commitment.	-	Positive
7	Customer Concentration	Opportunity	The organization functions in multiple enterprise sectors and is mostly focused on Fortune 1000 organizations and 500 global organization around the world. The organization sets into its customer training and upskilling in an integral manner, which results in fewer customers having a large share or contribution towards revenue. Usually, the customer maturity process is long-term for the business.	NLSL has grown to earn the trust of many Fortune 1000 and Global 500 companies in over 30 countries over the past 41 years. Trusted by the world's leading companies, NLSL provides high-impact managed learning solutions that weave together the best of learning theory, technology, operations, and services to enable a thriving workforce.  The risk of failure of these customers is low and there is a steep entry barrier. More and more organizations are engaging providers such as NLSL for outsourcing; hence there are significant opportunities in the market.	Negative

## BUSINESS RESPONSIBILITY AND SUSTAINABILITY REPORT (Contd.)

### SECTION B: MANAGEMENT AND PROCESS DISCLOSURES

This section is aimed at helping businesses demonstrate the structures, policies and processes put in place towards adopting the NGRBC Principles and Core Elements.

Disclosure Questions	P 1	P 2	P 3	P 4	P 5	P 6	P 7	P 8	P 9											
<b>Policy and management processes</b>																				
1. a. Whether your entity's policy/policies cover each principle and its core elements of the NGRBCs. (Yes/No)	Yes	Yes	Yes	No	Yes	Yes	No	Yes	Yes											
b. Has the policy been approved by the Board? (Yes/No)	Yes	Yes	Yes	No	Yes	Yes	No	Yes	Yes											
c. Web link of the policies, if available	<b>Refer below table "Policies associated with BRSR principle"</b>																			
2. Whether the entity has translated the policy into procedures. (Yes / No)	Yes	Yes	Yes	No	Yes	Yes	No	Yes	Yes											
3. Do the enlisted policies extend to your value chain partners? (Yes/No)	No	No	No	No	No	No	No	No	No											
4. Name of the national and international codes/certifications/labels/ standards	ISO 9001 :2015, ISO 14001:2015, ISO 27001: 2013, ISO 45001:2018, ISO 22301: 2019																			
5. Specific commitments, goals, and targets set by the entity with defined timelines, if any.	No																			
6. Performance of the entity against the specific commitments, goals, and targets along with reasons in case the same are not met.	NA																			
<b>Governance, leadership, and oversight</b>																				
7. NLSL management functions considering in mind its environmental, social and governance responsibility. The business decision are made keeping in mind the interest of various stake holders. The organization is further preparing a strategy towards achieving net zero by identifying various areas of initiatives and creating strategies around it. The organization already fulfill multiple social responsibilities towards its employees and towards youth of the society.																				
8. Details of the highest authority responsible for implementation and oversight of the Business Responsibility policies	Executive Director & Chief Executive Officer.																			
9. Does the entity have a specified Committee of the Board/ Director responsible for decision-making on sustainability-related issues? (Yes / No). Provide details.	Yes, CSR Committee is responsible for decision-making on sustainability related issues. The members of the committee include the following:																			
	Committee Members			Designation			DIN of Member													
	Mr. Ravinder Singh			Chairman			08398231													
	Mr. Rajendra S Pawar			Member			00042516													
	Mr. Vijay K Thadani			Member			00042527													
	Mr. Ravindra B Garikipati			Member			00984163													
10. Details of Review of NGRBCs by the Company:																				
Subject for Review	Indicate whether review was undertaken by Director / Committee of the Board/ Any other Committee									Frequency (Annually/ Half yearly/ Quarterly/ Any other – please specify)										
	P 1	P 2	P 3	P 4	P 5	P 6	P 7	P 8	P 9	P 1	P 2	P 3	P 4	P 5	P 6	P 7	P 8	P 9		
Performance against above policies and follow-up action	Y	Y	Y	Y	Y	Y	N	Y	Y	Annually										
Compliance with statutory requirements of relevance to the principles, and rectification of any non-compliances	Y	Y	Y	Y	Y	Y	N	Y	Y	Quarterly										
11. Has the entity carried out independent assessment/ evaluation of the working of its policies by an external agency? (Yes/No). If yes, provide name of the agency.								P 1	P 2	P 3	P 4	P 5	P 6	P 7	P 8	P 9				
No								N	N	N	N	N	N	N	N	N	N			

## BUSINESS RESPONSIBILITY AND SUSTAINABILITY REPORT (Contd.)

12. If answer to question (1) above is “No” i.e. not all Principles are covered by a policy, reasons to be stated:

Questions	P 1	P 2	P 3	P 4	P 5	P 6	P 7	P 8	P 9
The entity does not consider the principles material to its business (Yes/No)									
The entity is not at a stage where it is in a position to formulate and implement the policies on specified principles (Yes/No)	-	-	-	-	-	-	Yes	-	-
The entity does not have the financial or/human and technical resources available for the task (Yes/No)									
It is planned to be done in the next financial year (Yes/No)									
Any other reason (please specify)									

Policies associated with BRSR principle.

Principle	Policy Name	Policy Weblink
2, 5, 6	Code of Conduct	<a href="https://info.niit.com/hubfs/section46-of-the-lodr/code-of-conduct-policies/Code%20of%20Conduct.pdf">https://info.niit.com/hubfs/section46-of-the-lodr/code-of-conduct-policies/Code%20of%20Conduct.pdf</a>
4 & 8	CSR	<a href="https://info.niit.com/hubfs/section46-of-the-lodr/code-of-conduct-policies/CSR%20Policy.pdf">https://info.niit.com/hubfs/section46-of-the-lodr/code-of-conduct-policies/CSR%20Policy.pdf</a>
9	Equal Opportunity	<a href="https://info.niit.com/hubfs/section46-of-the-lodr/BRSR-policies/equal-opportunity-policy.pdf">https://info.niit.com/hubfs/section46-of-the-lodr/BRSR-policies/equal-opportunity-policy.pdf</a>
4	Grievance Redressal	<a href="https://info.niit.com/hubfs/section46-of-the-lodr/BRSR-policies/grievance-redressal-policy.pdf">https://info.niit.com/hubfs/section46-of-the-lodr/BRSR-policies/grievance-redressal-policy.pdf</a>
3, 6	Health & Safety	<a href="https://info.niit.com/hubfs/section46-of-the-lodr/BRSR-policies/health-and-wellness-policy.pdf">https://info.niit.com/hubfs/section46-of-the-lodr/BRSR-policies/health-and-wellness-policy.pdf</a>
3	Nomination & Remuneration	<a href="https://info.niit.com/hubfs/section46-of-the-lodr/code-of-conduct-policies/Nomination%20and%20Remuneration%20Policy.pdf">https://info.niit.com/hubfs/section46-of-the-lodr/code-of-conduct-policies/Nomination%20and%20Remuneration%20Policy.pdf</a>
9	Privacy	<a href="https://info.niit.com/hubfs/section46-of-the-lodr/BRSR-policies/privacy-policy.pdf">https://info.niit.com/hubfs/section46-of-the-lodr/BRSR-policies/privacy-policy.pdf</a>
1	Whistleblower	<a href="https://info.niit.com/hubfs/section46-of-the-lodr/code-of-conduct-policies/Whistle%20Blower%20Policy.pdf">https://info.niit.com/hubfs/section46-of-the-lodr/code-of-conduct-policies/Whistle%20Blower%20Policy.pdf</a>
3	Workplace Monitoring	<a href="https://info.niit.com/hubfs/section46-of-the-lodr/BRSR-policies/workplace-monitoring-policy.pdf">https://info.niit.com/hubfs/section46-of-the-lodr/BRSR-policies/workplace-monitoring-policy.pdf</a>

### SECTION C: PRINCIPLE WISE DISCLOSURES

This section is aimed at helping entities demonstrate their performance in integrating the Principles and Core Elements with key processes and decisions. The information sought is categorized as “Essential” and “Leadership”. While the essential indicators are expected to be disclosed by every entity that is mandated to file this report, the leadership indicators may be voluntarily disclosed by entities which aspire to progress to a higher level in their quest to be socially, environmentally and ethically responsible.

**Principle 1: Businesses should conduct and govern themselves with integrity, and in a manner that is Ethical, Transparent and Accountable**

#### Essential Indicators

1. Percentage coverage by training and awareness programmes on any of the principles during the financial year

Segment	Total number of training and awareness programmes held	Topics/ principles covered under the training and its impact	% Of persons in respective category covered by the awareness programmes
Board of Directors	14	Competition and Anti-Trust, Code of Conduct, Risk Assessment and Risk Management and Compliances	100%
Key Managerial Personnel	13	Corporate strategy, leadership communication, innovation culture, stakeholder management, towards sustainability, digital disruption and transformation. Its impact was to navigate changes and strategy to drive the organization. For NLSL to have plan and strategy to not only expand businesses but to have better operational efficiency.	85%
Employees other than BoD & KMPs	56	Health & Safety at workplace, ISO awareness and policies, science of mind, security awareness training, POSH, Code of Conduct. Psychological wellbeing and mental wellness program.	64%
Workers	14	POSH, COVID 19 Precautions, Environment, Health and Safety Fire and safety, Physical security surveillance, Hazard Identification & Risk Assessment, First aid emergency and CPR Procedure.	83%

## BUSINESS RESPONSIBILITY AND SUSTAINABILITY REPORT (Contd.)

2. Details of fines / penalties /punishment/ award/ compounding fees/ settlement amount paid in proceedings (by the entity or by directors / KMPs) with regulators/ law enforcement agencies/ judicial institutions, in the financial year, in the following format (Note: the entity shall make disclosures on the basis of materiality as specified in Regulation 30 of SEBI (Listing Obligations and Disclosure Obligations) Regulations, 2015 and as disclosed on the entity's website):

Monetary					
	NGRBC Principle	Name of the regulatory/ enforcement agencies/ judicial institutions	Amount (In INR)	Brief of the Case	Has an appeal been preferred? (Yes/No)
Penalty/Fine	NA	NIL	NIL	NIL	NIL
Settlement	NA	NIL	NIL	NIL	NIL
Compounding Fee	NA	NIL	NIL	NIL	NIL
Non-Monetary					
	NGRBC Principle	Name of the regulatory/ enforcement agencies/ judicial institutions		Brief of the Case	Has an appeal been preferred? (Yes/No)
Imprisonment	NA	NIL		NIL	NIL
Punishment	NA	NIL		NIL	NIL

3. Of the instances disclosed in Question 2 above, details of the Appeal/ Revision preferred in cases where monetary or non-monetary action has been appealed

Case Details	Name of regulatory/enforcement agencies/judicial institutions
NIL	NA

4. Does the entity have an anti-corruption or anti-bribery policy? If yes, provide details in brief and if available, provide a web link to the policy. Yes. NLSL has a Code of Conduct which defines the anti-corruption and anti-bribery guidelines incorporated in it. The link to the Code of Conduct can be accessed here: <https://info.niit.com/hubfs/section46-of-the-lodr/code-of-conduct-policies/Code%20of%20Conduct.pdf>
5. Number of Directors/KMPs/employees/workers against whom disciplinary action was taken by any law enforcement agency for the charges of bribery/ corruption:

	FY 2022-23	FY 2021-22
Directors	NIL	NIL
KMPs	NIL	NIL
Employees	NIL	NIL
Workers	NIL	NIL

6. Details of complaints with regards to conflict of interest:

	FY 2022-23		FY 2021-22	
	Number	Remarks	Number	Remarks
No. of complaints received in relation to issues of Conflict of Interest of the Directors	NIL	NIL	NIL	NIL
No. of complaints received in relation to issues of Conflict of Interest of the KMPs	NIL	NIL	NIL	NIL

7. Provide details of any corrective action taken or underway on issues related to fines/penalties/action taken by regulators/ law enforcement agencies/ judicial institutions, on cases of corruption and conflicts of interest.

NA

### Leadership Indicators

1. Awareness programmes conducted for value chain partners on any of the principles during the financial year:

Total number of awareness programmes held	Topics / principles covered under the training	%age of value chain partners covered under the awareness programmes
169	The trainers/ professional engagement via contract mode covers principles like confidentiality, privacy and ethical practices in line with NGRBC Principle 1. Discussions are held with the trainers on standard of governance NLSL expects from its value chain partners.	100%



## BUSINESS RESPONSIBILITY AND SUSTAINABILITY REPORT (Contd.)

2. Does the entity have processes in place to avoid/ manage conflict of interests involving members of the Board? (Yes/No) If yes, provide details of the same.

Yes. Firstly, NLSL takes annual affirmation from Board of Directors with reference to Conflict of Interest. Secondly, NLSL's Related Party Policy defines the process and procedures to identifying and managing conflicts of interests involving members of the Board. The policy elaborates on the guidance and mechanism in place for board members to address potential conflict of interests that may arise in certain business transactions. Before entering any transaction with a Related Party of a Board member, NLSL ensures that the Audit Committee approval is taken. Where any director is interested in any contract or arrangement with a Related Party, the director shall not participate during discussions on the subject matter of the resolution relating to such contract or arrangement.

### Principle 2: Businesses should provide goods and services in a manner that is sustainable and safe

#### Essential Indicators

1. Percentage of R&D and capital expenditure (capex) investments in specific technologies to improve the environmental and social impacts of product and processes to total R&D and capex investments made.

	FY 2022-23	FY 2021-22	Details of improvements in environment and social impacts
R&D	INR 65 million	INR 22 million	NLSL took the initiative of phasing out old computers with energy efficient laptops. NLSL further migrated our owned data center to the cloud, having a significant reduction in our carbon footprint.
Capex	INR 142 million	NIL	Capex has been channelized towards infrastructure improvements by NLSL. Improved equipment and better buildings enable energy efficiency and accessibility, along with a safe and healthy workplace for all our employees and workers.

2. a. Does the entity have procedures in place for sustainable sourcing? (Yes/No) Yes

- b. If yes, what percentage of inputs were sourced sustainably?

NLSL has a procedure in place to onboard suppliers' basis sustainability parameters. NLSL follows a procurement process which factors MSME participation and evaluation of environment standards among our vendors. NLSL while selecting electrical, electronic and computer items, considers environmental parameters as one of the selection criteria. However, currently NLSL does not record the exact percentage of inputs sourced sustainably.

3. Describe the processes in place to safely reclaim your products for reusing, recycling and disposing at the end of life, for (a) Plastics (including packaging) (b) E-waste (c) Hazardous waste and (d) other waste.

Waste Type	Processes to reclaim through reuse, recycle, disposal at end of life
Plastics	NLSL follows a zero-plastic policy. If any plastic waste is generated through mechanical packaging, the same is disposed of by an authorized waste management vendor for further reuse.
E-Waste	NLSL disposes all E-Waste generated to an authorized e-waste management vendor and obtains certificate of compliance post safe disposal.
Hazardous Waste	Lubricant oil generated from DG sets is collected by an authorized waste vendor for its safe disposal.
Other Waste	All other waste such as cloths used for lubricant oils, etc. is provided to authorized waste vendor for further processing and disposal.

4. Whether Extended Producer Responsibility (EPR) is applicable to the entity's activities (Yes / No). If yes, whether the waste collection plan is in line with the Extended Producer Responsibility (EPR) plan submitted to Pollution Control Boards? If not, provide steps taken to address the same.

No. EPR is not applicable for NLSL.

#### Leadership Indicators

1. Has the entity conducted Life Cycle Perspective / Assessments (LCA) for any of its products (for manufacturing industry) or for its services (for service industry)? If yes, provide details in the following format?

NIC Code	Name of Product/ Service	% of total Turnover contributed	Boundary for which the Life Cycle Perspective / Assessment was conducted	Whether conducted by independent external agency (Yes/No)	Results communicate in public domain (Yes/No) If yes, provide the web-link.
Not Available					

## BUSINESS RESPONSIBILITY AND SUSTAINABILITY REPORT (Contd.)

2. If there are any significant social or environmental concerns and/or risks arising from production or disposal of your products / services, as identified in the Life Cycle Perspective / Assessments (LCA) or through any other means, briefly describe the same along-with action taken to mitigate the same

Name of Product / Service	Description of the risk / concern	Action Taken
Not Available	Not Available	Not Available

3. Percentage of recycled or reused input material to total material (by value) used in production (for manufacturing industry) or providing services (for service industry).

	Recycled or re-used input material to total material	
	FY 2022 - 23	FY 2021 - 22
Not Available		Not Available

4. Of the products and packaging reclaimed at end of life of products, amount (in metric tonnes) reused, recycled, and safely disposed, as per the following format:

	FY 2022 - 23			FY 2021 - 22		
	Re-Used	Recycled	Safely Disposed	Re-Used	Recycled	Safely Disposed
Plastics (including packaging)	NIL	NIL	Yes	NIL	NIL	NIL
E-waste	NIL	NIL	Yes	NIL	NIL	NIL
Hazardous waste	NIL	NIL	Yes	NIL	NIL	NIL
Other waste	NIL	NIL	Yes	NIL	NIL	NIL

5. Reclaimed products and their packaging materials (as percentage of products sold) for each product category.

Indicate Product Category	Reclaimed products and their packaging materials as % of total products sold in respective category
	Not Applicable

Principle 3: Businesses should respect and promote the well-being of all employees, including those in their value chains

### Essential Indicators

1. a. Details of measures for the well-being of employees

% Of employees covered by											
Category	Total (A)	Health insurance		Accident insurance		Maternity benefits		Paternity Benefits		Day Care facilities	
		No. (B)	% (B / A)	No. C	% (C / A)	No. (D)	% (D / A)	No.(E)	% (E / A)	No. (F)	% (F / A)
<b>Permanent Employees</b>											
Male	894	894	100%	894	100%	-	-	894	100%	-	-
Female	665	665	100%	665	100%	665	100%	-	-	-	-
<b>Total</b>	<b>1,559</b>	<b>1,559</b>	<b>100%</b>	<b>1,559</b>	<b>100%</b>	<b>665</b>	<b>100%</b>	<b>894</b>	<b>100%</b>	<b>-</b>	<b>-</b>
<b>Other Than Permanent Employees</b>											
Male	53	53	100%	53	100%	NA	NA	NA	NA	-	-
Female	31	31	100%	31	100%	NA	NA	NA	NA	-	-
<b>Total</b>	<b>84</b>	<b>84</b>	<b>100%</b>	<b>84</b>	<b>100%</b>	<b>NA</b>	<b>NA</b>	<b>NA</b>	<b>NA</b>	<b>-</b>	<b>-</b>

- b. Details of measures for the well-being of workers:

% Of workers covered by											
Category	Total (A)	Health insurance		Accident insurance		Maternity benefits		Paternity Benefits		Day Care facilities	
		No. (B)	% (B / A)	No. C	% (C / A)	No. (D)	% (D / A)	No.(E)	% (E / A)	No. (F)	% (F / A)
<b>Permanent Workers</b>											
Male	-	-	-	-	-	-	-	-	-	-	-
Female	-	-	-	-	-	-	-	-	-	-	-
<b>Total</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Other Than Permanent Workers</b>											
Male	65	65	100%	65	100%	NA	NA	NA	NA	NA	NA
Female	5	5	100%	5	100%	NA	NA	NA	NA	NA	NA
<b>Total</b>	<b>70</b>	<b>70</b>	<b>100%</b>	<b>70</b>	<b>100%</b>	<b>NA</b>	<b>NA</b>	<b>NA</b>	<b>NA</b>	<b>NA</b>	<b>NA</b>

## BUSINESS RESPONSIBILITY AND SUSTAINABILITY REPORT (Contd.)

### 2. Details of retirement benefits, for Current Financial Year and Previous Financial Year.

Benefits	FY 2022-23			FY 2021-22		
	No. of employees covered as a % of total employees	No. of workers covered as a % of total workers	Deducted and deposited with the authority (Y/N/N.A.)	No. of employees covered as a % of total employees	No. of workers covered as a % of total workers	Deducted and deposited with the authority (Y/N/N.A.)
PF	100%	100%	Y	100%	100%	Y
Gratuity	100%	100%	Y	100%	100%	Y
ESI	100%	100%	Y	100%	100%	Y

### 3. Accessibility of workplaces

Are the premises/offices of the entity accessible to differently abled employees and workers, as per the requirements of the Rights of Persons with Disabilities Act, 2016? If not, whether any steps are being taken by the entity in this regard.

NLSL is an equal opportunity employer and upholds its commitment to non-discrimination as an utmost priority. In this backdrop, NLSL recognizes accessibility is critical to ensure rights to persons with disabilities and has taken the requisite steps to ensure that it is an accessible workplace across its offices in form of infrastructural investments in form of ramps, elevators and accessible washrooms for persons with disabilities.

### 4. Does the entity have an equal opportunity policy as per the Rights of Persons with Disabilities Act, 2016? If so, provide the link to the policy. Yes

### 5. Return to work and Retention rates of permanent employees and workers that took parental leave.

Gender	Permanent employees		Permanent workers	
	Return to work rate	Retention rate	Return to work rate	Retention Rate
Male	100%	100%	0	0
Female	100%	100%	0	0
Total	100%	100%	0	0

### 6. Is there a mechanism available to receive and redress grievances for the following categories of employees and worker? If yes, give details of the mechanism in brief.

	Yes/No (If yes, then give details of the mechanism in brief)
Permanent Workers	NA
Other than Permanent Workers	Yes, NLSL has a multi-tiered grievance handling mechanism that includes dedicated channels for addressing harassment, whistle-blower, security incidents, discrimination, general grievances, etc. which applies to all permanent and non-permanent employees.
Permanent Employees	
Other than Permanent Employees	

### 7. Membership of employees and worker in association(s) or Unions recognized by the listed entity

While NLSL does not restrict any employee from being a member of any employee-related association and provides freedom, it ensures that it abides by the local laws across the geographies that it operates in.

Category	FY 2022-23			FY 2021-22		
	Total employees/workers in respective category (A)	No. of employees/workers in respective category, who are part of association(s) or Unions (B)	% (B / A)	Total employees/workers in respective category (C)	No. of employees/workers in respective category, who are part of association(s) or Unions (D)	% (D / C)
<b>Total Permanent Employees</b>	0	0	0	0	0	0
Male	0	0	0	0	0	0
Female	0	0	0	0	0	0
<b>Total Permanent Workers</b>	0	0	0	0	0	0
Male	0	0	0	0	0	0
Female	0	0	0	0	0	0

## BUSINESS RESPONSIBILITY AND SUSTAINABILITY REPORT (Contd.)

### 8. Details of training given to employees and workers

Category	FY 2022-23					FY 2021-22				
	Total (A)	On Health and safety measures		On Skill upgradation		Total (D)	On Health and safety measures		On Skill upgradation	
		No. (B)	% (B / A)	No. (C)	% (C / A)		No. (E)	% (E / D)	No. (F)	% (F / D)
<b>Permanent Employees</b>										
Male	894	568	64%	362	40%	802	643	80%	73	9%
Female	665	448	67%	195	29%	523	491	94%	50	10%
<b>Total</b>	<b>1559</b>	<b>1016</b>	<b>65%</b>	<b>557</b>	<b>36%</b>	<b>1325</b>	<b>1134</b>	<b>86%</b>	<b>123</b>	<b>9%</b>
<b>Other Than Permanent Employees</b>										
Male	53	27	51%	43	81%	25	0	0%	1	4%
Female	31	6	19%	25	81%	33	0	0%	2	6%
<b>Total</b>	<b>84</b>	<b>33</b>	<b>39%</b>	<b>68</b>	<b>81%</b>	<b>58</b>	<b>0</b>	<b>0%</b>	<b>3</b>	<b>5%</b>
<b>Permanent Workers</b>										
Male	-	-	-	-	-	-	-	-	-	-
Female	-	-	-	-	-	-	-	-	-	-
<b>Total</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Other Than Permanent Workers</b>										
Male	65	65	100%	65	100%	53	33	62%	33	62%
Female	5	5	100%	5	100%	2	2	100%	2	100%
<b>Total</b>	<b>70</b>	<b>70</b>	<b>100%</b>	<b>70</b>	<b>100%</b>	<b>55</b>	<b>35</b>	<b>64%</b>	<b>35</b>	<b>64%</b>

### 9. Details of performance and career development reviews of employees and workers

Category	FY 2022-23			FY 2021-22		
	Total (A)	No. (B)	% (B / A)	Total (C)	No. (D)	% (D / C)
<b>Employees</b>						
Male	947	819	86%	827	660	80%
Female	696	509	73%	556	400	72%
<b>Total</b>	<b>1,643</b>	<b>1,328</b>	<b>81%</b>	<b>1,383</b>	<b>1,060</b>	<b>77%</b>
<b>Workers</b>						
Male	NA	NA	NA	NA	NA	NA
Female	NA	NA	NA	NA	NA	NA
<b>Total</b>	<b>NA</b>	<b>NA</b>	<b>NA</b>	<b>NA</b>	<b>NA</b>	<b>NA</b>

Performance and career development reviews are held only for the employees who have completed a minimum of six months of service during the financial year.

### 10. Health and safety management system

- a. Whether an occupational health and safety management system been implemented by the entity? (Yes/ No). If yes, the coverage of such system?

Yes, NLSL has a Health, Safety and Environment policy which governs creating a safe and health workplace for all employees and workers. NLSL follows policies and standards as recommended by ISO 45001 across its primary locations. The coverage of its occupational health and safety management system extends to all employees and workers. The Management of the company regularly monitors the compliance to health and safety norms. It also conducts mock drill at periodic intervals to ensure preparedness.

- b. What are the processes used to identify work-related hazards and assess risks on a routine and non-routine basis by the entity?

NLSL has assigned a one-point contact i.e., a project coordinator to oversee and resolve risks and concerns related to work-related hazards on a routine and non-routine basis. Provisions such as Job Safety Analysis (JSA) and toolbox talk create a conducive environment for employees and workers to regularly assess, identify and report risks.

## BUSINESS RESPONSIBILITY AND SUSTAINABILITY REPORT (Contd.)

- c. **Whether you have processes for workers to report the work-related hazards and to remove themselves from such risks. (Y/N)**

Yes, NLSL has a safety incident reporting and management process to ensure that all work-related incidents (which include accidents, near-misses, unsafe conditions and unsafe acts) are reported and closed after taking necessary corrective actions. The organization also conduct multiple training and safety drills to create awareness about how to remove themselves from such risk.

- d. **Do the employees/worker of the entity have access to non-occupational medical and healthcare services? (Yes/ No)**

Yes, The employees are eligible for annual medical health check up completely sponsored by the company. Further in key locations there are visiting doctors where employees and workers can consult without any fee. The workers are covered under the ESI scheme.

### 11. Details of safety related incidents, in the following format

Safety Incident/Number	Category	FY 2022-23		FY 2021-22
		Current Financial Year	Previous Financial Year	Previous Financial Year
Lost Time Injury Frequency Rate (LTIFR) (per one million-person hours worked)	Employees	NIL		NIL
	Workers	NIL		NIL
Total recordable work-related injuries	Employees	NIL		NIL
	Workers	NIL		NIL
No. of fatalities	Employees	NIL		NIL
	Workers	NIL		NIL
High consequence work-related injury or ill-health (excluding fatalities)	Employees	NIL		NIL
	Workers	NIL		NIL

### 12. Describe the measures taken by the entity to ensure a safe and healthy workplace

NLSL provides end to end health care solutions to employees as per medical insurance for them and their family members including added services such as lab services, virtual specialist doctor consultations, eye care solutions and dental services. We believe our workforce is our most valuable asset and it is towards this, that we have ensured safe and healthy workplaces for our employees across our offices in form of clean air, clean water, clean environment, air purifiers, and conducive work environment through engagement.

To deter any unsafe or unhealthy practices, NLSL observes stringent measures to ensure health and safety, beyond its above-mentioned initiatives. This includes having self-illuminated tape, anti-skid tape, battery operated emergency light across staircases and indoor purification of air to create a safe-environment and maintain health of employees and workers.

### 13. Number of Complaints on the following made by employees and workers:

	FY 2022-23			FY 2021-22		
	Filed during the year	Pending resolution at the end of year	Remarks	Filed during the year	Pending resolution at the end of year	Remarks
Working Conditions	NIL	NIL	-	NIL	NIL	-
Health & Safety	NIL	NIL	-	NIL	NIL	-

### 14. Assessments for the year

	% of your plants and offices that were assessed (by entity or statutory authorities or third parties)
Health and safety practices	100%
Working Conditions	100%

### 15. Provide details of any corrective action taken or underway to address safety-related incidents (if any) and on significant risks / concerns arising from assessments of health & safety practices and working conditions.

NA

#### Leadership Indicators

1. **Does the entity extend any life insurance or any compensatory package in the event of death of (A) Employees (Y/N) & Workers (Y/N)**

Yes, to employees and workers

## BUSINESS RESPONSIBILITY AND SUSTAINABILITY REPORT (Contd.)

2. Provide the measures undertaken by the entity to ensure that statutory dues have been deducted and deposited by the value chain partners.

Yes, ECR challans (PF & ESIC) from the service provider are verified on a monthly basis to ensure statutory dues are deducted and deposited, in case NLSL stands as a principal employer.

3. Provide the number of employees / workers having suffered high consequence work-related injury / ill-health / fatalities (as reported in Q11 of Essential Indicators above), who have been rehabilitated and placed in suitable employment or whose family members have been placed in suitable employment:

	Total no. of affected employees/workers		No. of employees/workers that are rehabilitated and placed in suitable employment or whose family members have been placed in suitable employment	
	FY 2022-23	FY2021-22	FY 2022-23	FY2021-22
Employees	NIL		NIL	
Workers	NIL		NIL	

4. Does the entity provide transition assistance programs to facilitate continued employability and the management of career endings resulting from retirement or termination of employment? (Yes/ No)

Yes, Based on requirement of the company in rare cases, the company either extends the service period by one to two years or contracts them as consultants for short periods. NLSL follows the practice of giving opportunity to perform, hence, non-performing employees are first put under performance improvement plan and only in case of non-performance, thereafter, can be terminated. NLSL also out counsels people in case of redundancy after providing them with adequate time to look for alternative employment opportunities.

5. Details on assessment of value chain partners:

	% of value chain partners (by value of business done with such partners) that were assessed
Health and safety practices	Shall commence this activity shortly.
Working Conditions	Shall commence this activity shortly.

6. Provide details of any corrective actions taken or underway to address significant risks / concerns arising from assessments of health and safety practices and working conditions of value chain partners.

Not Applicable as no such risks or concerns have emerged.

### Principle 4: Businesses should respect the interests of and be responsive to all its stakeholders

#### Essential Indicators

1. Describe the processes for identifying key stakeholder groups of the entity.

NLSL Limited is a responsible corporate citizen and is committed to being responsive to all its stakeholders including shareholders, customers, business associates, employees, vendors and suppliers, governments and society at large including communities that it operates in. These approaches are laid out in our Code of Conduct document, which can be found on our [website](#).

- Internal Stakeholders of NLSL include employees, senior leadership and Board of Directors.
- External stakeholders of NLSL include shareholders, customers, value chain partners and communities.

2. List stakeholder groups identified as key for your entity and the frequency of engagement with each stakeholder group.

Stakeholder Group	Whether identified as Vulnerable	Channels of communication	Frequency of Engagement	Purpose and scope of engagement
Employees	No	Surveys, Focus Group Discussions, HR, internal trainings, requirements (virtual and in -person modes), Townhalls conducted quarterly, Self service portal iNITIians , Amber the friendly BOT.	Weekly, monthly, quarterly, annually	Feedback & Grievance Redressal; Employee engagement (fun at work / motivation / happiness / passion / wellbeing, engagement for self-performance improvement and team productivity improvement and Career support programs.

## BUSINESS RESPONSIBILITY AND SUSTAINABILITY REPORT (Contd.)

Stakeholder Group	Whether identified as Vulnerable	Channels of communication	Frequency of Engagement	Purpose and scope of engagement
Shareholders	No	Annual General Meetings, Focus Group Discussions, Shareholder Grievance Process, Investor meets , continuous disclosures.	Quarterly	Shareholders to be kept in loop throughout processes of the organization, to provide information through stock exchanges timely on the evolving market trends. Notices of AGMs on website of NLSL on a regular basis, regular updation of website. Investor calls after quarterly closings and publication of results.
Communities	Yes	Skilling, education, and livelihood generation. Media releases, electronic media and social media.	Half Yearly	Need Assessment for CSR Projects & Grievance Redressal
Customers	No	Training modules, online discussions, feedback sessions, Customer satisfaction surveys, account management for enterprise customers and customer experience management team for retail customers.	Weekly, monthly, annually	Resolution of any delivery challenges. And feedback on technology & services being implemented.
Value Chain Partners	No	Training sessions, online discussions, monitoring and feedback sessions, specified vendor management team for onboarding and dispute resolution	On actual need – basis	At the time of onboarding, each value chain partner is onboarded on the pre-condition of compliance to privacy, anti-corruption, anti-bribery, human rights and ethical practices. Value chain partners are also explained their rights and grievance redressal mechanism.

### Leadership Indicators

- 1. Provide the processes for consultation between stakeholders and the Board on economic, environmental, and social topics, or if consultation is delegated, how is feedback from such consultations provided to the Board**

There are multiple committees of the board (risk management committee, audit committee, stakeholders relationship committee nomination and remuneration committee), where the management provides updates on matters like environmental changes, environmental risk, and other topics having a significant impact like people policy, etc. The respective business leadership team provides quarterly inputs on performance and yearly perspective planning for three years with budgets for the next year to the board members as per schedule. External professionals like statutory auditors, cost auditors, secretarial auditors, and other professional experts on matters like tax and M&A are regularly invited to submit their reports either to subcommittees or to the board directly. In fact, the NLSL Board conducts townhall meetings for its employees as the first stakeholders to be informed post the board's quarterly meeting to ensure a conducive environment to work in. Fire-side chats are also conducted for employees to voice their feedback directly to the NLSL Managing Director as well as CEO.

- 2. Whether stakeholder consultation is used to support the identification and management of environmental, and social topics (Yes / No). If so, provide details of instances as to how the inputs received from stakeholders on these topics were incorporated into the policies and activities of the entity.**

Yes, the inputs received from board members, shareholders in the AGM, employee suggestions, and customer inputs through surveys are duly addressed with a specific action plan and timeline, which are monitored and then reported back to the respective stakeholders.

- 3. Provide details of instances of engagement with, and actions taken to, address the concerns of vulnerable/marginalized stakeholder groups.**

NLSL is an equal opportunity organization, and each employee has equal rights. The concerns of our stakeholder groups are heard with utmost sensitivity, and we have a transparent process for raising their concerns independently through human resources. HR also ensures anonymity and keeps the complainant's information confidential from any and every other employee of our organization. During community programs, our point of contact creates a two-way and conducive communication pathway and our grievance redressal policy also helps take the necessary recourse for concerns of stakeholder groups.

## BUSINESS RESPONSIBILITY AND SUSTAINABILITY REPORT (Contd.)

### Principle 5: Businesses should respect and promote human rights

#### Essential Indicators

1. Employees and workers who have been provided training on human rights issues and policy(ies) of the entity, in the following format:

Category	FY 2022-23			FY 2021-22		
	Total (A)	No. Of Employee / Workers Covered (B)	% (B / A)	Total (C)	No. Of Employee / Workers Covered (C)	% (D / C)
<b>Employee</b>						
Permanent	1,559	1,559	100%	1,325	1,325	100%
Other than permanent	84	84	100%	58	58	100%
<b>Total Employees</b>	<b>1,643</b>	<b>1,643</b>	<b>100%</b>	<b>1,383</b>	<b>1,383</b>	<b>100%</b>
<b>Workers</b>						
Permanent	-	-	-	-	-	-
Other than permanent	70	70	100%	55	55	100%
<b>Total Workers</b>	<b>70</b>	<b>70</b>	<b>100%</b>	<b>55</b>	<b>55</b>	<b>100%</b>

2. Details of remuneration/ salary/ wages (including differently abled):

Category	FY 2022-23				FY 2021-22					
	Total (A)	Equal to Minimum Wage		More than Minimum Wage		Total (D)	Equal to Minimum Wage		More than Minimum Wage	
		No. B	% (B / A)	No. C	% (C / A)		No. E	% (E / D)	No. (F)	% (F / D)
<b>Employees</b>										
<b>Permanent</b>										
Male	894	-	-	894	100%	802	-	-	802	100%
Female	665	-	-	665	100%	523	-	-	523	100%
<b>Other than Permanent</b>										
Male	53	-	-	53	100%	25	-	-	25	100%
Female	31	-	-	31	100%	33	-	-	33	100%
<b>Workers</b>										
<b>Permanent</b>										
Male	-	-	-	-	-	-	-	-	-	-
Female	-	-	-	-	-	-	-	-	-	-
<b>Other than Permanent</b>										
Male	65	49	75%	16	25%	53	37	70%	16	30%
Female	5	4	80%	1	20%	2	1	50%	1	50%

3. Details of remuneration/salary/wages, in the following format:

Category	2022-2023		2021-2022	
	Number	Median remuneration/ salary/ wages of respective category	Number	Median remuneration/ salary/ wages of respective category
Board of Directors (BoD)	Due to the restructuring of NIIT in FY23 this information is not applicable / relevant hence not provided.			
Key Managerial Personnel				
Employees other than BoD and KMP	1643	6,90,450	1383	6,57,895
Workers	70	2,28,599	55	2,09,375



## BUSINESS RESPONSIBILITY AND SUSTAINABILITY REPORT (Contd.)

### 4. Mechanisms to prevent adverse consequences to the complainant in discrimination and harassment cases.

The policy and processes comply with the prevailing laws, specifically the "The Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013." In case any employee experiences any form of sexual harassment, they can report the incident by directly writing to the [care4women@niitmts.com](mailto:care4women@niitmts.com) / [grievancecell@niitmts.com](mailto:grievancecell@niitmts.com). The complaints raised via this channel, are investigated, and handled with utmost fairness, equality and confidentiality by the Internal Complaints Committee (ICC). The ICC includes independent professional(s) from all walks of life. NIIT further ensures that standard SLAs as per law are met timely and in a just manner.

### 5. Do human rights requirements form part of your business agreements and contracts? (Yes/No) No

### 6. Assessments for the year:

	% of your plants and offices that were assessed (by entity or statutory authorities or third parties)
Child Labour	NLSL has conducted self-assessment for 100% of its offices. The organization's Code of Conduct requires engagement of people considering child labor, modern slavery, and ethical practices. NLSL also has an Internal Complaints Committee and has clear channels of reporting any workplace sexual harassment. NLSL creates awareness of human rights through various modes of communication.
Forced or Involuntary Labour	
Sexual Harassment	
Discrimination at Workplace	
Wages	
Others- Please specify	

### 7. Do you have a focal point (Individual/ Committee) responsible for addressing human rights impacts or issues caused or contributed to by the business? (Yes/No) Yes.

### 8. Describe the internal mechanisms in place to redress grievances related to human rights issues.

NLSL is committed to providing a fair, safe and productive work environment where grievances, if any, are dealt sensitively and expeditiously. A grievance policy and process is in place for NIITians to voice their concerns so they could be effectively addressed. A grievance may be about an act, omission, situation, or decision that the NIITian feels is unfair, discriminatory, or unjustified.

NIITians are encouraged to come forward with their grievances in the knowledge that the organization will take appropriate action to address those grievances. This can be done in an informal way by verbally communicating the issue to the Manager or HR and then getting it addressed along with a member from the Grievance Redressal Committee (GRC). The other option is to submit the complaint in writing to either Manager/Business HR or posting at email id [GrievanceCell@niitmts.com](mailto:GrievanceCell@niitmts.com) which is accessible by an authorized representative from the Leadership team of HR. There is another email ID [CPO@niitmts.com](mailto:CPO@niitmts.com) which is directly accessed by the CHRO of the company to deal with grievance matters directly.

Yet another option is to post an Anonymous message on the Amber portal (AI powered HR Engagement portal). The link for this Anonymous link called 'Anonymous Bat' is shared with by Amber with the NIITian once s/he has completed his/her first digital chat with Amber. This stays with the NIITian and can be used at any time during one's association with NLSL. This message directly reaches the CEO and CHRO of the company.

### 9. Number of complaints made by employees and workers

Complaints	FY 2022-23			FY 2021-22		
	Filed during the year	Pending resolution at the end of year	Remarks	Filed during the year	Pending resolution at the end of year	Remarks
<b>Total</b>	NIL	NIL	-	NIL	NIL	-
Sexual Harassment	NIL	NIL				
Discrimination at workplace	NIL	NIL				
Child Labour	NIL	NIL				
Forced Labour/Involuntary Labour	NIL	NIL				
Wages	NIL	NIL				
Other Human Rights related issues	NIL	NIL				

### 10. Provide details of any corrective actions taken or underway to address significant risks / concerns arising from the assessments at Question 9 above Not applicable.

## BUSINESS RESPONSIBILITY AND SUSTAINABILITY REPORT (Contd.)

### Leadership Indicators

- Details of a business process being modified / introduced as a result of addressing human rights grievances/ complaints.**

No business processes were modified or introduced as a result of addressing human rights grievances or complaints in the reporting period as no such complaints and grievances were raised.

- Details of the scope and coverage of any Human rights due diligence conducted.**

Human rights due diligence was not conducted in the reporting period.

- Is the premise/office of the entity accessible to differently abled visitors, as per the requirements of the Rights of Persons with Disabilities Act, 2016?**

NLSL recognizes accessibility is critical to ensure rights to persons with disabilities and has taken the requisite steps to ensure that it is an accessible workplace across its offices in form of infrastructural investments in form of ramps, elevators, and accessible washrooms for persons with disabilities.

- Details on assessment of value chain partners:**

	% Of your plants and offices that were assessed (by entity or statutory authorities or third parties)
Child Labour	No external assessment was done.
Forced or Involuntary Labour	
Sexual Harassment	
Discrimination at Workplace	
Wages	
Others- Please specify	

- Provide details of any corrective actions taken or underway to address significant risks / concerns arising from the assessments at Question 4 above**

Not applicable.

### Principle 6: Businesses should respect and make efforts to protect and restore the environment

#### Essential Indicators

- Details of total energy consumption (in Joules or multiples) and energy intensity, in the following format:**

Parameter	Unit	FY 2022 - 23	FY 2021 - 22
Total electricity consumption (A)	GJ	3,749.26	4,000.16
Total fuel consumption (B)	GJ	0.00045	0.00014
Energy consumption through other sources (C)	GJ	188.43	192.03
<b>Total energy consumption (A+B+C)</b>	<b>GJ</b>	<b>3,937.70</b>	<b>4,192.19</b>
Energy intensity per rupee of turnover (Total energy consumption/turnover in rupees)	Joules/ INR	9750 Joules / INR	1270 Joules / INR

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency. No

- Does the entity have any sites / facilities identified as designated consumers (DCs) under the Performance, Achieve and Trade (PAT) Scheme of the Government of India? (Y/N) If yes, disclose whether targets set under the PAT scheme have been achieved. In case targets have not been achieved, provide the remedial action taken, if any.**

Not Applicable.

- Provide details of the following disclosures related to water, in the following format:**

Parameter	FY 2022-23	FY 2021-22
<b>Water withdrawal by source (in Kilolitres)</b>		
(i) Surface water	NIL	NIL
(ii) Groundwater	6,628	2,500
(iii) Third party water	NIL	NIL
(iv) Seawater / desalinated water	NIL	NIL
(v) Others	NIL	NIL
<b>Total volume of water withdrawal (i + ii + iii + iv + v)</b>	<b>6,628</b>	<b>2,500</b>
<b>Total volume of water consumption (in KL)</b>	<b>6628</b>	<b>2500</b>
<b>Water intensity per rupee of turnover (Water consumed / turnover)</b>	<b>1.64 ML/ INR</b>	<b>7.61 ML/ INR</b>

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency. No

## BUSINESS RESPONSIBILITY AND SUSTAINABILITY REPORT (Contd.)

4. **Has the entity implemented a mechanism for Zero Liquid Discharge? If yes, provide details of its coverage and implementation.**

While NLSL does not have a Zero Liquid Discharge, 44 kiloliters of sewage water is treated on a daily basis by NLSL's Sewage Treatment Plants and is reused in landscaping and horticulture.

5. **Please provide details of air emissions (other than GHG emissions) by the entity, in the following format:**

Parameter	Please specify unit	FY 2022 - 23	FY 2021 - 22
NOx	g/kwh	1.87	Did not monitor
SOx	g/kwh	0.19	Did not monitor
Particulate matter (PM)	g/kwh	0.13	Did not monitor
Persistent organic pollutants (POP)	µg/m <sup>3</sup>	NA	Did not monitor
Volatile organic compounds (VOC)	µg/m <sup>3</sup>	NA	Did not monitor
Hazardous air pollutants (HAP)	µg/m <sup>3</sup>	NA	Did not monitor

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency. No

6. **Provide details of greenhouse gas emissions (Scope 1 and Scope 2 emissions) & its intensity, in the following format:**

Parameter	Unit	FY 2022 - 23	FY 2021-22
<b>Total Scope 1 emissions</b> (Break-up of the GHG into CO <sub>2</sub> , CH <sub>4</sub> , N <sub>2</sub> O, HFCs, PFCs, SF <sub>6</sub> , NF <sub>3</sub> , if available)	Metric Tonnes of CO <sub>2</sub>	414.41	102.54
<b>Total Scope 2 emissions</b> (Break-up of the GHG into CO <sub>2</sub> , CH <sub>4</sub> , N <sub>2</sub> O, HFCs, PFCs, SF <sub>6</sub> , NF <sub>3</sub> , if available)	Metric Tonnes of CO <sub>2</sub>	739.44	788.92
<b>Total Scope 1 and Scope 2 emissions per rupee of turnover</b>	Grams / INR	0.28	0.27

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency. No

The Scope 1 emissions increased in FY 23 from the previous year FY 22 in view of increase in energy consumption as offices reopened post Covid 19. In addition to this were refilled refrigerants and new air conditioner units were installed. Accounting of mobile combustion data was also initiated during FY 23.

7. **Does the entity have any project related to reducing Green House Gas emission? If yes, then provide details.**

NLSL continuously puts efforts to reduce Greenhouse Gas emissions by way of selecting energy efficient air conditioning, the choice of natural lighting, reducing oil leakages, and investments in renewable energy. NLSL prioritizes solar energy for its power consumption and reduces dependency on grid electricity. The company took the initiative of phasing out old computers with energy efficient laptops. NLSL also migrated its on-premise data center to cloud, significantly reducing the carbon footprint. The company moved from paper-based documents to digital documents both for customers as well as vendors. The company actively promotes online training delivery instead of offline to reduce travel, lowering carbon emission. In FY23 the majority of training programs were delivered online.

8. **Provide details related to waste management by the entity, in the following format:**

Parameter	FY 2022 - 23	FY 2021 - 22
<b>Total Waste Generated (in metric tones)</b>		
Plastic waste (A)	0.001	0.001
E-waste (B)	13.269	0.071
Bio-medical waste (C)	NIL	NIL
Construction and demolition waste (D)	0.00	0.00
Battery waste (E)	0.524	0.00
Radioactive waste (F)	0.00	0.00

## BUSINESS RESPONSIBILITY AND SUSTAINABILITY REPORT (Contd.)

Parameter	FY 2022 - 23	FY 2021 - 22
Other Hazardous waste. Please specify, if any. (G)	0.49	0
Solid Waste	NIL	NIL
Iron Scrap + Garbage (Empty drums, boxes etc.)	NIL	NIL
Other Non-hazardous waste generated (H). Please specify, if any. (Break-up by composition i.e., by materials relevant to the sector) (Food Waste)	1.491	0.37
<b>Total (A+B + C + D + E + F + G + H)</b>	<b>15.775</b>	<b>0.442</b>
<b>For each category of waste generated, total waste recovered through recycling, re-using or other recovery operations (in metric tonnes)</b>		
<b>Category of waste</b>		
(i) Recycled	9.58	0.32
(ii) Re-used	0.00	0.00
(iii) Other recovery operations	0.00	0.00
<b>Total</b>	<b>9.58</b>	<b>0.32</b>
<b>For each category of waste generated, total waste disposed by nature of disposal method (in metric tons)</b>		
<b>Category of waste</b>		
(i) Incineration	0.00	0.00
(ii) Landfilling	0.00	0.00
(iii) Other disposal operations	0.00	0.00
<b>Total</b>	<b>0.00</b>	<b>0.00</b>

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency. No

9. Briefly describe the waste management practices adopted in your establishments. Describe the strategy adopted by your company to reduce usage of hazardous and toxic chemicals in your products and processes and the practices adopted to manage such wastes.

NLSL provides all its non-hazardous and hazardous wastes through its authorized waste management vendor. Hazardous wastes include e-waste, oils from DG Sets, etc. which are all provided to authorized waste management vendors wherein the vendor recycles, reuses and disposes the waste. A certificate is also obtained from vendors to ensure proper management of hazardous waste.

10. If the entity has operations/offices in/around ecologically sensitive areas (such as national parks, wildlife sanctuaries, biosphere reserves, wetlands, biodiversity hotspots, forests, coastal regulation zones etc.) where environmental approvals / clearances are required, please specify details in the following format:

S. No.	Location	Type of operations	Whether the conditions of environmental approval / clearance are being complied with? (Y/N) If no, the reasons thereof and corrective action taken, if any.
No approvals were required considering no operations are conducted in ecologically sensitive areas			

11. Details of environmental impact assessments of projects undertaken by the entity based on applicable laws, in the current financial year:

Name and brief details of project	EIA Notification No.	Date	Whether conducted by independent external agency (Yes / No)	Results communicated in public domain (Yes / No)	Relevant Web link
Has not undertaken					

12. Is the entity compliant with the applicable environmental law/ regulations/ guidelines in India, such as the Water (Prevention and Control of Pollution) Act, Air (Prevention and Control of Pollution) Act, Environment protection act and rules thereunder (Y/N). If not, provide details of all such non-compliances, in the following format:

Yes, NLSL is compliant with all Water, Air and Environment Protection and Control Acts. No non-compliances have been recorded against NLSL.

## BUSINESS RESPONSIBILITY AND SUSTAINABILITY REPORT (Contd.)

### Leadership Indicators

1. Provide break-up of the total energy consumed (in Joules or multiples) from renewable and non-renewable sources, in the following format:

Parameter	Unit	FY 2022 - 23	FY 2021 - 22
<b>From renewable sources</b>			
Total electricity consumption (A)	GJ	188.43	192.03
Total fuel consumption (B)	GJ	NIL	NIL
Energy consumption through other sources (C)	GJ	NIL	NIL
<b>Total energy consumed from renewable sources (A+B+C)</b>	<b>GJ</b>	<b>188.43</b>	<b>192.03</b>
<b>From non-renewable sources</b>			
Total electricity consumption (D)	GJ	3,749.26	4,000.16
Total fuel consumption (E)	GJ	0.00045	0.00014
Energy consumption through other sources (F)	GJ	NIL	NIL
<b>Total energy consumed from non-renewable sources (D+E+F)</b>	<b>GJ</b>	<b>3,749.26</b>	<b>4,000.16</b>

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency No

2. Provide the following details related to water discharged :

Parameter	FY 2022 - 23	FY 2021 - 22
<b>Water discharge by destination and level of treatment (in kiloliters)</b>		
(i) To Surface water	NIL	NIL
- No treatment	NIL	NIL
- With treatment – please specify level of treatment	NIL	NIL
(ii) To Groundwater	6628	2500
- No treatment	NIL	NIL
- With treatment – please specify level of treatment	NLSL has sewage treatment plant Installed through which sewage water is recycled and used it in Horticulture.	
(iii) Third party water	NIL	NIL
- No treatment	NIL	NIL
- With treatment – please specify level of treatment	NIL	NIL
(iv) To Seawater	NA	NA
- No treatment	NA	NA
- With treatment – please specify level of treatment	NA	NA
(v) Sent to third-parties	NIL	NIL
- No treatment	NIL	NIL
- With treatment – please specify level of treatment	NIL	NIL
(vi) Others	NIL	NIL
- No treatment	NIL	NIL
- With treatment – please specify level of treatment	NIL	NIL
Total water discharged (in kiloliters)	0	0

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency. No

## BUSINESS RESPONSIBILITY AND SUSTAINABILITY REPORT (Contd.)

### 3. Water withdrawal, consumption and discharge in areas of water stress (in kiloliters):

For each facility / plant located in areas of water stress, provide the following information: Water withdrawal, consumption and discharge in the following format:

Parameter	FY 2022 - 23	FY 2021 - 22
<b>Water withdrawal by source (in kiloliters)</b>		
(i) Surface water	Not Applicable as NLSL does not withdraw water from any water stress areas	
(ii) Groundwater		
(iii) Third party water		
(iv) Seawater / desalinated water		
(v) Others		
<b>Total volume of water withdrawal (in kilolitres)</b>		
<b>Total volume of water consumption (in kilolitres)</b>		
<b>Water intensity per rupee of turnover</b> (Water consumed / turnover)		
<b>Water intensity</b> (optional) – the relevant metric may be selected by the entity		
<b>Water discharge by destination and level of treatment (in kilolitres)</b>		
(i) Into Surface water	Not Applicable as NLSL does not withdraw water from any water stress areas	
- No treatment		
- With treatment – please specify level of treatment		
(ii) Into Groundwater		
- No treatment		
- With treatment – please specify level of treatment		
(iii) Into Seawater		
- No treatment		
- With treatment – please specify level of treatment		
(iv) Sent to third-parties		
- No treatment		
- With treatment – please specify level of treatment		
(v) Others		
- No treatment		
- With treatment – please specify level of treatment		
<b>Total water discharged (in kilolitres)</b>		

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency. NA

### 4. Please provide details of total Scope 3 emissions & its intensity, in the following format:

Parameter	Unit	FY 2022 - 23	FY 2021 - 22
Total Scope 3 emissions (Break-up of the GHG into CO <sub>2</sub> , CH <sub>4</sub> , N <sub>2</sub> O, HFCs, FCs, SF <sub>6</sub> , NF <sub>3</sub> , if available)	Metric tonnes of CO <sub>2</sub>	1881.08	Did not monitor
Total Scope 3 emissions per rupee of turnover	Grams of CO <sub>2</sub> / INR	0.46	Did not monitor

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency. No

### 5. With respect to the ecologically sensitive areas reported at Question 10 of Essential Indicators above, provide details of significant direct & indirect impact of the entity on biodiversity in such areas along-with prevention and remediation activities.

No significant direct or indirect impact of the entity on biodiversity hence no prevention or remediation activities required.

### 6. If the entity has undertaken any specific initiatives or used innovative technology or solutions to improve resource efficiency, or reduce impact due to emissions / effluent discharge / waste generated, please provide details of the same as well as outcome of such initiatives, as per the following format:

No such initiatives have been undertaken by NIIT. However, NLSL follows best practices with selection of technology, managing waste as per industry standards. Further NLSL shall consider exploring innovative solutions to improve resource efficiency, reduce impact due to emissions and waste generated.

## BUSINESS RESPONSIBILITY AND SUSTAINABILITY REPORT (Contd.)

**7. Does the entity have a business continuity and disaster management plan? Give details in 100 words/ web link.**

NLSL has a strong Business Continuity Management System (BCMS) committed to implement Business Continuity Management in accordance with ISO 22301:2019. NLSLs Business Continuity Plan (BCP) identifies Emergency Response Team (ERT), Incident Response Team (IRT), Functional Response Team (FRT) and Damage Assessment Recovery Team (DART) specific action tasks needed to be taken during an incident.

NLSL has an alternate recovery site in a secured environment with adequate infrastructure, technology, system, and resources required for recovery in place.

**8. Disclose any significant adverse impact to the environment, arising from the value chain of the entity. What mitigation or adaptation measures have been taken by the entity in this regard?**

NLSL consistently monitors its impact on the environment, however, except for the above-mentioned environmental indicators on consumption, among other metrics. For its value chain partners, NLSL selects value chain partners having ethical practices as criteria but does not monitor its value chain for any such activities.

**9. Percentage of value chain partners (by the value of business done with such partners) that were assessed for environmental impacts.**

Do not record.

**Principle 7: Businesses when engaging in influencing public and regulatory bodies, should do so in a transparent and responsible manner**

**Essential Indicators**

**1. a. Number of affiliations with trade and industry chambers/ associations**

NIIT Group has affiliations with five industry chambers/associations.

**b. List the top 10 trade and industry chambers/ associations (determined based on the total members of such body) the entity is a member of/ affiliated to.**

S. No.	Name of the trade and industry chambers/ associations	Reach of trade and industry chambers/ associations (State/National)
1	National Association of Software and Service Companies (NASSCOM)	National
2	Confederation of Indian Industries (CII)	National
3	IT-ITeS Sector Skills Council, NASSCOM	National
4	Federation of Indian Chambers of Commerce & Industry (FICCI)	National
5	PHD Chamber of Commerce and Industry (PHDCCI)	National

**2. Provide details of corrective action taken or underway on any issues related to anti-competitive conduct by the entity, based on adverse orders from regulatory authorities.**

Name of Authority	Brief of the Case	Corrective Action Taken
NIL	NIL	NIL

**Leadership Indicators**

**1. Details of public policy positions advocated by the entity**

S. No.	Policy advocated	Method for such advocacy	Whether information is in public domain (Y/N)	Frequency of Review by Board (Annually/ Half yearly/ Quarterly / Others – please specify)	Web Link if Available
1	Membership with industry body	The Company works with apex industry institutions that are engaged in policy advocacy, like the National Association of Software and Service Companies (NASSCOM), Confederation of Indian Industries (CII), IT-ITeS Sector Skills Council, NASSCOM, and various other forums including regional Chambers of Commerce. The Company's engagement with the relevant authorities is guided by the values of commitment, integrity, transparency and taking into consideration interests of all stakeholders.	Yes	As and when required	Yes

## BUSINESS RESPONSIBILITY AND SUSTAINABILITY REPORT (Contd.)

S. No.	Policy advocated	Method for such advocacy	Whether information is in public domain (Y/N)	Frequency of Review by Board (Annually/ Half yearly/ Quarterly / Others – please specify)	Web Link if Available
2	Sector-wise matters taken having national priorities.	Mr. Rajendra S Pawar (Non-Executive Chairman of NLSL Ltd) currently as Vice Chairman of NCARE (National Council of Applied Economic Research) governing body and is director in Data Security council of India, actively involves in advocating policies of data security and AI impact on economic development of the country.  Mr. Vijay K Thadani (Vice Chairman and MD NLSL Ltd) currently serves on the Governing Council of All India Management Association (AIMA), is a member of Board of Governors of Management & Entrepreneurship and Professional Skills Council (MEPSC) and co-chairs the CII Centre for Digital Transformation. He actively takes part in the digital transformation initiative of the government as part of the council.	Yes	As and when required	Yes
3	Platform for Environmental awareness at global level	NLSL has been chosen as a delivery partner of the InnoEnergy Skills Institute, providing services including onboarding, learning journey creation, and training of teaching staff.  InnoEnergy Skills Institute is an evolution of EIT InnoEnergy's highly successful European Battery Alliance (EBA) Academy, expanding to also include green hydrogen and solar photovoltaics (PV) value chains. Together this partnership will bring agile, modular approach to training with adaptable, customizable courses and programs that meet specific needs, regardless of location, size, or technology. Greater numbers benefitting from industry-leading training is a vital step in equipping the global workforce with the knowledge and expertise needed to decarbonize the energy economy.	Yes	Quarterly business presentation	Yes

### Principle 8: All Businesses should promote inclusive growth and equitable development.

#### Essential Indicators

1. Details of Social Impact Assessments (SIA) of projects undertaken by the entity based on applicable laws, in the current financial year.

Name and brief of project	SIA Notification No.	Date of notification	Whether conducted by independent external agency (Y/N)	Results communicated in public domain (Y/N)	Relevant Web Link
NIL					

2. Provide information on project(s) for which ongoing Rehabilitation and Resettlement (R&R) is being undertaken by your entity, in the following format:

S. No.	Name of project for which R&R is ongoing	Date of notification	State	District	No. of Project Affected Families	% PAFs covered by R&R	Amount paid to PAFs
Not Applicable							

3. Describe the mechanisms to receive grievances of the local community

NIIIT Group conducts regular discussions and focused group sessions with the communities it impacts through CSR initiatives.

4. Percentage of inputs directly sourced from MSMEs / small producer

	FY 2022-23 Current financial year	FY 2021-22 Previous financial year
Directly sourced from MSMEs/Small Producers	10.69%	25.00%
Sourced directly from within the district and neighboring districts	This shall be monitored in future	



## BUSINESS RESPONSIBILITY AND SUSTAINABILITY REPORT (Contd.)

### Leadership Indicators

- Provide details of actions taken to mitigate any negative social impacts identified in the Social Impact Assessments (Reference: Question 1 of Essential Indicators above):

Details of negative social impact identified	Corrective action taken
NIL	NA

- Provide the following information on CSR projects undertaken by your entity in designated aspirational districts as identified by government bodies.

NIIT Foundation (<https://niitfoundation.org>) is a not-for-profit entity which partners with other organizations and corporates through which it focuses on driving projects in aspirational districts. These projects are run with the objective to provide mass awareness, skill development and improve employability in order to create better sustenance for the lives we impact. NIIT Foundation is a registered CSR implementation agency.

State	Aspirational District	Amount In (K)
Andhra pradesh	Vizianagaram	181
Assam	Udalguri	348
Gujarat	Morbi	227
Maharashtra	Nandurbar	236
West bengal	Birbhum	156
Bihar	Aurangabad, Banka, Begusarai, Jamui, Muzaffarpur, Purnia & Sheikhpura	4,868
Chhattisgarh	Bastar, Korba & Mahasamund	703
Jharkhand	Bokaro, Gumla, Khunti & Ranchi	1,705
Odisha	Balangir, Dhenkanal, Gajapati, Kalahandi, Koraput & Rayagada	2,380
<b>Total</b>		<b>10,804</b>

- Procurement policy where you give preference to purchase from suppliers comprising marginalized / vulnerable groups? (Yes/No) Shall start monitoring in future.
  - From which marginalized /vulnerable groups do you procure? Not Applicable
  - What percentage of total procurement (by value) does it constitute? Not Applicable
- Details of the benefits derived and shared from the intellectual properties owned or acquired by your entity (in the current financial year), based on traditional knowledge

S. No.	Intellectual Property based on traditional knowledge	Owned/Acquired (Yes or No)	Benefit shared (Yes or No)	Basis of calculating benefit share
	No benefits derived or shared from intellectual properties owned or acquired based on traditional knowledge			

- Details of corrective actions taken or underway, based on any adverse order in intellectual property related disputes wherein usage of traditional knowledge is involved.

Name of authority	Brief of the authority	Corrective Action Taken
Not Applicable		

- Details of CSR projects.

In FY23, NIIT Foundation enrolled 58097 of participants for their short and medium term program in digital awareness, data entry, software development training etc. in urban and rural area for the under served communities. For the students who pursued the career programs job offers for 15682 were received i.e. approximately 100 working per day.

### Principle 9: Business should engage with and provide value to their customers in a responsible manner

#### Essential Indicators

- Describe the mechanisms in place to receive and respond to consumer complaints and feedback.  
NLSL has a Data Subject Request Portal in place where a consumer can exercise their privacy rights. The link is provided here <https://www.NIIT.com/DSR/index.html>.
- Turnover of products and/ services as a percentage of turnover from all products/service that carry information about:

	As a percentage to total turnover
Environmental and social parameters relevant to the product	No services carry such information hence turnover as a percentage is not applicable
Safe and responsible usage	
Recycling and/or safe disposal	

## BUSINESS RESPONSIBILITY AND SUSTAINABILITY REPORT (Contd.)

### 3. Number of consumer complaints in respect of the following:

	FY 2022- 23			FY 2021-22		Remarks
	Received during the year	Pending resolution at end of year	Remarks	Received during the year	Pending resolution at end of year	
Data privacy	1	1		0	0	-
Advertising	0	0	-	0	0	-
Cyber-security	0	0	-	0	0	-
Delivery of essential services	0	0	-	0	0	-
Restrictive Trade Practices	0	0	-	0	0	-
Unfair Trade Practices	0	0	-	0	0	-
Other	0	0	-	0	0	-

### 4. Details of instances of product recalls on account of safety issues

	Number	Reasons for recall
Voluntary recalls	Not material to business	Not material to business
Forced recalls	Not material to business	Not material to business

### 5. Does the entity have a framework/policy on cyber security and risks related to data privacy? (Yes/No) If available, provide a web-link of the policy.

Yes, NLSL has a framework/policy on cyber security and risks related to data privacy. The web link of the policy is: <https://www.niit.com/en/learning-outsourcing/privacy-policy>

### 6. Provide details of any corrective actions taken or underway on issues relating to advertising, and delivery of essential services; cyber security and data privacy of customers; re-occurrence of instances of product recalls; penalty / action taken by regulatory authorities on safety of products / services. No such complaint received, or action taken against the company.

#### Leadership Indicators

- Channels / platforms where information on products and services of the entity can be accessed (provide web link, if available)** All of NLSL's services are available on [www.niitmts.com](http://www.niitmts.com)
- Steps taken to inform and educate consumers about safe and responsible usage of products and/or services.** NLSL engages with each customer through transparent contracting process before any service commitment is made. All the disclosures pertaining to the usage of products including services and its inclusions are provided to all customers as a prerequisite.
- Mechanisms in place to inform consumers of any risk of disruption/discontinuation of essential services.** NLSL agrees with service level agreements for uptime with each of its customer in its contract wherein mechanism to intimate the customer for any disruption is also provided. All measures to report any disruptions and discontinuations are also provided via full disclosure to NLSL's customers.
- Does the entity display product information on the product over and above what is mandated as per local laws? (Yes/No/Not Applicable) If yes, provide details in brief. Did your entity carry out any survey with regards to consumer satisfaction relating to the major products / services of the entity, significant locations of operation of the entity or the entity as a whole? (Yes/No).** Yes, NLSL displays all information regarding its education delivery programs, in compliance with the regulatory requirements. NLSL also upholds transparency when providing information around all its services. For more details, refer to our website [www.niitmts.com](http://www.niitmts.com). Yes NLSL carries customer satisfaction survey relating to major products and services.
- Provide the following information relating to data breaches:**
  - Number of instances of data breaches along-with impact.** 01 incidents of low level severity with no impact of individual data being compromised.
  - Percentage of data breaches involving personally identifiable information of customers.** NIL



MANAGED  
TRAINING  
SERVICES

# **CORPORATE GOVERNANCE REPORT**

NIIT Learning Systems Limited

## CORPORATE GOVERNANCE REPORT

### COMPANY'S PHILOSOPHY ON CORPORATE GOVERNANCE

The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (the 'Listing Regulations') shall become applicable to the Company after listing of shares pursuant to the Scheme, i.e. the date when the equity shares of the Company get listed on BSE Limited ('BSE') and National Stock Exchange of India Limited ('NSE').

During FY23, the Company was unlisted wholly owned subsidiary of a public limited company. Therefore, various provisions of the Companies Act, 2013 viz; related to Independent Directors, Committee etc. were not applicable to the Company. In addition, Listing Regulations were also not applicable to the Company. This Section along with the Section on Management Discussion & Analysis, provides report on the Company's compliance with Schedule V of Listing Regulations, voluntarily as a good governance.

Your Company's philosophy on Corporate Governance is aimed at maximizing the stakeholders' interests and corporate goals through the efficient conduct of its business and meeting obligations in a manner that is guided by transparency, accountability and integrity. We consider stakeholders as partners in our success and are committed to maximizing stakeholders' value, be it shareholders, employees, customers, vendors, governments or the community at large. We believe that following global practices, transparent disclosures and empowerment of stakeholders are as necessary as delivering solid financial results, for creating and sustaining value for shareholders and meeting expectations of customers and society.

NLSL's Corporate Governance system provides a fundamental framework to execute its business in line with business ethics. NLSL shall not only adheres to the prescribed Corporate Governance Practices as per the Securities and

Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, ("Listing Regulations") but is also committed to sound Corporate Governance principles and practices. Your Company shall take proactive approach and revisit its governance practices from time to time so as to meet business and regulatory needs. The Company has ensured stability in a dynamic environment and in challenging times.

### Composition of Board

Your Company is managed and guided by a professional Board comprising Executive, Non-Executive and Independent Directors. As on March 31, 2023, the Board of Directors of the Company ("the Board") comprised four Non-Executive Directors out of which one was Woman Director.

As on the date of Corporate Governance Report, the Board of Directors of the Company ("the Board") comprises seven Directors out of which three are Independent Directors. The Board has two women directors including one independent woman director. The Company shall appoint one more Independent Director. The Board has diversity in terms of age, expertise, domain experience, gender etc. The composition of the Board of Directors shall be in conformity with the provisions under Regulation 17 of Listing Regulations and the Companies Act, 2013 ("the Act"). The Directors are eminent persons with professional expertise and experience. The Independent Directors of the Company meet all the criteria mandated by the Listing Regulations and Section 149 of the Act. A Brief Profile of each director is available at <https://www.niit.com/en/learning-outsourcing/about-niit/board-of-directors>

The details of the Directors on the Board of the Company including their attendance in Board Meetings and in the last Annual General Meeting ("AGM"), the number of other Boards and Board's Committees they are involved in, are presented below:

Name of Director (DIN)	Designation	Category	Attendance Particulars			No. of Directorships in other Indian Companies*	No. of Memberships/ Chairpersonships in other Board's Committees**	
			No. of Board Meetings under tenure (FY 23)		Last AGM under tenure		Member	Chairperson
			Held	Attended				
Mr. Rajendra Singh Pawar (00042516)	Chairman	Promoter & Non-Executive Director	-	-	-	1	-	-
Mr. Vijay Kumar Thadani (00042527)	Vice Chairman & Managing Director	Promoter & Executive Director	8	8	Yes	3	2	-
Mr. Sapnesh Kumar Lalla (06808242)	Executive Director & Chief Executive Officer	Executive Director	8	8	Yes	2	-	-
Mr. Ravinder Singh (08398231)	Director	Independent Director	-	-	-	1	1	-
Ms. Sangita Singh (07694463)	Director	Independent Director	-	-	-	-	-	-

## CORPORATE GOVERNANCE REPORT (Contd..)

Name of Director (DIN)	Designation	Category	Attendance Particulars			No. of Directorships in other Indian Companies*	No. of Memberships/ Chairpersonships in other Board's Committees**	
			No. of Board Meetings under tenure (FY 23)		Last AGM under tenure		Member	Chairperson
			Held	Attended				
Mr. Ravindra Babu Garikipati (00984163)	Director	Independent Director	-	-	-	3	1	-
Ms. Leher Vijay Thadani (03477205)	Director	Non-Executive / Non-Independent Director	-	-	-	-	-	-
Mr. Parappil Rajendran (00042531)	Director	Non-Executive/Non-Independent Director	8	8	Yes	3	-	-
Ms. Mita Brahma (02060845)	Director	Non-Executive/Non-Independent Director	8	7	Yes	-	-	-

\*Directorships do not include private companies, deemed public companies, companies incorporated under Section 8 of the Act and company under voluntary liquidation; information updated as on the date of this report

\*\*Board's Committee for this purpose includes only Audit Committee and Stakeholders' Relationship Committee of public limited companies incorporated in India; information updated as on the date of this report

Note :

- Mr. Ravinder Singh and Ms. Sangita Singh were appointed as Non-Executive/ Independent Director on the Board w.e.f. May 20, 2023
- Mr. Rajendra Singh Pawar, was appointed as Non-executive and Non-Independent Director and Chairman of the Company w.e.f. May 24, 2023
- Mr. Vijay Kumar Thadani, was redesignated as Vice Chairman & Managing Director of the Company w.e.f. May 24, 2023
- Mr. Sapnesh Kumar Lalla, was redesignated as Executive Director & Chief Executive Officer of the Company w.e.f. May 24, 2023
- Mr. Ravindra Babu Garikipati was appointed as Non-Executive/ Independent Director on the Board w.e.f. May 24, 2023
- Ms. Leher Vijay Thadani was appointed as Non-Executive/ Non Independent Director on the Board w.e.f. May 24, 2023
- Mr. Parappil Rajendran and Ms. Mita Brahma, ceased to be directors of the Company w.e.f. May 24, 2023.

Pursuant to Part C of Schedule V of the Listing Regulations, detail of Directors' directorship in other listed entities and category of directorship as on the date of this report, is mentioned below:

S. No.	Name of Director	Name of the Company	Category of Directorship
1	Mr. Rajendra Singh Pawar	NIIT Limited	Executive Chairman
2	Mr. Vijay Kumar Thadani	NIIT Limited	Vice Chairman & Managing Director
		Triveni Turbine Limited	Independent Director
3	Mr. Sapnesh Kumar Lalla	NIIT Limited	Non-Executive/Non-Independent Director
4	Mr. Ravinder Singh	-	-
5	Ms. Sangita Singh	-	-
6	Mr. Ravindra Babu Garikipati	NIIT Limited	Independent Director
		5Paisa Capital Limited	Independent Director
7	Ms. Leher Vijay Thadani	-	-

The Board's role, functions, responsibilities and accountability are clearly defined. The Board is provided with all requisite information as required for effective discharge of its duties and informed decision making, including information as required under the Listing Regulations and the Act. In addition to its primary role of monitoring corporate performance, the function of the Board, inter alia, include:

- Articulating the corporate philosophy and mission;
- Formulating strategic plans;
- Reviewing and approving financial plans and budgets;
- Monitoring corporate performance against strategic plans including overseeing operations;
- Ensuring ethical behaviour and compliance with laws and regulations;
- Reviewing and approving borrowing/lending, investment limits and exposure limits etc.;
- Keeping Shareholders informed about plans, strategies and performance; and
- Maximizing stakeholders' value.

## CORPORATE GOVERNANCE REPORT (Contd..)

### CERTIFICATE FROM COMPANY SECRETARY IN PRACTICE

None of the directors on the board of the company have been debarred or disqualified from being appointed or continuing as directors of companies by the Board/Ministry of Corporate Affairs or any such statutory authority.

The provision of Listing Regulations regarding obtaining a Certificate from a company secretary in practice in respect of the above, was not applicable to the Company for Financial Year 2022-23.

### BOARD MEETINGS

During FY23, eight (8) Board meetings were held (May 14, 2022, June 22, 2022, July 22, 2022, September 30, 2022, October 21, 2022, November 04, 2022, January 27, 2023, and March 27, 2023) and gap between two meetings did not exceed one hundred and twenty (120) days. The requisite quorum was present in all the meetings.

The Company holds at least four Board Meetings in a year, within a maximum time gap of one hundred and twenty (120) days between two meetings, inter alia, to review the Financial Results. Besides these, additional Board Meetings are convened as per business needs of the Company. Urgent matters are also approved by the Board by passing resolution(s) through circulation, if required. All Directors on the Board are free to suggest any item for inclusion in the agenda for consideration of the Board.

Details on composition of the Committees as on the date of the Report is as mentioned below :

Name of the Director	Category of Directorship	Audit Committee	Nomination and Remuneration Committee	Stakeholders' Relationship Committee	Corporate Social Responsibility Committee	Risk Management Committee*
Mr. Rajendra Singh Pawar	Non-Executive	-	Member	-	Member	-
Mr. Vijay Kumar Thadani	Executive	Member	-	Member	Member	Member
Mr. Sapnesh Kumar Lalla	Executive	-	-	-	-	Member
Mr. Ravinder Singh	Independent	Chairperson	Chairperson	Member	Chairperson	Chairperson
Ms. Sangita Singh	Independent	Member	Member	-	-	-
Mr. Ravindra Babu Garikipati	Independent	Member	Member	Chairperson	Member	-
Ms. Leher Vijay Thadani	Non-Executive	-	-	Member	-	-

\* Mr. Sanjay Mal – CFO and Mr. Jaydip Gupta – Head Internal Audit are also members of Risk Management Committee.

In addition, as on the date of the Report, there are following Committees amongst others, for efficient and quick decision-making on the affairs of the Company:

- The Operations Committee, to approve the opening/closing of bank accounts, modification in operation of bank accounts, grant of power of attorney/authorization and such other operational matters.
- The Share Allotment Committee, to approve allotments, splits, consolidations, dematerialisations, rematerialisations and issue of new and duplicate share certificates.
- The Borrowing Committee, to approve the borrowing upto prescribed limits on behalf of the Company.

The directors participated in the meetings of the Board and Committees held during FY 2022-23 through physical/video conferencing/ other audio-visual means. The meetings and agenda items taken up during the meetings complied with the applicable provisions of the Act read with various circulars issued by MCA from time to time. The Board was provided with all relevant information required for its consideration and conduct of business, as applicable.

### SEPARATE MEETING OF INDEPENDENT DIRECTORS

There was no Independent Director during FY23 as the Company was not required to appoint, being wholly owned subsidiary of a public limited company.

### BOARD'S COMMITTEES

The provisions of the Act and Listing Regulations for constituting Committees were not applicable for FY 23.

After closure of financial year, the Board has constituted following Committees in accordance with the requirements of applicable provisions of the Act and Listing Regulations:

- Audit Committee
- Nomination and Remuneration Committee
- Stakeholders' Relationship Committee
- Corporate Social Responsibility Committee
- Risk Management Committee

These Committees also deal with any other matter, as may be assigned by the Board from time to time. Further, the Board may also constitute any other committee for specific purpose, as and when required. The Company Secretary acts as Secretary to these Committees.

### Audit Committee

After closure of FY23, the Company has constituted a qualified and Independent Audit Committee in accordance with Regulation 18 of Listing Regulations and Section 177 of the Act and other applicable provisions thereto. More than two-third of the members of the Committee are Independent Directors and each member has rich experience in the financial matters. Statutory Auditors, Internal Auditors and Senior Management Personnel of the Company also attend

## CORPORATE GOVERNANCE REPORT (Contd..)

the meetings by invitation. The recommendations of the Audit Committee are placed before the Board for its consideration and approval as applicable.

The Committee also oversees vigil mechanism, as required by the provisions of the Act and Listing Regulations. Further, the Audit Committee considers such other matters as may be referred by the Board or required under the Act/ Listing Regulations and other applicable provisions for the time being in force.

The Audit Committee has been/shall be provided with all relevant information required for its consideration and conduct of business including those mentioned in Part C of Schedule II of Listing Regulations, as applicable.

### **Nomination and Remuneration Committee**

After closure of FY23, the Company has constituted a Nomination and Remuneration Committee ("the Committee"/"NRC") in accordance with Regulation 19 of Listing Regulations and Section 178 of the Act and other applicable provisions. The Committee is constituted to identify persons who are qualified to become directors or who may be appointed in senior management and succession planning and to formulate the criteria for determining qualifications, positive attributes and independence of a director and recommend to the Board a policy, relating to the remuneration for the directors, senior management personnel (including key managerial personnel) and other employees and to determine the manner for effective evaluation of performance of Board, its committees and individual directors to be carried out and to review its implementation and compliance. The Committee is also entrusted to frame policies and systems for Employees Stock Option Plans and to formulate and administer the Company's Employees Stock Option Plans from time to time.

The charter of the Committee is in compliance of the Listing Regulations and the Act.

### **Nomination and Remuneration Policy**

After closure of FY23, the Company has adopted Nomination and Remuneration Policy. Nomination and Remuneration Committee has powers to determine and recommend to the Board, the amount of remuneration, including performance-linked bonus and perquisites, payable to Directors, Senior Management Personnel (including key managerial personnel) and other employees.

The recommendations of the Committee are based on the evaluation of the performance and other criteria, as laid down and as per the Company's Rules/Policies. In terms of guidelines, the Company ensures that remuneration payable to Managing Director and Whole-time Directors by way of salary including other allowances and monetary value of perquisites are within the overall limit as specified under the Act and approved by shareholders. Nomination and Remuneration policy of the Company is aimed to reward performance, based on review of achievements on a regular basis. The Policy is available on the website of

the Company and can be accessed through <https://info.niit.com/hubfs/section46-of-the-lodr/code-of-conduct-policies/Nomination%20and%20Remuneration%20Policy.pdf>

The Committee also consider the sitting fee and remuneration payable to non-executive directors of the Company.

### **Performance Evaluation**

The Board had completed its evaluation as per the requirement of Companies Act 2013, as stated in the Board's Report.

The Directors expressed their satisfaction with the evaluation process. The Board was satisfied with the professional expertise and knowledge of each of its Directors. All the Directors effectively contributed to the decision making process by the Board.

Further, the Company shall have the criteria for performance evaluation, which shall cover the areas relevant to the functioning as Independent Directors such as preparation, participation, conduct and effectiveness. A separate exercise shall be carried out to evaluate the performance of the Committees and individual Directors including the Chairman of the Board, who shall be evaluated on parameters such as level of engagement and contribution, effective participation in Board/Committee Meetings, independence of judgement, safeguarding the interest of the Company and its minority shareholders, providing expert advice to Board. The performance evaluation of Independent Directors shall be done by the entire Board of Directors. The performance evaluation of Chairman and Non-Independent Directors shall be carried out by the Independent Directors.

Following is the list of core skills/ expertise/ competencies identified by the Board of Directors as required in the context of the Company's business and sector for it to function effectively (Table A) and those actually available with the Board (Table B) :

**Table A**

S. No.	Skills	Description
1	Leadership	Leadership experience in enterprises, in positions such as MD, CXO - setting goals and with understanding of leading change, practical management of people, products, strategy and industry networking.
2	Board experience & governance oversight in public companies	Experience in working on boards of listed public companies, involved in governance, leading board committees, addressing shareholder concerns
3	Financial	Proficiency in understanding financial reporting, making capital allocation decisions, challenging and help optimise complex financial transactions, help to ensure long-term financial health of the company.

## CORPORATE GOVERNANCE REPORT (Contd..)

S. No.	Skills	Description	S. No.	Skills	Description
4	Global business	The company's robust growth is dependent on its business in markets outside India - which contributes over 70% of its business and most of its profits. The board shall be competent in governing a structure involving international company entities.	7	Innovation & entrepreneurship	With the continuous rapid changes in technology and customer behaviour, the company needs to be constantly striving for new products/services to be introduced into markets. The ability for innovation and demonstrating a culture of entrepreneurship is necessary right from the board level.
5	Technology/Talent development industry experience	The company is primarily in the technology business with learning and workforce talent enhancement as main focus areas.	8	M & A	Board needs to have the competence for advising the management on M&A opportunities brought in by them for inorganic growth of the company at a global level.
6	Sales, Marketing & customer service	With the mix of businesses addressed by the company and in the face of competition from global entities, proficiency in sales & marketing directed to enterprises & consumers is an imperative for the board.	9	Legal, risk & compliance Management	With risks of doing in the environment increasing and the statutory compliance needs getting tighter worldwide, board needs to be proficient in directing checks & balances, internal controls, compliances and audit mechanisms.

**Table B**

In the table below, specific areas of focus or expertise of individual Board members have been highlighted. However, the absence of a mark against the member's name does not necessarily mean the members does not possess the corresponding qualification or skill.

Areas of Expertise	Key Board Qualification Name of the Board Members							
	R S Pawar	V K Thadani	Sapnesh Kumar Lalla	Ravinder Singh	Sangita Singh	Ravindra Babu Garikipati	Leher Vijay Thadani	
Leadership	√	√	√	√	√	√		
Board experience & governance oversight in public companies	√	√		√		√		
Financial	√	√	√	√	√	√	√	
Global business	√	√	√	√	√	√	√	
Technology/Talent development industry experience	√	√	√		√	√	√	
Sales, Marketing & customer service	√	√	√	√	√	√	√	
Innovation & Entrepreneurship	√	√	√	√	√	√	√	
M & A	√	√	√			√		
Legal, risk & compliance Management	√	√		√	√	√	√	

### **Stakeholders' Relationship Committee**

After closure of FY23, the Company has constituted a Stakeholders' Relationship Committee in accordance with Regulation 20 of Listing Regulations and Section 178 of the Act.

The Committee was constituted to specifically look into various aspects of interest of shareholders and thus strengthen their relationship with the Company. The charter of Stakeholders' Relationship Committee of the Company is in compliance of the Listing Regulations and the Act.

### **Corporate Social Responsibility (CSR) Committee**

The provisions of Section 135 of the Act regarding constitution of Corporate Social Responsibility Committee were not applicable for FY 23.

After closure of FY23, and in compliance with the requirement of Section 135 of the Act read with the Companies (Corporate Social Responsibility) Rules, 2014, as amended from time to time, the Company has constituted a Corporate Social Responsibility Committee (CSR Committee). Mandate of CSR Committee is in compliance with the provisions of the Act and rules thereto. The CSR Policy of the Company has been formulated and approved by the Board of Directors.

### **Risk Management Committee (RMC)**

After closure of FY23, and in compliance with the requirement of Regulation 21 of Listing Regulations, as amended from time to time, the Company has constituted Risk Management Committee (RMC), voluntarily. Mandate of RMC is in compliance with the provisions of Listing Regulations.



## CORPORATE GOVERNANCE REPORT (Contd..)

Terms of reference of Risk Management Committee, are pursuant to Regulation 21 read with Part D of Schedule II of Listing Regulations.

### REMUNERATION TO DIRECTORS

There was no Executive Director in the Company during FY23. Further, no remuneration/ sitting fee was paid to the non-executive directors of the Company during FY23.

The non-executive directors play an important role in the governance of the Company and in advising the Board in critical domains like finance, marketing, remuneration, planning and legal matters. Non-executive directors do not have any pecuniary relationship or transactions with the Company. The non-executive directors shall be paid sitting fees for attending the meetings of the Board, Audit Committee, Nomination and Remuneration Committee, Stakeholders' Relationship Committee and Risk Management Committee. The Company may pay profit based commission and/or other remuneration to non-executive directors (including independent directors) from time to time within the limits approved by the members in compliance with the applicable provisions of the Act, as may be determined by the Board from time to time.

Detail of shareholding of non-executive directors in the Company as on the date of this Report, is given hereunder:

- Mr. Rajendra Singh Pawar held 155,000 equity shares as first holder with spouse, 427,326 equity shares as second holder with spouse and 2,527 equity shares as Karta of HUF. 22,445,644 equity shares are held by Mr. Rajendra Singh Pawar as trustee of Pawar Family Trust.
- Mr. Ravinder Singh held 432 equity shares as first holder with spouse and 198 equity shares as second holder with spouse.
- No other non-executive director held any equity share in the Company.
- No Stock Option was granted to non-executive directors

### Appointment/Re-appointment of Directors

As per the provisions of Section 152 of the Act, Mr. Sapnesh Kumar Lalla (DIN: 06808242) retires by rotation at the forthcoming AGM of the Company, who being eligible, has offered himself for reappointment. The relevant details are provided in the AGM Notice.

Details of other changes in the Board during the FY23 and as on the date of this report, are provided in the Board's Report and in this report hereinbefore.

The Company has received declarations from all the Independent Directors confirming that they meet the criteria of Independence as prescribed under the Act and Listing Regulations.

Further, in the opinion of the Board and on the basis of declaration of Independence provided by the Independent Directors, they all fulfil the conditions specified in the Act and Rules made thereunder read with applicable regulations of Listing Regulations, for their appointment as Independent Directors of the Company and are independent of the management.

### CODE OF CONDUCT

After closure of FY23, and in accordance to the provisions of Regulation 17(5) of Listing Regulations, the Board has laid down a Code of Conduct for all directors and senior management personnel of the Company. The Code of Conduct is available on the Company's website <https://info.niit.com/hubfs/section46-of-the-lodr/code-of-conduct-policies/Code%20of%20Conduct.pdf>

### PROGRAM FOR INDEPENDENT DIRECTORS

The Independent Directors of the Company are made aware of their roles and responsibilities at the time of their appointment, through a formal letter of appointment outlining his/her role, function, duties and responsibilities as a director. The terms and conditions of the appointment are also placed on the website of the Company. All efforts are made to ensure that they are fully aware of the current state of affairs of the Company and the industry in which it operates. The Company shall extend all support and assistance required in order to facilitate the independent directors to meet /interact with the business heads/ members of the senior management team as and when desired by them. Presentations are/shall be made at the meetings of the Board of Directors, the Audit Committee, the Nomination & Remuneration Committee and the Stakeholders' Relationship Committee, as applicable, by the senior management in relation to the performance of the Company, quarterly and annual results, business strategies, business outlook, various policies, review of internal audit and risk management framework, operations of the Company and its subsidiaries, its business model and strategy, amendments in applicable laws etc. The calendar of Board and Committee Meetings of the Company is scheduled in advance and appropriate notice is served for convening Board and committees Meeting. The minutes of the meetings of various Committees of the Company and minutes of Board Meetings of subsidiary companies are periodically circulated to the Board. All the relevant developments relating to the Company are informed to the Board as and when deemed necessary. Detailed Familiarization Program imparted to Independent Directors shall be available on Company's website <https://info.niit.com/hubfs/section46-of-the-lodr/familiarization-programmes-for-independent-directors.pdf>

Newly appointed directors are provided with the information on the Company through orientation sessions, besides interactive meetings, board presentation etc. In addition, directors were/shall be provided opportunities to attend relevant programs of external agencies.

### CEO AND CFO CERTIFICATION

The provision of Regulation 17(8) of the Listing Regulations was not applicable for FY 23.

## CORPORATE GOVERNANCE REPORT (Contd..)

### GENERAL MEETINGS

Detail on the last three AGM is given hereunder:

Financial Year	Day, Date & Time	Location	Special Resolution(s)
2021-22	Friday, July 29, 2022 at 11:30 a.m.	Held through Video Conferencing / Other Audio Visual Means ("OAVM")	NIL
2020-21	Thursday, August 2, 2021 at 3.30 p.m.	Held through Video Conferencing ("VC") / Other Audio Visual Means ("OAVM")	Shifting of Registered Office of the Company from the National Capital Territory (NCT) of Delhi to the State of Haryana
2019-20	Thursday, September 10, 2020 at 4:15 p.m.	Held through Video Conferencing ("VC") / Other Audio Visual Means ("OAVM")	NIL

**Book closure/Record date: NIL**

Detail on Extra-Ordinary General Meeting held during the last three financial years is given hereunder:

Financial Year	Day, Date & Time	Location	Special Resolution(s)
2022-23	NIL		
2021-22	Thursday, December 02, 2021, at 2:00 PM	Plot No. 85, Sector 32, Institutional Area, Gurugram – 122001, Haryana	Re-appointment of Ms. Leena Khokha as Manager of the Company for a period of three years w.e.f. December 31, 2021
	Friday, January 14, 2022, at 11:00 AM	Plot No. 85, Sector 32, Institutional Area, Gurugram – 122001, Haryana	Approval of change of name of the Company and to alter Memorandum of Association and Articles of Association of Company
	Tuesday, January 25, 2022, at 3:00 PM	Plot No. 85, Sector 32, Institutional Area, Gurugram – 122001, Haryana	Approval of the donation of Intellectual Property Rights (Trademark/ Copyrights/ Patent/ Design etc.) which were not required by Company
	Thursday, March 31, 2022, at 2:00 PM	Plot No. 85, Sector 32, Institutional Area, Gurugram – 122001, Haryana	Approval of related party transaction(s) / agreement(s) pursuant to Composite Scheme of Arrangement

2020-21	Wednesday, August 26, 2020 at 4:30 p.m.	Held through Video Conferencing ("VC") / Other Audio Visual Means ("OAVM")	<ul style="list-style-type: none"> <li>Issue of upto 5 crore Equity Shares of Rs.10 each of the Company at par for an amount aggregating upto Rs.50 crore to NIIT Limited, the holding company/existing shareholder of the Company in one or more tranches, on preferential basis</li> <li>Increase in authorized share capital of the Company from Rs.80 crores divided into 7 crore equity shares of Rs.10/- each and 1 crore Preference Shares of Rs.10/- to Rs.120 crores divided into 12 crores Equity Shares of Rs.10/- by converting existing 1 crore Preference Shares of Rs.10/- each into 1 crore Equity Shares of Rs.10/- each and by creation/addition of new 4 crore Equity Shares of Rs.10/- each</li> </ul>
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### DISCLOSURES

#### a) Related Party Transactions

The Company's related party transactions are generally with its subsidiary companies and associate company. The related party Transactions are entered into based on the considerations of various business exigencies and Company's long term strategy. All the transactions entered by the Company during the FY 23 with related parties were in its ordinary course of business and on an arm's length basis. The same are reported under notes to the financial statements.

All related party transactions are regularly/ periodically reviewed and approved/ ratified by the Board, as applicable. For details, please refer Note No. 34 of the Standalone financial statement of the Company.

During the year under review, there were no materially significant related party transactions identified, which may have potential conflict with the interests of the Company at large.

## CORPORATE GOVERNANCE REPORT (Contd..)

### b) **Total Fees to Statutory Auditor (Pursuant to Part C of Schedule V of the Listing Regulations)**

The total fees for all services paid by the Company and its subsidiaries on consolidated basis to S. R. Batliboi & Associates LLP, Statutory Auditors of the Company and all entities in the network firm/ network entity of which the statutory auditors are a part, aggregated to Rs. 5.31 mn (excluding GST).

### c) **Compliance**

There was no requirement to comply with the requirements of the Stock Exchanges, SEBI and Statutory Authorities on matters related to the capital market during the last three years. No penalty or stricture was imposed on the Company by Stock Exchanges or SEBI or any Statutory Authority(ies) during the financial year.

### d) **Vigil Mechanism / Whistle Blower Policy**

The Provisions of Section 177 of the Act and Regulation 22 of Listing Regulations, were not applicable to the Company during the financial year ended March 31, 2023.

After the closure of FY23, the Company has adopted a Whistle Blower Policy duly approved by the Audit Committee to report the concerns about any unethical behaviour, actual or suspected fraud or violation of the Company's Code of Conduct. The Directors or any Official of the Company may report to the Compliance Officer and they have direct access to the Chairperson of the Audit Committee. No personnel has been denied access to the audit committee.

### e) **Risk Management**

The Company has procedures to inform the Board Members about the risk assessment and minimization procedures. The Company has constituted a Risk Management Committee also, to review the risk assessment, management & mitigation process. Detailed note on risk & concern is provided in the Management Discussion and Analysis Report, forming part of the Board's Report.

### f) **Proceeds from the public issue/right issue/preferential issues etc.**

There was no fresh public issue/right issue/ preferential issue etc. during FY23.

### g) **Inter-se relationship between Directors**

During the year under review none of the Directors were related to each other.

As on date of this report, Mr. Vijay Kumar Thadani, Vice Chairman and Managing Director is father of Ms. Leher Vijay Thadani, Non-executive Director of the Company. Except abovementioned relationships, none of the Directors of the Company are related to each other.

### h) **Any recommendation received from any Committee of the Board**

During the year under review, the statutory provisions of the Act and Listing Regulations regarding having the Statutory Committees were not applicable on the Company.

After the closure of financial year, from the date of applicability/constitution of the statutory committees, till the date of this report, the Board of Directors had accepted all recommendation of the Committees of the Board of Directors, which were mandatorily required to be made.

### i) **Credit Rating**

During the year under review, the Company did not obtain any credit rating.

### j) **As on the date of this report, following Policies are available on the Company's website:**

- Policy on Determining Material Subsidiaries – <https://info.niit.com/hubfs/section46-of-the-lodr/code-of-conduct-policies/Policy%20on%20Determination%20of%20Material%20Subsidiaries.pdf>
- Policy on Related Party Transactions- <https://info.niit.com/hubfs/section46-of-the-lodr/code-of-conduct-policies/Policy-on-Related-Party-Transactions.pdf>
- Policy on Corporate Social Responsibility- <https://info.niit.com/hubfs/section46-of-the-lodr/code-of-conduct-policies/CSR%20Policy.pdf>
- Archival Policy- <https://info.niit.com/hubfs/section46-of-the-lodr/code-of-conduct-policies/Archival%20Policy.pdf>
- Policy on Determination of Material/Price Sensitive Information- <https://info.niit.com/hubfs/section46-of-the-lodr/code-of-conduct-policies/Policy%20for%20determination%20of%20Materiality%20of%20Events.pdf>
- Vigil Mechanism / Whistle Blower Policy – <https://info.niit.com/hubfs/section46-of-the-lodr/code-of-conduct-policies/Whistle%20Blower%20Policy.pdf>
- Dividend Distribution Policy – <https://info.niit.com/hubfs/section46-of-the-lodr/code-of-conduct-policies/Dividend%20Distribution%20Policy.pdf>

### **COMPLIANCE WITH MANDATORY AND NON MANDATORY REQUIREMENTS OF THE LISTING REGULATIONS**

The compliance of mandatory and non-mandatory requirements of the Listing Regulations, were not applicable for FY 23.

As on the date of this Report, the Company is complying with the following discretionary requirements of Regulation 27(1) of the Listing Regulations:

## CORPORATE GOVERNANCE REPORT (Contd..)

### a) **The Board:**

The Non-executive Chairperson's Office is maintained at Company's expense. He is also entitled for reimbursement of any expenses incurred for performance of his duties.

### b) **Shareholders' Rights:**

The Company is sending full financial statements along with the Board's Report and Auditors' Reports to all the shareholders. The Same shall be available on the Company's website i.e., [www.niitmts.com](http://www.niitmts.com).

### c) **Modified Opinion(s) in Audit Report:**

The Company have its financial statements with unmodified audit opinion (for both standalone and consolidated) for the financial year ended on March 31, 2023.

### d) **Reporting of Internal Auditor:**

The Internal Auditor of the Company reports to the Audit Committee.

### **Code for Prevention of Insider Trading**

The provisions of the SEBI (Prohibition of Insider Trading) Regulations, 2015, were not applicable for FY 23.

After closure of financial year, and in compliance with the SEBI (Prohibition of Insider Trading) Regulations, 2015, the Company has formulated a Code of Practices and Procedures for Fair Disclosure of Unpublished Price Sensitive Information (UPSI), Policy for procedure of enquiry in case of leak of UPSI and Code of Conduct to Regulate, Monitor and Report Trading by Designated Persons (NLSL Code of Conduct). The said Code(s) lay down guidelines for fair disclosure of UPSI and advises the persons covered under the Code(s) on procedures to be followed and disclosures to be made, while dealing with shares of the Company and cautioning them of the consequences of violations. The said Code of Conduct is available on Company's [website-  
https://info.niit.com/hubfs/section46-of-the-lodr/code-of-conduct-policies/Code%20of%20Conduct.pdf](https://info.niit.com/hubfs/section46-of-the-lodr/code-of-conduct-policies/Code%20of%20Conduct.pdf)

### **Accounting Treatment in preparation of Financial Statement:**

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

The financial statements are based on the classification provisions contained in Ind AS 1, 'Presentation of Financial Statements' and division II of schedule III of the Companies Act 2013. Further, for the purpose of clarity, various items are aggregated in the statement of profit and loss and balance sheet. Nonetheless, these items are dis-aggregated separately in the notes to the consolidated financial statements, where applicable or required. All the amounts included in the financial statements are reported in Millions of Indian Rupees ('Rupees' or 'Rs.') and are rounded to the nearest Million, within two decimals, except per share data and unless stated otherwise.

On May 19, 2023, the National Company Law Tribunal (NCLT), Chandigarh Bench sanctioned/ approved the Composite Scheme of Arrangement, which was made effective on May 24, 2023 upon filing of the certified copy of the NCLT Order sanctioning the Scheme with the respective jurisdictional Registrar of Companies. Pursuant to the Scheme becoming effective, the CLG Business Undertaking ("Demerged Undertaking") is demerged from NIIT and transferred to and vested in NLSL with effect from April 1, 2022 i.e. the Appointed Date as per Scheme.

The transfer of the Demerged Undertaking is accounted for using the pooling of interest method in accordance with Appendix C "Business Combinations of entities under common control" of the Indian Accounting Standard (IND-AS) 103- Business Combinations and the financial statements for the year ended March 31, 2022 have been prepared in accordance with the requirements of Ind AS 103.

### **Statutory Compliance**

The Company has a system in place whereby Chief Executive Officer/Chief Financial Officer/Compliance Officer provides Compliance Certificate to the Board of Directors based on the confirmations received from concerned persons/heads of the Company relating to compliance of various laws, rules, regulations and guidelines applicable to their areas of operation. The Company takes appropriate steps after consulting internally and if necessary, with independent legal counsels to ensure that the business operations are not in contravention of any laws. The Company takes all measures to register and protect Intellectual Property Rights including trade names/service marks/ trademarks/ patents/ copyrights, etc. belonging to the Company.

### **MEANS OF COMMUNICATION**

- the financial results for the quarter and year ended March 31, 2023 are available on the website of the Company <https://www.niit.com/regulation46-of-the-lodr/>. Official news releases, Financial Results, Consolidated news releases, consolidated financial highlights and presentations etc. shall be displayed at the Company's website. The same was/shall also be submitted with the Stock Exchanges where equity shares of the Company shall be listed pursuant to the Scheme.
- the Company shall publish its financial results in the newspapers as per requirement.
- Quarterly Investor's teleconferences and press conferences may be scheduled for the Investors of the Company immediately after the declaration of quarterly financial results. All official press releases, presentations to analysts and institutional investors shall also be available on the Company's website. In addition, these shall be sent to the Stock Exchanges for dissemination.
- The management perspective, business review and financial highlights are part of the Annual Report.

## CORPORATE GOVERNANCE REPORT (Contd..)

### SHAREHOLDERS' INFORMATION

#### a. Company Registration Details

The Company's Corporate Identity Number (CIN) is U72200HR2001PLC099478. This may change after listing of shares of the Company.

#### b. Annual General Meeting (AGM)

Date: Wednesday, September 27, 2023

Time: 10:00 a.m. (IST)

Venue: The meeting will be conducted through VC / OAVM pursuant to the circulars and notifications issued by MCA, Government of India and SEBI. The deemed venue for the AGM shall be the Registered Office of the Company.

#### c. Financial Year: April 01, 2023 to March 31, 2024

Financial Calendar (tentative and subject to change):

Financial reporting for the first quarter ending June 30, 2023	By August 14, 2023
Financial reporting for the second quarter ending September 30, 2023	By November 14, 2023
Financial reporting for the third quarter ending December 31, 2023	By February 14, 2024
Financial reporting for the quarter/year ending March 31, 2024	By May 30, 2024
Annual General Meeting for the year ending March 31, 2024	By September 30, 2024

#### d. Dividend

The Directors have not recommended any dividend for the year under review.

#### e. Record Date for Dividend

NA

#### f. Listing of Equity Shares

The Equity Shares of the Company shall be listed at the National Stock Exchange of India Limited (NSE) and BSE Limited (BSE), pursuant to the Composite Scheme of Arrangement. The applicable listing fees shall be paid to the Stock Exchanges.

#### g. Stock Market Data

During the year under review, and as on the date of this Report, the Equity Shares of the Company were not listed on the Stock Exchanges. Therefore, the monthly high and low share prices and market capitalization of equity shares of the Company and the comparison in performance of share price of the Company vis-à-vis broad based Indices are not available.

#### h. Unclaimed/Unpaid Dividend

There is no Unclaimed/Unpaid Dividend in the Company. Therefore, the provisions of the Act and the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016

("IEPF Rules") for transfer of unpaid/ unclaimed dividend as well as shares on which dividend remain unpaid/ unclaimed for a period of seven consecutive years to IEPF Account, are not applicable on the Company.

#### i. Loans and advances in which directors are interested

Details of Loans and advances in the nature of loans to firms/companies in which directors are interested (if any) are given in the Notes to the Financial Statement.

#### j. Material Subsidiaries

Pursuant to the Scheme, the Company has following material subsidiaries on the basis of Financial Statements for the financial year ended March 31, 2023 :

Name of Material Subsidiary	Date of Incorporation	Place of Incorporation	Name of Statutory Auditor	Date of appointment of Statutory Auditor
NIIT (USA) Inc, USA	February 05, 1994	USA	S. R. Batliboi & Associates, LLP	July 23, 2022
NIIT Limited, UK	September 06, 2005	UK	Donald Reid Limited	July 23, 2022
NIIT (Ireland) Limited	June 30, 2015	Ireland	Denis Breen & Co Limited, T/A ProfitPal	July 23, 2022
NIIT Learning Solutions (Canada) Limited	March 10, 2016	Canada	S. R. Batliboi & Associates, LLP	July 23, 2022

#### k. Nomination Facility

The Act provides for a nomination facility to the shareholders of a company. The Company is pleased to offer the facility of nomination to shareholders, who may avail this facility by sending the duly completed form to the Registered Office of the Company/ Registrar and Transfer Agent of the Company in case the shareholding is in physical form. The shareholders may obtain a copy of the said form from the Registered Office of the Company or can download it from the website of the Registrar and Transfer Agent of the Company at [https://karisma.kfintech.com/downloads/Form\\_SH13\\_NOMINATION\\_FORM.pdf](https://karisma.kfintech.com/downloads/Form_SH13_NOMINATION_FORM.pdf). In case of demat holdings, the request may be submitted to the Depository Participant.

#### l. Compliance Certificate

For the year under review, the requirement of obtaining Certificate of Secretarial Auditor, confirming compliance with the conditions of Corporate Governance as per requirement of Part E of Schedule V of the Listing Regulations, was not applicable.

#### m. Detail of distribution of shareholding of the equity shares of the Company, by size and ownership and Shareholding Pattern as on March 31, 2023:

The Company was wholly owned subsidiary of NIIT Limited as on March 31, 2023. Pursuant to the Composite Scheme of Arrangement, the Company shall allot/issue equity shares to the shareholders of NIIT Limited, as on record date.

## CORPORATE GOVERNANCE REPORT (Contd..)

- n. Details of requests/queries/complaints received and resolved during the Financial Year 2022-23:**  
There was no complaint received during FY23.
- o. Outstanding GDRs/ADRs/Warrants or any Convertible instruments, conversion date and likely impact on equity:**  
As on the date of this Report, there are no outstanding warrants / bonds/ other instruments which are convertible into equity shares.
- p. Commodity price risk or foreign exchange risk and hedging activities:**  
During the financial year 2022-23, the Company had managed the foreign exchange risk and hedged to the extent considered necessary. The details of foreign currency exposure are disclosed in Notes No. 12 (ii) and 28 of the financial statement (Standalone) of the Company. Further a note is also given in Management Discussion and Analysis Report.
- q. Dematerialisation of Equity Shares and Liquidity**  
Pursuant to the Scheme, the Company shall issue and allot equity shares in dematerialized form to those shareholders who hold shares of the Transferor Company in dematerialized form as on the record date, into the account in which shares of the Transferor Company are held or such other account as intimated in writing by the shareholders to the Transferor Company and/ or its registrar.  
For shareholders of Transferor Company holding shares in physical mode, the Company shall keep their shares in abeyance in a separate demat account and will credit the same to the respective demat account(s) of such shareholders as and when the details of such shareholder's account with the depository participant are intimated in writing by the shareholders.
- r. Consolidation of multiple folios**  
Investors are encouraged to consolidate their shareholding if held in multiple folios. This would facilitate one stop tracking of all corporate benefits on the shares and would reduce time and efforts required to monitor multiple folios.
- s. Share Transfer System**  
The Company has appointed a common Registrar for the physical share transfer and dematerialisation of shares i.e.  
KFin Technologies Limited  
Unit: NIIT Learning Systems Limited  
Address: Selenium Tower B, Plot No. 31 & 32, Gachibowli, Financial District, Nanakramguda, Hyderabad – 500032 Telangana, India  
Investor grievance e-mail: [einward.ris@kfintech.com](mailto:einward.ris@kfintech.com);  
Website: [www.kfintech.com](http://www.kfintech.com)  
Contact Person: Mr. Srinivas Sudheer, Vice President;  
Tel. No.: +91-40-79611000
- t. Compliance Officer**  
Mr. Deepak Bansal, Company Secretary, is the Compliance Officer of the Company w.e.f. May 24, 2023.
- u. Designated email-ID:**  
The Company has designated an email-ID "[investors@niitmts.com](mailto:investors@niitmts.com)" exclusively for Shareholders and Investors to correspond with the Company.
- v.** During the year, no security of the Company was suspended from trading since not listed.
- w. Address for Correspondence**  
The shareholders may send their communication/ suggestions/ grievances /queries related to the Company to:  
The Company Secretary  
NIIT Learning Systems Limited  
Investor Services  
8, Balaji Estate, First Floor,  
Guru Ravi Das Marg, Kalkaji,  
New Delhi - 110 019, India  
Tel Nos. : +91 11 4167 5000  
Fax: +91 11 4140 7120  
E-Mail: [investors@niitmts.com](mailto:investors@niitmts.com)
- x. Plant Locations**  
In view of the nature of the Company's business, the Company operates from various offices worldwide.  
The Corporate Governance Report was adopted by the Board of Directors at its meeting held on May 29, 2023 as a part of Board's Report.



MANAGED  
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SERVICES

# STANDALONE FINANCIAL STATEMENT

NIIT Learning Systems Limited

## INDEPENDENT AUDITOR'S REPORT

### To the Members of NIIT Learning Systems Limited (Formerly known as Mindchampion Learning Systems Limited) Report on the Audit of the Standalone Financial Statements

#### Opinion

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

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Companies Act, 2013, as amended ("the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2023, its profit including other comprehensive income, its cash flows and the changes in equity for the year ended on that date.

#### Basis for Opinion

We conducted our audit of the standalone financial statements in accordance with the Standards on Auditing (SAs), as specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the 'Auditor's Responsibilities for the Audit of the Standalone Financial Statements' section of our report. We are independent of the Company in accordance with the 'Code of Ethics' issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the Rules thereunder, 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 standalone financial statements.

#### Emphasis of Matter- Composite Scheme of Arrangement

We draw attention to Note 35 of the standalone financial statements regarding accounting of transfer of CLG Business Undertaking of NIIT Limited into the Company under the Composite Scheme of Arrangement (the 'Scheme') approved by the National Company Law Tribunal ('NCLT'). As mentioned in paragraph 1.2.3 of the Composite Scheme of Arrangement ("Scheme"), the accounting treatment in the books of account of the Transferee Company has been given effect from the Appointed Date i.e. April 1, 2022, defined in the scheme which is in compliance with the MCA Circular. However, being a common control business combination, Ind AS 103 Business Combinations requires the transferee company to account for business combination from the combination date (i.e., the date on which control has been transferred) or the earliest date presented, whichever is later.

Our opinion is not modified in respect of this matter.

#### Other Information

The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Annual report, but does not include the standalone financial statements and our auditor's report thereon.

Our opinion on the standalone financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the standalone financial statements, our responsibility is to read the other information and, in doing so, consider whether such other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

#### Responsibility of Management for the Standalone Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these standalone 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. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.



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

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

#### **Auditor's Responsibilities for the Audit of the Standalone Financial Statements**

Our objectives are to obtain reasonable assurance about whether the standalone 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 standalone 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 standalone 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. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.
- 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 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 standalone financial statements, including the disclosures, and whether the standalone 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.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the standalone financial statements for the financial year ended March 31, 2023 and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

#### **Report on Other Legal and Regulatory Requirements**

1. As required by the Companies (Auditor's Report) Order, 2020 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the "Annexure 1" a statement on the matters specified in paragraphs 3 and 4 of the Order.
2. As required by Section 143(3) of the Act, we report that:
  - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;

- (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
- (c) The Balance Sheet, the Statement of Profit and Loss including the Statement of Other Comprehensive Income, the Cash Flow Statement and Statement of Changes in Equity dealt with by this Report are in agreement with the books of account;
- (d) In our opinion, the aforesaid standalone financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Companies (Indian Accounting Standards) Rules, 2015, as amended;
- (e) On the basis of the written representations received from the directors as on March 31, 2023 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2023 from being appointed as a director in terms of Section 164 (2) of the Act;
- (f) With respect to the adequacy of the internal financial controls with reference to these standalone financial statements and the operating effectiveness of such controls, refer to our separate Report in "Annexure 2" to this report;
- (g) In our opinion, the managerial remuneration for the year ended March 31, 2023 has been paid / provided by the Company to its directors in accordance with the provisions of section 197 read with Schedule V to the Act;
- (h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended in our opinion and to the best of our information and according to the explanations given to us:
  - i. The Company has disclosed the impact of pending litigations on its financial position in its standalone financial statements – Refer Note 30 to the standalone financial statements;
  - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses;
  - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company;
  - iv.
    - a) The management has represented that, to the best of its knowledge and belief, other than as disclosed in the note 36(ix) to the standalone financial statements, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other persons or entities, including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, 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 provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;
    - b) The management has represented that, to the best of its knowledge and belief, other than as disclosed in the note 36(x) to the standalone financial statements, no funds have been received by the Company from any persons or entities, including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether, 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 provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries; and
    - c) Based on such audit procedures performed that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (a) and (b) contain any material misstatement.
  - v. No dividend has been declared or paid during the year by the Company.
  - vi. As proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014 is applicable for the Company only w.e.f. April 1, 2023, reporting under this clause is not applicable.

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

Chartered Accountants

ICAI Firm Registration Number: 101049W/E300004

**per Sanjay Bachchani**

Partner

Membership Number: 400419

UDIN: 23400419BGTGQK7344

Place of Signature: Gurugram

Date: May 29, 2023

**ANNEXURE 1 REFERRED TO IN PARAGRAPH UNDER HEADING “REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS” OF OUR REPORT OF EVEN DATE**

**Re: NIIT Learning Systems Limited (Formerly known as Mindchampion Learning Systems Limited) (“The Company”)**

- i. (a) (A) The Company has maintained proper records showing full particulars, including quantitative details and situation of Property, Plant and Equipment.
- (a) (B) The Company has maintained proper records showing full particulars of intangibles assets.
- (b) The property, plant and equipment are physically verified by the management according to a phased programme designed to cover all the items over a period of two years which, in our opinion, is reasonable having regards to the size of the Company and nature of its assets. Pursuant to the programme, a portion of property, plant and equipment has been physically verified by the Management during the year and no material discrepancies have been noted on such verification.
- (c) There is no immovable property held by the Company and accordingly, the requirement to report on clause 3(i)(c) of the Order is not applicable to the Company.
- (d) The Company has not revalued its Property, Plant and Equipment (including Right of use assets) or intangible assets during the year ended March 31, 2023.
- (e) There are no proceedings initiated or are pending against the Company for holding any benami property under the Prohibition of Benami Property Transactions Act, 1988 and rules made thereunder.
- ii. (a) The management has conducted physical verification of inventory at reasonable intervals during the year. In our opinion the coverage and the procedure of such verification by the management is appropriate. No discrepancies of 10% or more in aggregate for each class of inventory were noticed on such physical verification. There was no inventory lying with third parties.
- (b) The Company has not been sanctioned working capital limits in excess of Rs. five crores in aggregate from banks or financial institutions during any point of time of the year on the basis of security of current assets. Accordingly, the requirement to report on clause 3(ii)(b) of the Order is not applicable to the Company.
- iii. (a) During the year, the Company has not provided loans, advances in the nature of loans, stood guarantee or provided security to companies, firms, Limited Liability Partnerships or any other parties. Accordingly, the requirement to report on clause 3(iii)(a) of the Order is not applicable to the Company.
- (b) During the year, the Company has not made investments, provided guarantees, provided security and granted loans and advances in the nature of loans to companies, firms, Limited Liability Partnerships or any other parties. Accordingly, the requirement to report on clause 3(iii)(b) of the Order is not applicable to the Company.
- (c) The Company has not granted loans and advances in the nature of loans to companies, firms, Limited Liability Partnerships or any other parties. Accordingly, the requirement to report on clause 3(iii)(c) of the Order is not applicable to the Company.
- (d) The Company has not granted loans or advances in the nature of loans to companies, firms, Limited Liability Partnerships or any other parties. Accordingly, the requirement to report on clause 3(iii)(d) of the Order is not applicable to the Company.
- (e) There were no loans or advance in the nature of loan granted to companies, firms, Limited Liability Partnerships or any other parties. Accordingly, the requirement to report on clause 3(iii)(e) of the Order is not applicable to the Company.
- (f) The Company has not granted any loans or advances in the nature of loans, either repayable on demand or without specifying any terms or period of repayment to companies, firms, Limited Liability Partnerships or any other parties. Accordingly, the requirement to report on clause 3(iii)(f) of the Order is not applicable to the Company.
- iv. There are no loans, investments, guarantees, and security in respect of which provisions of sections 185 and 186 of the Act are applicable and accordingly, the requirement to report on clause 3(iv) of the Order is not applicable to the Company.
- v. The Company has neither accepted any deposits from the public nor accepted any amounts which are deemed to be deposits within the meaning of sections 73 to 76 of the Act and the rules made thereunder, to the extent applicable. Accordingly, the requirement to report on clause 3(v) of the Order is not applicable to the Company.
- vi. The Central Government has not specified the maintenance of cost records under section 148(1) of the Act for the products of the Company.

**ANNEXURE 1 REFERRED TO IN PARAGRAPH UNDER HEADING “REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS” OF OUR REPORT OF EVEN DATE** **Contd..**

- vii. (a) The Company is generally regular in depositing with appropriate authorities undisputed statutory dues including goods and services tax, provident fund, employees’ state insurance, income-tax, sales-tax, value added tax, cess and other statutory dues applicable to it. The provisions relating to duty of customs, duty of excise and service tax are not applicable to the Company. According to the information and explanations given to us and based on audit procedures performed by us, no undisputed amounts payable in respect of these statutory dues were outstanding, at the year end, for a period of more than six months from the date they became payable.
- (b) The dues of income tax, value added tax and sales tax have not been deposited on account of any dispute, are as follows:

Name of the statute	Nature of the dues	Amount (Rs. in Million)	Period to which the amount relates	Forum where the dispute is pending
Haryana Value Added Tax Act 2003	Value added tax and sales tax	19.42	2016-17	Joint Commissioner excise and taxation
Income Tax Act, 1961	Income Tax	30.80	2020-21	Commissioner of Income Tax (Appeals)

- viii. The Company has not surrendered or disclosed any transaction, previously unrecorded in the books of account, in the tax assessments under the Income Tax Act, 1961 as income during the year. Accordingly, the requirement to report on clause 3(viii) of the Order is not applicable to the Company.
- ix. (a) The Company did not have any outstanding loans or borrowings or interest thereon due to any lender during the year. Accordingly, the requirement to report on clause ix(a) of the Order is not applicable to the Company.
- (b) The Company has not been declared willful defaulter by any bank or financial institution or government or any government authority.
- (c) The Company did not have any term loans outstanding during the year hence, the requirement to report on clause ix(c) of the Order is not applicable to the Company.
- (d) The Company did not raise any funds during the year hence, the requirement to report on clause ix(d) of the Order is not applicable to the Company.
- (e) On an overall examination of the Financial Statements of the Company, the company has not taken any funds from entity or person on account of or to meet the obligations of its subsidiaries.
- (f) The Company has not raised loans during the year on the pledge of securities held in its subsidiaries companies. Hence, the requirement to report on Clause 3(ix)(f) of the Order is not applicable to the Company.
- x. (a) The Company has not raised any money during the year by way of initial public offer / further public offer (including debt instruments) hence, the requirement to report on clause 3(x)(a) of the Order is not applicable to the Company.
- (b) The Company has not made any preferential allotment or private placement of shares /fully or partially or optionally convertible debentures during the year under audit and hence, the requirement to report on clause 3(x)(b) of the Order is not applicable to the Company.
- xi. (a) No fraud by the Company or no fraud on the Company has been noticed or reported during the year.
- (b) During the year, no report under sub-section (12) of section 143 of the Act has been filed by secretarial auditor and by us in Form ADT – 4 as prescribed under Rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government. The requirement to appoint cost auditor is not applicable to the Company.
- (c) As represented to us by the management, there are no whistle blower complaints received by the Company during the year.
- xii. (a) The Company is not a nidhi Company as per the provisions of the Act. Therefore, the requirement to report on clause 3(xii)(a) of the Order is not applicable to the Company.
- (b) The Company is not a nidhi company as per the provisions of the Act. Therefore, the requirement to report on clause 3(xii)(b) of the Order is not applicable to the Company.

**ANNEXURE 1 REFERRED TO IN PARAGRAPH UNDER HEADING "REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS" OF OUR REPORT OF EVEN DATE**

**Contd..**

- (c) The Company is not a nidhi company as per the provisions of the Act. Therefore, the requirement to report on clause 3(xii)(c) of the Order is not applicable to the Company.
- xiii. Transactions with the related parties are in compliance with sections 188 of Companies Act, 2013 where applicable and the details have been disclosed in the notes to the financial statements, as required by the applicable accounting standards. The provisions of section 177 are not applicable to the Company and accordingly the requirements to report under clause 3(xiii) of the Order insofar as it relates to section 177 of the Act is not applicable to the Company.
- xiv. (a) The Company has implemented internal audit system on a voluntary basis which is commensurate with the size of the Company and nature of its business though it is not required to have an internal audit system under Section 138 of the Companies Act, 2013.
- (b) The internal audit reports of the Company issued till the date of the audit report, for the period under audit have been considered by us.
- xv. The Company has not entered into any non-cash transactions with its directors or persons connected with its directors and hence requirement to report on clause 3(xv) of the Order is not applicable to the Company.
- xvi. (a) The provisions of section 45-IA of the Reserve Bank of India Act, 1934 (2 of 1934) are not applicable to the Company. Accordingly, the requirement to report on clause (xvi)(a) of the Order is not applicable to the Company.
- (b) The Company has not conducted any Non-Banking Financial or Housing Finance activities without obtaining a valid Certificate of Registration (CoR) from the Reserve Bank of India as per the Reserve Bank of India Act, 1934.
- (c) The Company is not a Core Investment Company as defined in the regulations made by Reserve Bank of India. Accordingly, the requirement to report on clause 3(xvi)(c) of the Order is not applicable to the Company.
- (d) There are no other Companies part of the Group, hence, the requirement to report on clause 3(xvi)(d) of the Order is not applicable to the Company.
- xvii. The Company has not incurred cash losses in the current year and in the immediately preceding financial year.
- xviii. There has been no resignation of the statutory auditors during the year and accordingly requirement to report on Clause 3(xviii) of the Order is not applicable to the Company.
- xix. On the basis of the financial ratios disclosed in note 36 to the financial statements, ageing and expected dates of realization of financial assets and payment of financial liabilities, other information accompanying the financial statements, our knowledge of the Board of Directors and management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report that Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.
- xx. (a) In respect of other than ongoing projects, there are no unspent amounts that are required to be transferred to a fund specified in Schedule VII of the Companies Act, 2013 (the Act), in compliance with second proviso to sub section 5 of section 135 of the Act. This matter has been disclosed in note 21 to the financial statements.
- (b) There are no unspent amounts in respect of ongoing projects, that are required to be transferred to a special account in compliance of provision of sub section (6) of section 135 of Companies Act. This matter has been disclosed in note 21 to the financial statements.

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

Chartered Accountants

ICAI Firm Registration Number: 101049W/E300004

**per Sanjay Bachchani**

Partner

Membership Number: 400419

UDIN: 23400419BGTGQK7344

Place of Signature: Gurugram

Date: May 29, 2023

## ANNEXURE 2 TO THE INDEPENDENT AUDITOR'S REPORT OF EVEN DATE ON THE STANDALONE FINANCIAL STATEMENTS OF NIIT LEARNING SYSTEMS LIMITED (FORMERLY KNOWN AS MINDCHAMPION LEARNING SYSTEMS LIMITED)

### Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls with reference to standalone financial statements of NIIT Learning Systems Limited (Formerly Known as Mindchampion Learning Systems Limited) ("the Company") as of March 31, 2023 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

#### Management's Responsibility for Internal Financial Controls

The Company's Management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India ("ICAI"). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

#### Auditor's Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls with reference to these standalone financial statements based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing, as specified under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls, both issued by ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to these standalone financial statements was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls with reference to these standalone financial statements and their operating effectiveness. Our audit of internal financial controls with reference to standalone financial statements included obtaining an understanding of internal financial controls with reference to these standalone financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls with reference to these standalone financial statements.

#### Meaning of Internal Financial Controls With Reference to these Standalone Financial Statements

A company's internal financial controls with reference to standalone financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial controls with reference to standalone financial statements includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

#### Inherent Limitations of Internal Financial Controls With Reference to Standalone Financial Statements

Because of the inherent limitations of internal financial controls with reference to standalone financial statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls with reference to standalone financial statements to future periods are subject to the risk that the internal financial control with reference to standalone financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

#### Opinion

In our opinion, the Company has, in all material respects, adequate internal financial controls with reference to standalone financial statements and such internal financial controls with reference to standalone financial statements were operating effectively as at March 31, 2023, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note issued by the ICAI.

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

Chartered Accountants

ICAI Firm Registration Number: 101049W/E300004

**per Sanjay Bachchani**

Partner

Membership Number: 400419

UDIN: 23400419BGTGQK7344

Place of Signature: Gurugram

Date: May 29, 2023

# STANDALONE BALANCE SHEET

(All Amount in Rs. Millions, unless otherwise stated)

	Notes	As at	
		March 31, 2023	March 31, 2022 (Restated*)
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property, plant and equipment	3	268.46	96.13
Other intangible assets	4	73.33	32.80
Right-of-use assets	6(ii)	3.56	7.95
Intangible assets under development	5	118.10	24.52
Financial assets			
Investments	7(i)	940.64	940.64
Other financial assets	7(ii)	21.53	20.56
Deferred tax assets (net)	8(i)	179.91	117.89
Income tax assets (net)	8(ii)	21.70	22.73
Other non-current assets	9	9.65	16.78
<b>Total non-current assets</b>		<b>1,636.88</b>	<b>1,280.00</b>
<b>Current Assets</b>			
Inventories	10	1.26	5.42
Financial assets			
Investments	7(i)	2,826.13	994.19
Trade receivables	7(iii)	1,048.27	708.14
Cash and cash equivalents	7(iv)	1.84	1.32
Bank balances other than above	7(v)	-	785.63
Other financial assets	7(ii)	398.27	937.74
Other current assets	9	110.10	108.62
<b>Total current assets</b>		<b>4,385.87</b>	<b>3,541.06</b>
<b>TOTAL ASSETS</b>		<b>6,022.75</b>	<b>4,821.06</b>
<b>EQUITY AND LIABILITIES</b>			
<b>EQUITY</b>			
Equity share capital	11	269.14	1,155.64
Other equity	12		
Reserves and surplus	12(i)	4,658.15	2,600.94
Other reserves	12(ii)	(10.24)	8.29
<b>TOTAL EQUITY</b>		<b>4,917.05</b>	<b>3,764.87</b>
<b>LIABILITIES</b>			
<b>Non-current liabilities</b>			
Financial liabilities			
Lease liabilities	6(ii)	1.54	4.07
Other financial liabilities	13(ii)	2.51	-
Other non-current liabilities	14	0.86	-
<b>Total non-current liabilities</b>		<b>4.91</b>	<b>4.07</b>
<b>Current liabilities</b>			
Financial liabilities			
Lease liabilities	6(ii)	2.41	4.52
Trade payables	13(i)		
(a) Total outstanding dues of micro enterprises and small enterprises		26.15	21.34
(b) Total outstanding dues of creditors other than micro enterprises & small enterprises		469.28	439.39
Other financial liabilities	13(ii)	277.54	265.83
Other current liabilities	14	120.36	94.68
Provisions	15	205.05	197.09
Income tax liabilities (net)	8(ii)	-	29.27
<b>Total current liabilities</b>		<b>1,100.79</b>	<b>1,052.12</b>
<b>TOTAL LIABILITIES</b>		<b>1,105.70</b>	<b>1,056.19</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>6,022.75</b>	<b>4,821.06</b>

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

\* Refer note 35

As per our report of even date.

For S.R.Batlboi & Associates LLP

Chartered Accountants

Firm Registration No.: 101049W/E300004

Sanjay Bachchani

Partner

Membership No. 400419

For and on behalf of the Board of Directors of NIIT Learning Systems Limited

Rajendra S Pawar

Chairman

DIN - 00042516

Vijay K Thadani

Vice-Chairman & Managing Director

DIN - 00042527

Sapnesh Kumar Lalla

Executive Director &  
Chief Executive Officer

DIN - 06808242

Sanjay Mal

Chief Financial Officer

Deepak Bansal

Company Secretary

Place: Gurugram

Date : May 29, 2023

Place: Gurugram

Date : May 29, 2023



# STANDALONE STATEMENT OF PROFIT AND LOSS

(All Amount in Rs. Millions, unless otherwise stated)

	Notes	Year ended	
		March 31, 2023	March 31, 2022 (Restated*)
<b>INCOME</b>			
Revenue from operations	16	4,037.75	3,285.03
Other income	17	574.48	413.60
<b>Total income</b>		<b>4,612.23</b>	<b>3,698.63</b>
<b>EXPENSES</b>			
Purchase of stock-in-trade		2.49	2.80
Changes in inventories of stock-in-trade	10	4.16	11.77
Employee benefits expenses	18	2,029.36	1,742.09
Professional & technical outsourcing expenses		953.57	757.70
Finance costs	19	0.69	0.94
Depreciation and amortisation expenses	4(ii)	92.48	108.78
Other expenses	20	511.40	412.00
<b>Total expenses</b>		<b>3,594.15</b>	<b>3,036.08</b>
<b>Profit before exceptional items and tax</b>		<b>1,018.08</b>	<b>662.55</b>
Exceptional items	23	(35.81)	(0.30)
<b>Profit before Tax</b>		<b>982.27</b>	<b>662.25</b>
<b>Tax expense:</b>	24		
- Current tax		60.44	62.98
- Deferred Tax (credit) / charge		(70.80)	14.44
<b>Total Tax Expenses</b>		<b>(10.36)</b>	<b>77.42</b>
<b>Profit for the year</b>		<b>992.63</b>	<b>584.83</b>
<b>Other comprehensive income</b>			
Items that will not be reclassified to profit or loss			
a) Remeasurement of the defined benefit obligation	25	34.90	(48.47)
b) Fair value changes on cash flow hedges, net	12(ii)	-	-
c) Income tax effect	8(i)	(8.78)	12.31
		<b>26.12</b>	<b>(36.16)</b>
Items that will be reclassified to profit or loss			
a) Fair value changes on cash flow hedges, net	12(ii)	(18.53)	(1.46)
b) Income tax effect		-	-
		<b>(18.53)</b>	<b>(1.46)</b>
<b>Total other comprehensive income / (loss) for the year, net of tax</b>		<b>7.59</b>	<b>(37.62)</b>
<b>Total comprehensive income for the year</b>		<b>1,000.22</b>	<b>547.21</b>
<b>Earnings per equity share (Face Value Rs. 2 each) / (Previous year Face Value Rs. 10 each):</b>	33		
- Basic		7.39	5.06
- Diluted		7.22	5.06

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

\* Refer note 35

As per our report of even date.

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

Chartered Accountants

Firm Registration No.: 101049W/E300004

**Sanjay Bachchani**

Partner

Membership No. 400419

**For and on behalf of the Board of Directors of NIIT Learning Systems Limited**

**Rajendra S Pawar**

Chairman

DIN - 00042516

**Vijay K Thadani**

Vice-Chairman & Managing Director

DIN - 00042527

**Sapnesh Kumar Lalla**

Executive Director &  
Chief Executive Officer

DIN - 06808242

**Sanjay Mal**

Chief Financial Officer

**Deepak Bansal**

Company Secretary

Place: Gurugram

Date : May 29, 2023

Place: Gurugram

Date : May 29, 2023



**STANDALONE STATEMENT OF CHANGES IN EQUITY**

(All Amount in Rs. Millions, unless otherwise stated)

a) Equity Share Capital [Refer notes 11 (b) and 35]

Particulars	Numbers	Amount
Balance as at April 1, 2021 [Equity shares of Rs. 10 each] Issued during the year	115,564,072	1,155.64
Balance as at March 31, 2022 [Equity shares of Rs. 10 each] Cancelled pursuant to Scheme of Arrangement	115,564,072 (115,564,072)	1,155.64 (1,155.64)
Share Suspense Account		
Shares to be issued Pursuant to Scheme of Arrangement [Equity shares of Rs. 2 each]	134,564,360	269.14
Balance as at March 31, 2023 [Equity shares of Rs. 2 each]	134,564,360	269.14

b) Other Equity

Particulars	Reserves and surplus			Retained Earnings	Other Reserves Cash flow hedge	Total other equity
	Capital Reserve	Security premium	Employees Stock Option Outstanding			
Balance as at April 1, 2021	-	20.00	-	(1,147.94)	-	(1,127.94)
Transferred pursuant to Scheme of Arrangement (Refer note 35)	-	-	85.36	3,030.70	9.75	3,125.81
Balance as at April 1, 2021 (Restated)	-	20.00	85.36	1,882.76	9.75	1,997.87
Profit for the year	-	-	-	584.83	-	584.83
Other comprehensive loss (net of tax)	-	-	-	(36.16)	(1.46)	(37.62)
Total comprehensive income for the year	-	-	-	548.67	(1.46)	547.21
Share Based Payments recovered from subsidiaries	-	-	57.92	-	-	57.92
Share Based Payments (Refer note 26)	-	-	67.07	-	-	67.07
Amount adjusted pursuant to Scheme of Arrangement (Refer note 35)	-	-	(60.85)	-	-	(60.85)
Balance as at March 31, 2022	-	20.00	149.50	2,431.44	8.29	2,609.23
Profit for the year	-	20.00	149.50	2,431.44	8.29	2,609.23
Other comprehensive income / (loss) (net of tax)	-	-	-	992.63	-	992.63
Total comprehensive income for the year	-	-	-	26.12	(18.53)	7.59
Share Based Payments recovered from subsidiaries	-	-	101.98	-	-	101.98
Share Based Payments (Refer note 26)	-	-	118.96	-	-	118.96
Created upon Capital Reduction pursuant to the scheme of arrangement (Refer note 12(i))	23.30	-	-	-	-	23.30
Utilized for Capital Reduction pursuant to the Scheme of Arrangement (Refer note 35)	-	(20.00)	-	1,152.34	-	1,132.34
Amount adjusted pursuant to Scheme of Arrangement (Refer note 35)	-	-	(68.98)	-	-	(68.98)
Shares to be issued Pursuant to Scheme of Arrangement	-	-	-	(269.14)	-	(269.14)
Balance as at March 31, 2023	23.30	-	301.46	4,333.39	(10.24)	4,647.91

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

As per our report of even date.

**For and on behalf of the Board of Directors of NIIT Learning Systems Limited**
**For S.R. Barfiiboi & Associates LLP**

Chartered Accountants

Firm Registration No.: 101049W/E300004

**Sanjay Bachchani**

Partner

Membership No. 400419

**Rajendra S Pawar**

Chairman

DIN - 00042516

**Vijay K Thadani**

Vice-Chairman &amp; Managing Director

DIN - 00042527

**Sapnesh Kumar Lalla**

Executive Director &amp; Chief Executive Officer

DIN - 06808242

**Sanjay Meel**

Chief Financial Officer

**Deepak Bansal**

Company Secretary

Place: Gurugram

Date : May 29, 2023

Place: Gurugram

Date : May 29, 2023

## STANDALONE STATEMENT OF CASH FLOWS

(All Amount in Rs. Millions, unless otherwise stated)

	Year ended	
	March 31, 2023	March 31, 2022 (Restated*)
<b>A. Cash Flow From Operating Activities:</b>		
<b>Profit before exceptional items and Tax</b>	<b>1,018.08</b>	<b>662.55</b>
<b>Adjustments to reconcile profit before tax to net cash flows</b>		
Depreciation and Amortisation	92.48	108.78
Advances from customers written back	(1.59)	(2.42)
Allowance for doubtful debts (net of reversal)	(4.63)	(7.81)
Allowance for Doubtful Advances and other receivables (net of reversal)	0.70	(0.08)
Allowance for Slow / Non-moving Inventory (Net)	(0.75)	2.00
Unrealised Foreign Exchange (Gain) / Loss (Net)	(14.29)	34.24
Finance Cost	0.69	0.94
Share based payments	118.96	67.07
Interest Income	(77.20)	(103.75)
Gain on termination of Leases (Net)	(0.04)	-
Gain on sale / disposal of Property, Plant and Equipment and Intangible assets (Net)	(4.54)	(1.78)
Net gain on Investment carried at fair value through profit and loss	(54.01)	(2.27)
<b>Operating cash flow before changes in working capital</b>	<b>1,073.86</b>	<b>757.47</b>
<b>Working Capital Adjustments</b>		
(Increase) / Decrease in Trade Receivables	(321.42)	(140.55)
(Increase) / Decrease in Inventories	4.91	9.77
(Increase) / Decrease in Non-Current Financial Assets	0.04	0.79
(Increase) / Decrease in Current Financial Assets	(107.27)	(24.15)
(Increase) / Decrease in Other Non-Current Assets	0.31	(0.91)
(Increase) / Decrease in Other Current Assets	(2.18)	(39.44)
Increase / (Decrease) in Trade Payables	32.02	(14.59)
Increase / (Decrease) in Short Term Provisions	42.86	(65.69)
Increase / (Decrease) in Other Current Liabilities	27.27	(34.81)
Increase / (Decrease) in Other Non-Current Financial Liabilities	3.38	-
Increase / (Decrease) in Other Non Current Liabilities	(0.01)	(0.01)
Increase / (Decrease) in Other Current Financial Liabilities	(14.72)	86.93
<b>Net Cash flows generated from operations before tax</b>	<b>739.05</b>	<b>534.81</b>
Direct Tax- (paid including TDS) / refund received (Net)	(88.68)	(23.94)
<b>Net Cash flows generated from operating activities (A)</b>	<b>650.37</b>	<b>510.87</b>
<b>B. Cash Flow From Investing Activities:</b>		
Purchase of Property, Plant and Equipment (including Capital Work-in-progress, internally developed intangibles and Capital Advances)	(394.30)	(91.88)
Proceeds from sale of Property, Plant and Equipment	7.07	1.83
Interest received	118.55	119.07
Encashment / (Placement) of Fixed Deposits from Banks (Net)	1,414.63	(1,427.41)
Encashment of Deposits with / from other Financial Institutions (Net)	151.00	972.78
Purchase of Mutual Funds	(2,051.39)	(141.49)
Sale of Mutual Funds	122.46	46.50
Acquisition related expenses	(3.84)	-
Expenses in relation to Scheme of arrangement	(9.08)	(0.30)
<b>Net cash flows used in investing activities (B)</b>	<b>(644.90)</b>	<b>(520.90)</b>

# STANDALONE STATEMENT OF CASH FLOWS

Contd...

(All Amount in Rs. Millions, unless otherwise stated)

	Year ended	
	March 31, 2023	March 31, 2022 (Restated*)
<b>C. Cash Flow From Financing Activities:</b>		
Payment of Lease Liabilities	(4.94)	(5.05)
Interest Paid	(0.01)	(0.05)
<b>Net Cash flows used in financing activities ( C )</b>	<b>(4.95)</b>	<b>(5.10)</b>
<b>Net Increase / (Decrease) in cash and cash equivalents (A) + (B) + (C)</b>	<b>0.52</b>	<b>(15.13)</b>
Cash and cash equivalents at the beginning of the year (Footnote 1)	1.32	16.45
<b>Cash and cash equivalents as at the end of the year (Footnote 1)</b>	<b>1.84</b>	<b>1.32</b>

Notes: Reconciliation of cash and cash equivalents as per the cash flow statement

1. Particulars	As at	
	March 31, 2023	March 31, 2022
<b>Composition of Cash and cash equivalents included in the statement of cash flows comprise of the following balance sheet amounts:</b>		
Cash and cash equivalents as per the balance sheet [Refer note 7(iv)]	1.84	1.32
<b>Total</b>	<b>1.84</b>	<b>1.32</b>

2. Figures in parenthesis indicate cash outflow.

3. The cash flows statement has been prepared using the indirect method as set out in Ind AS 7.

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

\* Refer note 35

As per our report of even date.

**For S.R.Batlboi & Associates LLP**

Chartered Accountants

Firm Registration No.: 101049W/E300004

**Sanjay Bachchani**

Partner

Membership No. 400419

**For and on behalf of the Board of Directors of NIIT Learning Systems Limited**

**Rajendra S Pawar**

Chairman

DIN - 00042516

**Vijay K Thadani**

Vice-Chairman & Managing Director

DIN - 00042527

**Sapnesh Kumar Lalla**

Executive Director &

Chief Executive Officer

DIN - 06808242

**Sanjay Mal**

Chief Financial Officer

**Deepak Bansal**

Company Secretary

Place: Gurugram

Date : May 29, 2023

Place: Gurugram

Date : May 29, 2023

## Notes to the Standalone Financial Statements for the year ended March 31, 2023

### 1 Company Information

NIIT Learning Systems Limited (Formerly known as Mindchampion Learning Systems Limited), ('the Company') was set up in 2001 and was involved in the research and development activities for the purpose of discovering the extent to which poor children in rural and slum areas in India can access and learn from web based curriculum using a purpose built 'Internet Kiosk'. Pursuant to the Scheme of Arrangement, the CLG Business Undertaking of NIIT Limited got transferred to the Company.

Pursuant to the transfer, the Company helps leading companies across 30 countries transform their learning ecosystems while increasing the business value of learning. Trusted by the world's leading companies, NIIT MTS provides high-impact managed learning solutions that weave together the best of learning theory, technology, operations, and services to enable a thriving workforce.

The Company has comprehensive suite of Managed Training Services includes Custom Content and Curriculum Design, Learning Delivery, Learning Administration, Strategic Sourcing, Learning Technology, and L&D consulting services. The company also offers specialized solutions including immersive learning, customer education, talent pipeline as a service, DE&I training, digital transformation and IT training as well as leadership and professional development programs.

The registered place of business of the Company is Plot No. 85, Sector - 32, Institutional Area, Gurugram - 122001 (Haryana) India. During the previous year, the name of the Company has been changed from "Mindchampion Learning Systems Limited" to "NIIT Learning Systems Limited" w.e.f. January 18, 2022 vide certificate of incorporation issued by Ministry of Corporate Affairs, Government of India.

### 2 Significant Accounting Policies

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

#### 2.a) Basis of preparation

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

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

The financial statements are based on the classification provisions contained in Ind AS 1, 'Presentation of Financial Statements' and division II of schedule III of the Companies Act 2013. Further, for the purpose of clarity, various items are aggregated in the statement of profit and loss and balance sheet. Nonetheless, these items are dis-aggregated separately in the notes to the financial statements, where applicable or required. All the amounts included in the financial statements are reported in millions of Indian Rupees ('Rupees' or 'Rs.') and are rounded to the nearest Million with two decimals, except per share data and unless stated otherwise.

The financial statements were authorised for issue by the Board of Directors of the Company on May 29, 2023.

##### (ii) Basis of measurement

The financial statements have been prepared on a historical cost basis, except for the following:

- Financial assets and liabilities (including derivative instruments) are measured at fair value or amortised cost
- Defined benefit plans – plan assets measured at fair value
- Share-based payments (ESOP's) are measured at fair value

##### b) Foreign currency translation

###### (i) Functional and presentation currency

Items included in the financial statements are measured using the currency of the primary economic environment in which the entity operates ('the functional currency'). The financial statements are presented in Indian rupee (Rs.), which is the Company's functional and presentation currency.

###### (ii) Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at period end exchange rates are generally recognised in the Statement of Profit or Loss. They are deferred in equity if they relate to qualifying cash flow hedges.

Foreign exchange differences regarded as an adjustment to borrowing costs are presented in the statement of profit and

loss, within finance costs. All other foreign exchange gains and losses are presented in the Statement of Profit and Loss on a net basis within other gains/ (losses).

Non-monetary items that are measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined.

**c) Current and non-current classification**

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

**Assets**

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

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

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

**Liabilities**

A liability is classified as current when it satisfies any of the following criteria:

- it is expected to be settled in the Company's normal operating cycle;
- it is held primarily for the purpose of being traded;
- it is due to be settled within 12 months after the reporting period; or
- the Company does not have an unconditional right to defer settlement of the liability for at least 12 months after the reporting period. Terms of a liability that could, at the option of the counterparty, result in its settlement by the issue of equity instruments do not affect its classification.

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

**Operating cycle**

The operating cycle is the time between the acquisition of assets for processing and their realisation in cash or cash equivalents. Based on the nature of operations and the time between the acquisition of assets for processing and their realisation in cash and cash equivalents, the Company has ascertained its operating cycle being a period of 12 months for the purpose of classification of assets and liabilities as current and non-current.

**d) Revenue recognition**

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

When two or more revenue generating activities or deliverables are provided under a single arrangement, each deliverable that is considered to be a separate deliverable is accounted separately. Where the contracts include multiple performance obligations, the transaction price is allocated to each performance obligation based on the standalone selling prices. 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.

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 in respect of sale of courseware and other physical deliverables is recognised at a point in time when these are delivered, the legal title is passed and the customer has accepted the courseware and other physical deliverables.

In other cases, where courseware is not considered a separate component under a contract, revenue from the composite course is recognised over the period of the training or the contract period, depending upon the terms and conditions.

Revenue for providing Technical Information and Reference Material (TIRM) to the business partners is recognised over the period of the contract.

**e) Other Income**

**(i) Interest income**

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

**(ii) Dividend income**

It is recognised when the right to receive dividend is established.

**f) Segment reporting**

Operating segments are reported in a manner consistent with the internal reporting provided to the Chief Operating Decision Maker (CODM).

The CEO & CFO of the Company are considered as chief operating decision makers who assess the financial performance and position of the Company, and make strategic decisions.

**g) Income taxes**

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 in India is Indian 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.

**h) Leases**

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

**(a) Company as a lessee**

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

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

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

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

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

#### **i) Business Combinations**

Business combinations are accounted for using the acquisition method. The cost of an acquisition is measured as the aggregate of the consideration transferred measured at acquisition date fair value and the amount of any non-controlling interests in the acquiree. For each business combination, the Company elects whether to measure the non-controlling interests in the acquiree at fair value or at the proportionate share of the acquiree's identifiable net assets. Acquisition-related costs are expensed as incurred.

At the acquisition date, the identifiable assets acquired and the liabilities assumed are recognised at their acquisition date fair values. For this purpose, the liabilities assumed include contingent liabilities representing present obligation and they are measured at their acquisition fair values irrespective of the fact that outflow of resources embodying economic benefits is not probable.

Goodwill is initially measured at cost, being the excess of the aggregate of the consideration transferred and the amount recognised for non-controlling interests, and any previous interest held, over the net identifiable assets acquired and liabilities assumed.

After initial recognition, goodwill is measured at cost less any accumulated impairment losses. For the purpose of impairment testing, goodwill acquired in a business combination is, from the acquisition date, allocated to each of the Company's cash-generating units that are expected to benefit from the combination, irrespective of whether other assets or liabilities of the acquiree are assigned to those units.

Where settlement of any part of cash consideration is deferred, the amounts payable in the future are discounted to their present value as on the acquisition date. The discount rate used is the entity's incremental borrowing rate, being the rate at which a similar borrowing could be obtained from an independent financier under comparable terms and conditions.

If the business combination is achieved in stages, the acquisition date carrying value of the acquirer's previously held equity interest in the acquiree is remeasured to fair value at the acquisition date. Any gains or losses arising from such remeasurement are recognised in profit or loss or other comprehensive income, as appropriate. If the initial accounting for a business combination is incomplete by the end of the reporting period in which the combination occurs, the Company reports provisional amounts for the items for which the accounting is incomplete. Those provisional amounts are adjusted through goodwill during the measurement period, or additional assets or liabilities are recognised, to reflect new information obtained about facts and circumstances that existed at the acquisition date that, if known, would have affected the amounts recognised at that date. These adjustments are called as measurement period adjustments. The measurement period does not exceed one year from the acquisition date.

When the consideration transferred by the Company in a business combination includes a contingent consideration arrangement, the contingent consideration is measured at its acquisition-date fair value and included as part of the

consideration transferred in a business combination. Changes in fair value of the contingent consideration that qualify as measurement period adjustments are adjusted retrospectively, with corresponding adjustments against Goodwill/capital reserve. Measurement period adjustments are adjustments that arise from additional information obtained during the 'measurement period' (which cannot exceed one year from the acquisition date) about facts and circumstances that existed at the acquisition date.

The subsequent accounting for changes in the fair value of the contingent consideration that do not qualify as measurement period adjustments depends on how the contingent consideration is classified. Contingent consideration that is classified as equity is not remeasured at subsequent reporting dates and its subsequent settlement is accounted for within equity. Other contingent consideration is remeasured to fair value at subsequent reporting dates with changes in fair value recognised in profit or loss.

## j) 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), or
- those measured at amortised cost.

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

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

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

### (ii) Measurement

At initial recognition, the Company measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at fair value through profit or loss are expensed in profit or loss. Financial assets with embedded derivatives are considered in their entirety when determining whether their cash flows are solely payment of principal and interest.

#### Debt instruments

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

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



**(iii) Impairment of financial assets**

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

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

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

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

**(iv) Derecognition of financial assets**

A financial asset is derecognised only when

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

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

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

**k) Cash and cash equivalents**

For the purpose of presentation in the statement of cash flows, cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value. Bank overdrafts are shown as borrowings in current liabilities in the balance sheet.

**l) Trade receivables**

Trade receivables are recognised initially at fair value and subsequently adjusted for expected credit loss using the effective interest method.

**m) Inventories**

Traded goods are stated at the lower of cost or net realisable value. Cost of traded goods comprises cost of purchases and all other costs incurred in bringing the inventories to their present location and condition. Costs are assigned to individual items of inventory on the basis of weighted average method. Costs of purchased inventory are determined after deducting rebates and discounts. Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale.

**n) Derivatives and hedging activities**

Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently re-measured to their fair value at the end of each reporting period. The accounting for subsequent changes in fair value depends on whether the derivative is designated as a hedging instrument, and if so, the nature of the item being hedged and the type of hedge relationship designated.

For the purpose of hedge accounting, hedges are classified as:

- Fair value hedges when hedging the exposure to changes in the fair value of a recognised asset or liability or an unrecognised firm commitment;
- Cash flow hedges when hedging the exposure to variability in cash flows that is either attributable to a particular risk associated with a recognised asset or liability or a highly probable forecast transaction.

At the inception of a hedge relationship, the Company formally designates and documents the hedge relationship to which the Company wishes to apply hedge accounting and the risk management objective and strategy for undertaking the hedge. The documentation includes the Company's risk management objective and strategy for undertaking hedge, the hedging/ economic relationship, the hedged item or transaction, the nature of the risk being hedged, hedge ratio and how the entity will assess the effectiveness of changes in the hedging instrument's fair value in offsetting the exposure to changes in the hedged item's fair value or cash flows attributable to the hedged risk. Such hedges are expected to be highly effective in achieving offsetting changes in fair value or cash flows and are assessed on an ongoing basis to determine that they actually have been highly effective throughout the financial reporting periods for which they were designated.

The full fair value of a hedging derivative is classified as a non-current asset or liability when the remaining maturity of the hedged item is more than 12 months; it is classified as a current asset or liability when the remaining maturity of the hedged item is less than 12 months.

**(i) Cash flow hedges that qualify for hedge accounting**

The effective portion of changes in the fair value of derivatives that are designated and qualify as cash flow hedges is recognised in the other comprehensive income in cash flow hedging reserve within equity, limited to the cumulative change in fair value of the hedged item on a present value basis from the inception of the hedge. The gain or loss relating to the ineffective portion is recognised immediately in profit or loss, within other gains/(losses).

Forward contracts are used to hedge forecast transactions, the Company generally designates only the change in fair value of the forward contract related to the spot component as the hedging instrument. Gains or losses relating to the effective portion of the change in the spot component of the forward contracts are recognised in other comprehensive income in cash flow hedging reserve within equity. The change in the forward element of the contract that relates to the hedged item ('aligned forward element') is recognised within other comprehensive income in the costs of hedging reserve within equity. In some cases, the entity may designate the full change in fair value of the forward contract (including forward points) as the hedging instrument. In such cases, the gains and losses relating to the effective portion of the change in fair value of the entire forward contract are recognised in the cash flow hedging reserve within equity.

Amounts accumulated in equity are reclassified to profit or loss in the periods when the hedged item affects profit or loss (for example, when the forecast sale that is hedged takes place).

When a hedging instrument expires, or is sold or terminated, or when a hedge no longer meets the criteria for hedge accounting, any cumulative deferred gain or loss and deferred costs of hedging in equity at that time remains in equity until the forecast transaction occurs. When the forecast transaction is no longer expected to occur, the cumulative gain or loss and deferred costs of hedging that were reported in equity are immediately reclassified to profit or loss within other gains/(losses). If the hedge ratio for risk management purposes is no longer optimal but the risk management objective remains unchanged and the hedge continues to qualify for hedge accounting, the hedge relationship will be rebalanced by adjusting either the volume of the hedging instrument or the volume of the hedged item so that the hedge ratio aligns with the ratio used for risk management purposes. Any hedge ineffectiveness is calculated and accounted for in profit or loss at the time of the hedge relationship rebalancing.

**(ii) Fair value hedges**

The change in the fair value of a hedging instrument is recognised in the statement of profit and loss. The change in the fair value of the hedged item attributable to the risk hedged is recorded as part of the carrying value of the hedged item and is also recognised in the Statement of Profit and Loss as finance costs.

For fair value hedges relating to items carried at amortised cost, any adjustment to carrying value is amortised through profit or loss over the remaining term of the hedge using the Effective Interest Rate (EIR) method. EIR amortisation may begin as soon as an adjustment exists and no later than when the hedged item ceases to be adjusted for changes in its fair value attributable to the risk being hedged.

If the hedged item is derecognised, the unamortised fair value is recognised immediately in the Statement of Profit and Loss.

**(iii) Derivatives that are not designated as hedges**

The Company enters into certain derivative contracts to hedge risks which are not designated as hedges. Such contracts are accounted for at fair value through profit or loss and are included in other gains/(losses).

**o) Property, plant and equipment**

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. Freehold land is carried at historical cost. All other items of property, plant and equipment are stated at historical cost less depreciation. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Subsequent costs are included in the asset’s carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. The carrying amount of any component accounted for as a separate asset is derecognised when replaced. All other repairs and maintenance are charged to profit or loss during the reporting period in which they are incurred.

**Depreciation methods, estimated useful lives and residual value**

Depreciation is calculated using the straight-line method to allocate their cost, net of their residual values, over their estimated useful lives as follows:

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 Equipments	5 years
Furniture & Fixtures	7 years
Leasehold Improvements	3-5 years or lease period, whichever is lower
Assets under employee benefits scheme except vehicles	3 years
All other assets (including vehicles)	Lives prescribed under Schedule II to the Companies Act, 2013

Depreciation is provided on a pro-rata basis on the straight-line method over the useful lives of the assets. The depreciation charge for each period is recognised in the Statement of Profit and Loss. The residual values is considered as nil.

The assets’ residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period.

An asset’s carrying amount is written down immediately to its recoverable amount if the asset’s carrying amount is greater than its estimated recoverable amount.

Gains and losses on disposals are determined by comparing proceeds with carrying amount. These are included in profit or loss within other income/ (expenses).

**p) Intangible assets**

**Computer software, Educational content/products - Acquired**

These Intangible assets are carried at cost less accumulated amortisation and accumulated impairment losses.

**Education content/products-Internally generated**

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 Company 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, and
- the expenditure attributable to the content / products 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.

### Goodwill

Goodwill on acquisitions of subsidiaries is included in intangible assets. Goodwill is not amortised but it 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. Gains and losses on the disposal of an entity include the carrying amount of goodwill relating to the entity sold.

Amortisation methods and periods

Intangible assets are amortised on a straight line basis over their estimated useful lives which are as follows:

Particulars	Useful life
Internally generated (Content and products)	3-5 years
Acquired (Software, content and products)	3-5 years

#### q) 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 that are expected to benefit from the business combination in which the goodwill arose. The units are identified at the lowest level at which goodwill is monitored.

Other assets 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).

An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. Such a reversal is made only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

#### r) Trade and other payables

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

#### s) Borrowings

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

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

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

**f) Borrowing costs**

General and specific borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset are capitalised during the period of time that is required to complete and prepare the asset for its intended use or sale. Qualifying assets are assets that necessarily take a substantial period of time to get ready for their intended use or sale.

Other borrowing costs are expensed in the period in which they are incurred. Borrowing cost includes exchange differences to the extent regarded as an adjustment to the borrowing costs.

**u) Provisions**

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.

**v) Employee benefits****(i) Short-term obligations**

Liabilities for wages and salaries, including non-monetary benefits that are expected to be settled wholly within 12 months after the end of the period in which the employees render the related service are recognised in respect of employees' services up to the end of the reporting period and are measured at the amounts expected to be paid when the liabilities are settled. The liabilities are presented as current employee benefit obligations in the balance sheet.

**(ii) Other long-term employee benefit obligations**

The liabilities for earned leave and sick leave are not expected to be settled wholly within 12 months after the end of the period in which the employees render the related service. They are therefore measured as the present value of expected future payments to be made in respect of services provided by employees up to the end of the reporting period using the projected unit credit method. The benefits are discounted using the market yields at the end of the reporting period that have terms approximating to the terms of the related obligation. Remeasurement as a result of experience adjustments and changes in actuarial assumptions are recognised in profit or loss.

The obligations are presented as current liabilities in the balance sheet if the entity does not have an unconditional right to defer settlement for at least twelve months after the reporting period, regardless of when the actual settlement is expected to occur.

**(iii) Post-employment obligations**

The Company operates the following post-employment schemes:

- Defined benefit plans such as Gratuity and Compensated Absences.
- Defined contribution plan such as Provident fund, Superannuation Fund, Pension fund and National Pension system.

**Gratuity**

The liability or asset recognised in the balance sheet in respect of defined benefit gratuity plans is the present value of the defined benefit obligation at the end of the reporting period less the fair value of plan assets. The defined benefit obligation is calculated annually by actuaries using the projected unit credit method. The present value of the defined benefit obligation denominated in Rs. is determined by discounting the estimated future cash outflows by reference to market yields at the end of the reporting period on government bonds that have terms approximating to the terms of the related obligation.

The net interest cost is calculated by applying the discount rate to the net balance of the defined benefit obligation

and the fair value of plan assets. This cost is included in employee benefit expense in the Statement of Profit and Loss. Remeasurement gains and losses arising from experience adjustments and changes in actuarial assumptions are recognised in the period in which they occur, directly in other comprehensive income. They are included in retained earnings in the Statement of Changes in Equity and in the balance sheet.

Changes in the present value of the defined benefit obligation resulting from plan amendments or curtailments are recognised immediately in profit or loss as past service cost.

#### **Compensated absences**

Liability in respect of compensated absences is provided for both encashable leave and those expected to be availed. The Company has defined benefit plans for compensated absences for employees, the liability for which is determined on the basis of an actuarial valuation at the end of the year using projected unit credit method. Any gain or loss arising out of such valuation is recognised in the Statement of Profit and Loss as income or expense as the case may be.

Accumulated compensated absences, which are expected to be availed within twelve months from the end of the year are treated as short term employee benefits. The obligation towards the same is measured at the expected undiscounted cost of accumulated compensated absences expected to be availed based on the unutilised entitlement at the year end.

#### **Provident fund**

The Company makes contribution to the "NIIT Limited Employees' Provident Fund Trust" for certain entities in India, which is a defined benefit plan to the extent that the Company has an obligation to make good the shortfall, if any, between the return from the investments of the trust and the notified interest rate. The Company's obligation in this regard is actuarially determined using projected unit credit method and provided for if the circumstances indicate that the Trust may not be able to generate adequate returns to cover the interest rates notified by the Government. The Company's contribution towards Provident Fund is charged to Statement of Profit and Loss.

#### **Superannuation fund**

The Company makes defined contribution to the Trust established for the purpose by the Company towards superannuation fund maintained with Life Insurance Corporation of India. The Company has no further obligations beyond its monthly contributions. Contribution made during the year is charged to Statement of Profit and Loss.

#### **Pension Fund**

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

#### **National Pension System**

The Company makes defined contribution towards National Pension System for certain employees for which Company has no further obligation. Contributions made during the year are charged to Statement of Profit and Loss.

#### **w) Share based payments - Employee stock option plan (ESOP)**

The Company operates equity settled employee share based employee settled plan. The fair value of options granted under the 'NIIT Employee Stock Option Plan 2005' is recognised as an employee benefits expense with a corresponding increase in equity. The total amount to be expensed is determined by reference to the fair value of the options granted:

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

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

#### **x) 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.

**y) Dividends**

The final dividend on shares is recorded as a liability on the date of approval by the shareholders and interim dividends are recorded as a liability on the date of declaration by the Company's Board of Directors.

The Company declares and pays dividends in Indian rupees. Companies are required to pay/distribute dividend after deducting applicable taxes. The remittance of dividends outside India is governed by Indian law on foreign exchange and is also subject to withholding tax at applicable rates.

**z) Earnings per share**

**(i) Basic earnings per share**

Basic earnings per share is calculated by dividing the profit attributable to owners of the Company by the weighted average number of equity shares outstanding during the financial year.

**(ii) Diluted earnings per share**

Diluted earnings per share adjusts the figures used in the determination of basic earnings per share to take into account:

- the after income tax effect of interest and other financing costs associated with dilutive potential equity shares, and
- the weighted average number of additional equity shares that would have been outstanding assuming the conversion of all dilutive potential equity shares.

**aa) Fair value measurement**

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability, or
- In the absence of a principal market, in the most advantageous market for the asset or liability.

The principal or the most advantageous market must be accessible to/ by the Company.

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

**Level 1:** 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 fair value of all equity instruments (including bonds) which are traded in the stock exchanges is valued using the closing price as at the reporting period. 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.

For assets and liabilities that are recognised in the financial statements on a recurring basis, the Company determines whether transfers have occurred between levels in the hierarchy by reassessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

For the purpose of fair value disclosures, the Company has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above.

The Company measures financial instruments, such as, investments (other than investment in subsidiaries), at fair value at each reporting date.

**ab) 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:

- measurement of defined benefit obligations: key actuarial assumptions - refer notes 2v and 25.
- measurement of useful life and residual values of property, plant and equipment -refer note 2o and 3.
- judgement required to determine grant date fair value technique -refer notes 2w and 26.
- fair value measurement of financial instruments - refer notes 2aa and 27.
- judgement required to determine probability of recognition of deferred tax assets - refer note 2g.

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

### ac) 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.

Materiality threshold can be used to select items to be disclosed as exceptional on case to case basis. This threshold would be applied separately for standalone as well as consolidated financial statements. However, in case an item qualifies for disclosure in standalone financial statements but not in consolidated financial statements or vice versa, this would need to be evaluated on case to case basis

**Basis the above analysis, mainly following items would be 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.
- c) Reassessment / Change in life of asset (in case of re-evaluation of business/product, impact of all assets specific to that business/product to be considered for applying the threshold).
- d) Disputed regulatory / tax levies including tax rate change having retrospective impact (other than impact on account of restatement of deferred tax asset / liability for tax rate change) – only impact for the past periods to be disclosed as exceptional.
- e) Provision for other than temporary diminution in the value of non-current investment.
- f) Shareholders' dispute settlement arising out of merger / acquisition transactions.
- g) Write-downs of inventories to net realisable value or of property, plant and equipment to recoverable amount, as well as reversals of such write-downs.
- h) Restructurings of the activities of an entity and reversals of any provisions for the costs of restructuring.

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.



## Notes to the Standalone Financial Statements for the year ended March 31, 2023

Contd..

(All Amount in Rs. Millions, unless otherwise stated)

### 3. Property, Plant and Equipment

Particulars	Plant & Equipments	Leasehold Improvements	Furniture & Fixtures	Vehicles	Office Equipments	Total tangible assets
<b>Year ended March 31, 2022</b>						
Gross carrying amount	5.83	0.25	0.26	-	-	6.34
Opening gross carrying amount	202.35	54.36	36.49	2.58	16.16	311.94
Transferred pursuant to Scheme of Arrangement (Refer note 35)	50.43	-	-	15.73	-	66.16
Additions	2.85	-	0.36	-	-	3.21
Disposals/Sale	255.76	54.61	36.39	18.31	16.16	381.23
<b>Closing gross carrying amount (A)</b>						
Accumulated depreciation	5.57	0.25	0.19	-	-	6.01
Opening accumulated depreciation	150.39	54.36	26.04	1.91	11.26	243.96
Transferred pursuant to Scheme of Arrangement (Refer note 35)	32.88	-	2.85	0.57	1.99	38.29
Depreciation charged during the year	2.80	-	0.36	-	-	3.16
Disposals/Sale	186.04	54.61	28.72	2.48	13.25	285.10
<b>Closing accumulated depreciation (B)</b>						
<b>Net Carrying Amount (A-B)</b>	<b>69.72</b>	<b>-</b>	<b>7.67</b>	<b>15.83</b>	<b>2.91</b>	<b>96.13</b>
<b>Year ended March 31, 2023</b>						
Gross carrying amount	255.76	54.61	36.39	18.31	16.16	381.23
Opening gross carrying amount	82.08	-	89.11	39.36	24.58	235.13
Additions	16.30	13.59	21.30	-	0.66	51.85
Disposals/Sale	321.54	41.02	104.20	57.67	40.08	564.51
<b>Closing Gross Carrying Amount (C)</b>						
Accumulated Depreciation	186.04	54.61	28.72	2.48	13.25	285.10
Opening accumulated depreciation	43.87	-	6.35	7.37	2.67	60.26
Depreciation charged during the year	15.99	13.59	19.08	-	0.65	49.31
Disposals/Sale	213.92	41.02	15.99	9.85	15.27	296.05
<b>Closing accumulated depreciation (D)</b>						
<b>Net Carrying Amount (C-D)</b>	<b>107.62</b>	<b>-</b>	<b>88.21</b>	<b>47.82</b>	<b>24.81</b>	<b>268.46</b>

**Notes to the Standalone Financial Statements for the year ended March 31, 2023**

Contd..

(All Amount in Rs. Millions, unless otherwise stated)

**4. Intangible Assets and Intangible assets under development**

Particulars	Educational Content/ Products Internally Generated	Software Acquired	Total intangibles assets other than intangibles assets under development	Intangible assets under development (footnote 1)	Total Intangible assets
<b>Year ended March 31, 2022</b>					
Gross carrying amount	158.63	2.76	161.39	-	161.39
Opening gross carrying amount	501.66	11.27	512.93	8.21	521.14
Transferred pursuant to Scheme of Arrangement (Refer note 35)	-	-	-	16.31	16.31
Additions	-	-	-	-	-
Transfer	-	-	-	-	-
Disposals/Sale	-	-	-	-	-
Closing gross carrying amount (A)	660.29	14.03	674.32	24.52	698.84
<b>Accumulated amortisation and impairment</b>					
Opening accumulated amortisation and impairment	158.63	2.76	161.39	-	161.39
Transferred pursuant to Scheme of Arrangement (Refer note 35)	403.12	10.74	413.86	-	413.86
Amortisation charge for the year	65.85	0.42	66.27	-	66.27
Disposals/Sale	-	-	-	-	-
Closing accumulated depreciation (B)	627.60	13.92	641.52	-	641.52
Net Carrying Amount (A-B)	32.69	0.11	32.80	24.52	57.32
<b>Year ended March 31, 2023</b>					
Gross carrying amount	660.29	14.03	674.32	24.52	698.84
Opening gross carrying amount	68.52	0.07	68.59	162.10	230.69
Additions	-	-	-	68.52	68.52
Transfer	-	-	-	-	-
Disposals/Sale	-	-	-	-	-
Closing Gross Carrying Amount (C)	728.81	13.42	742.23	118.10	860.33
<b>Accumulated Amortisation and Impairment</b>					
Opening accumulated amortisation and impairment	627.60	13.92	641.52	-	641.52
Amortisation charge for the year	27.94	0.12	28.06	-	28.06
Disposals/Sale	-	-	-	-	-
Closing accumulated depreciation (D)	655.54	13.36	668.90	-	668.90
Net Carrying Amount (C-D)	73.27	0.06	73.33	118.10	191.43

**Footnote:**

(i) Refer note 5 for cost incurred during the year on internally generated intangible assets.

**4(ii) Depreciation and amortisation expenses**

	Year ended	
	March 31, 2023	March 31, 2022
Depreciation on Property, plant and equipment (Refer Note 3)	60.26	38.29
Amortisation on Intangible assets (Refer Note 4)	28.06	66.27
Depreciation on right-of-use assets (Refer Note 6(ii))	4.16	4.22
	<b>92.48</b>	<b>108.78</b>

**Notes to the Standalone Financial Statements for the year ended March 31, 2023** **Contd..**  
(All Amount in Rs. Millions, unless otherwise stated)

**5 Intangible assets under development**

The Company internally develops software tools, platforms and content / courseware. The management estimates that this would result in enhanced productivity 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 during the year towards the development are as follows:

Description	Year ended	
	March 31, 2023	March 31, 2022
<b>Opening Balance</b>	<b>24.52</b>	-
Transferred pursuant to Scheme of Arrangement (Refer note 35)	-	8.21
<b>Add:-Expenses capitalised during the year</b>		
Salary and other Employee Benefits	88.88	11.38
Professional & Technical Outsourcing Expenses	53.23	0.33
Other expenses	19.99	4.60
<b>Less:-Intangible assets capitalised during the year</b>	<b>(68.52)</b>	-
<b>Closing Balance</b>	<b>118.10</b>	<b>24.52</b>

**Ageing of Projects**

Projects in progress	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
March 31, 2023	93.58	19.44	5.08	-	118.10
March 31, 2022	19.44	5.08	-	-	24.52

**6 Leases**

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

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

Particulars	Year ended	
	March 31, 2023	March 31, 2022
In respect of Premises*	2.54	3.92
In respect of Equipments**	14.50	33.39
In respect of Vehicles	0.85	2.05
	<b>17.89</b>	<b>39.36</b>

\* Includes payment in respect of premises for office and employee accommodation.

\*\* Includes payment in respect of computers, printers and other equipments.

**6(ii) Right-of-use Assets**

**The following are the carrying amount of right-of-use assets recognised and movement :**

Particulars	Vehicle	Total
<b>As at April 1, 2021</b>	<b>0.18</b>	<b>0.18</b>
Transferred pursuant to Scheme of Arrangement (Refer note 35)	8.88	8.88
Additions / Modifications	3.11	3.11
Deletion	-	-
Depreciation	(4.22)	(4.22)
<b>As at March 31, 2022</b>	<b>7.95</b>	<b>7.95</b>
Additions / Modifications	-	-
Deletion	(0.23)	(0.23)
Depreciation	(4.16)	(4.16)
<b>As at March 31, 2023</b>	<b>3.56</b>	<b>3.56</b>

## Notes to the Standalone Financial Statements for the year ended March 31, 2023 Contd..

(All Amount in Rs. Millions, unless otherwise stated)

### 6(ii) Lease Liabilities

The following are the carrying amount of lease liabilities and movement:

Particulars	Total
<b>As at April 1, 2021</b>	<b>0.18</b>
Transferred pursuant to Scheme of Arrangement (Refer note 35)	9.45
Additions / Modifications	3.11
Deletion	-
Accretion of interest	0.90
Payments	(5.05)
<b>As at March 31, 2022</b>	<b>8.59</b>
Additions / Modifications	-
Deletion	(0.29)
Accretion of interest	0.59
Payments	(4.94)
<b>As at March 31, 2023</b>	<b>3.95</b>

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

Particulars	March 31, 2023	March 31, 2022
Current Lease liabilities	2.41	4.52
Non-Current Lease liabilities	1.54	4.07
<b>Total</b>	<b>3.95</b>	<b>8.59</b>

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

Particulars	March 31, 2023	March 31, 2022
Depreciation expenses of right-of-use assets	4.16	4.22
Interest expense on lease liabilities (Refer note 19)	0.59	0.90
Gain on termination of Leases (Net) [Refer notes 17]	(0.04)	-
<b>Total</b>	<b>4.71</b>	<b>5.12</b>

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

Particulars	March 31, 2023	March 31, 2022
Less than one year	2.41	4.52
One to two years	1.27	2.52
More than two years	0.27	1.55
<b>Total</b>	<b>3.95</b>	<b>8.59</b>

### 7 Financial Assets

#### 7(i) Investments

##### A. Non-Current Investment

	As at	
	March 31, 2023	March 31, 2022
<b>Investments in equity instruments (fully paid)</b>		
<b>Unquoted in subsidiary companies:</b>		
<b>In Subsidiary Companies [Refer footnote (i)]</b>		
<b>-Equity</b>		
(Valued at cost)		
10,662,113 (Previous year : 10,662,113) shares of US \$ 1 each fully paid-up in NIIT (USA) Inc., USA	478.15	478.15
10,000,000 (Previous year : 10,000,000) Equity Shares of NGN 1 each fully paid-up in NIIT West Africa Limited, Nigeria	8.37	8.37
Less: Provision for impairment in value of Investment	(8.37)	(8.37)
	-	-
5,541,000 (Previous year : 5,541,000) shares of MYR 1 each fully paid-up in NIIT Malaysia SDN. BHD, Malaysia	91.66	91.66
4,150,000 (Previous year : 4,150,000) shares of Euro 1 each fully paid-up in NIIT Ireland Limited, Ireland	357.73	357.73
155,000 (Previous year : 155,000) shares of GBP 1 each fully paid-up in NIIT Limited, UK	13.10	13.10
<b>Total Non-Current Investments</b>	<b>940.64</b>	<b>940.64</b>

Footnote:-

(i) Transferred to the Company pursuant to the Scheme of Arrangement [Refer note 35].

**Notes to the Standalone Financial Statements for the year ended March 31, 2023** **Contd..**  
(All Amount in Rs. Millions, unless otherwise stated)

	As at	
	March 31, 2023	March 31, 2022
<b>B. Current Investment [Refer footnote (i)]</b>		
<b>(i) Carried at Fair Value through statement of profit and loss [Quoted]</b>		
Investments in Mutual Funds	2,127.13	144.19
<b>(ii) Carried at amortised cost [Unquoted]</b>		
<b>Investment [Unquoted]</b>		
Investment in term deposits with Financial Institution	699.00	850.00
<b>Total Current Investments</b>	<b>2,826.13</b>	<b>994.19</b>
Aggregate amount of Unquoted Investments	1,648.01	1,799.01
Less: Aggregate Provision for impairment in the value of Investments	(8.37)	(8.37)
<b>Total Unquoted Investments</b>	<b>1,639.64</b>	<b>1,790.64</b>
Aggregate amount of Quoted Investments at market value	2,127.13	144.19
<b>Total Quoted Investments</b>	<b>2,127.13</b>	<b>144.19</b>
<b>Total Investments</b>	<b>3,766.77</b>	<b>1,934.83</b>

**Footnote:-**

(i) Transferred to the Company pursuant to the Scheme of Arrangement [Refer note 35].

7(ii) Other Financial Assets	March 31, 2023	March 31, 2022	March 31, 2023	March 31, 2022
	Non-Current		Current	
<b>a) Security Deposits</b>				
Unsecured, considered good	0.20	0.24	0.16	0.43
Unsecured, considered doubtful	0.80	0.80	-	-
Less: Allowance for doubtful deposits	(0.80)	(0.80)	-	-
	<b>0.20</b>	<b>0.24</b>	<b>0.16</b>	<b>0.43</b>
<b>b) Contract Assets</b>				
Unbilled Revenue (Refer note 16.1) *	-	-	69.31	38.24
Unsecured, considered doubtful	-	-	2.89	2.89
Less: Allowance for doubtful unbilled revenue (Refer note 28)	-	-	(2.89)	(2.89)
	-	-	<b>69.31</b>	<b>38.24</b>
<b>c) Interest Receivable</b>				
Interest Accrued on bank and other deposits	1.32	0.31	29.18	71.65
	<b>1.32</b>	<b>0.31</b>	<b>29.18</b>	<b>71.65</b>
<b>d) Derivative Assets (Refer note 28)</b>				
	-	-	-	16.20
	-	-	-	<b>16.20</b>
<b>e) Other Receivables</b>				
Other Receivables	-	-	50.34	37.15
Receivables from related parties	-	-	249.28	145.07
Unsecured, considered doubtful	-	-	0.93	0.93
Less: Allowance for doubtful receivables	-	-	(0.93)	(0.93)
	-	-	<b>299.62</b>	<b>182.22</b>
<b>f) Bank deposits</b>				
With remaining maturity of less than 12 months	-	-	-	629.00
With remaining maturity of more than 12 months**	20.01	20.01	-	-
	<b>20.01</b>	<b>20.01</b>	-	<b>629.00</b>
	<b>21.53</b>	<b>20.56</b>	<b>398.27</b>	<b>937.74</b>

\*Includes unbilled revenue from related parties Rs. 1.47 Million (Previous year Rs. Nil).

\*\*Deposit of Rs. 20.01 Million (Previous year Rs. 20.01 Million) pledged as margin money with bank for issuance of bank guarantees.

## Notes to the Standalone Financial Statements for the year ended March 31, 2023 Contd..

(All Amount in Rs. Millions, unless otherwise stated)

### 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	69.31	-	-	-	-	69.31
Undisputed Unbilled revenue - Credit impaired	-	-	-	-	2.89	2.89
<b>Total</b>	<b>69.31</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>2.89</b>	<b>72.20</b>
Less: Allowance for doubtful unbilled revenue						(2.89)
<b>Total</b>						<b>69.31</b>

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

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	37.40	0.84	-	-	-	38.24
Undisputed Unbilled revenue - Credit impaired	-	-	-	-	2.89	2.89
<b>Total</b>	<b>37.40</b>	<b>0.84</b>	<b>-</b>	<b>-</b>	<b>2.89</b>	<b>41.13</b>
Less: Allowance for doubtful unbilled revenue						(2.89)
<b>Total</b>						<b>38.24</b>

\*There are no disputed unbilled revenue.

7(iii) Trade Receivables	As at	
	March 31, 2023	March 31, 2022
	Current	
Unsecured, considered good		
Trade Receivables	312.01	254.24
Receivables from related parties	736.26	453.90
Unsecured - credit impaired	188.75	193.38
Less: Allowance for doubtful debts (Refer note 28)	(188.75)	(193.38)
	<b>1,048.27</b>	<b>708.14</b>

Trade receivables are non-interest bearing and are generally on terms of 30 to 90 days.

### Ageing of Trade Receivables 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	670.81	372.41	0.81	3.18	1.06	-	1,048.27
Undisputed Trade Receivables - credit impaired	-	-	0.04	-	12.67	176.04	188.75
<b>Total</b>	<b>670.81</b>	<b>372.41</b>	<b>0.85</b>	<b>3.18</b>	<b>13.73</b>	<b>176.04</b>	<b>1,237.02</b>
Less: Allowance for doubtful debts							(188.75)
<b>Total</b>							<b>1,048.27</b>

### Ageing of Trade Receivables as at March 31, 2022\*

Particulars	Not due	Outstanding for following periods from due date of payment					Total
		Less than 6 Months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	
Undisputed Trade Receivables - Considered Good	655.81	33.65	1.24	1.70	0.54	15.20	708.14
Undisputed Trade Receivables - credit impaired	-	0.86	0.28	11.56	26.23	154.45	193.38
<b>Total</b>	<b>655.81</b>	<b>34.51</b>	<b>1.52</b>	<b>13.26</b>	<b>26.77</b>	<b>169.65</b>	<b>901.52</b>
Less: Allowance for doubtful debts							(193.38)
<b>Total</b>							<b>708.14</b>

\*There are no disputed trade receivables.

## Notes to the Standalone Financial Statements for the year ended March 31, 2023 Contd..

(All Amount in Rs. Millions, unless otherwise stated)

	As at	
	March 31, 2023	March 31, 2022
<b>7(iv) Cash and Cash Equivalents</b>	<b>Current</b>	
Balance with banks	1.84	1.32
-Current accounts	1.84	1.32
	<b>As at</b>	
<b>7(v) Bank Balances other than above</b>	March 31, 2023	March 31, 2022
	<b>Current</b>	
Bank deposits		
-With original maturity of more than 3 months and upto 12 months*	-	785.63
	-	785.63

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

	As at	
	March 31, 2023	March 31, 2022
<b>8 Tax Assets (Net)</b>		
<b>8(i) Deferred tax assets/ liabilities</b>		
<b>Deferred Tax Assets</b>		
The balance comprises temporary differences attributable to:		
Provision for Employee benefits	54.18	50.07
Provision for Doubtful debts, Unbilled revenue, inventory & others	54.54	0.96
Difference between carrying value of Property, plant and equipment and intangible assets in the financial statements and as per the Income Tax	80.33	66.79
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	0.10	0.16
Scheme related expenses	2.47	-
<b>Total (A)</b>	<b>191.62</b>	<b>117.98</b>
<b>Deferred Tax Liabilities</b>		
Unrealised gain on Investment marked to market	(11.71)	(0.09)
<b>Total (B)</b>	<b>(11.71)</b>	<b>(0.09)</b>
<b>Net Deferred Tax Assets recognised (A+B)</b>	<b>179.91</b>	<b>117.89</b>

- a) Deferred Tax Assets and Liabilities are being offset as they relate to taxes on income levied by the tax jurisdiction in India.
- b) Pursuant to Scheme of Arrangement, the Company has reassessed utilization of absorption plan of timing differences including carry forward business losses and recognised Deferred Tax Assets accordingly.

### Movement in deferred tax assets / (liabilities)

Particulars	Property, Plant and Equipments and Intangibles Assets	Provision for Employee Benefits	Provision for Doubtful debts, Unbilled revenue, inventory & others	Others includes unrealised gain	Right-of-use assets/ (Lease Liabilities)	Total
<b>As at April 1, 2021</b>	-	-	-	-	-	-
<b>Transferred pursuant to Scheme of Arrangement (Refer note 35)</b>	66.38	53.35	0.15	-	0.14	120.02
(charged)/credited:						
- to profit or loss	0.41	(15.59)	0.81	(0.09)	0.02	(14.44)
- to other comprehensive income	-	12.31	-	-	-	12.31
<b>As at March 31, 2022</b>	<b>66.79</b>	<b>50.07</b>	<b>0.96</b>	<b>(0.09)</b>	<b>0.16</b>	<b>117.89</b>
(charged)/credited:						
- to profit or loss	13.54	12.89	53.58	(9.15)	(0.06)	70.80
- to other comprehensive income	-	(8.78)	-	-	-	(8.78)
<b>As at March 31, 2023</b>	<b>80.33</b>	<b>54.18</b>	<b>54.54</b>	<b>(9.24)</b>	<b>0.10</b>	<b>179.91</b>

	As at			
	March 31, 2023	March 31, 2022	March 31, 2023	March 31, 2022
<b>8(ii) Income tax assets / (liabilities) (Net)</b>	<b>Non-Current</b>		<b>Current</b>	
Advance Income Tax	88.09	28.87	-	33.44
Less : Provision for Income Tax	(66.39)	(6.14)	-	(62.71)
	<b>21.70</b>	<b>22.73</b>	-	<b>(29.27)</b>

**Notes to the Standalone Financial Statements for the year ended March 31, 2023** **Contd..**  
(All Amount in Rs. Millions, unless otherwise stated)

		As at			
		March 31, 2023	March 31, 2022	March 31, 2023	March 31, 2022
		Non-Current		Current	
<b>9</b>	<b>Other Assets</b>				
i)	<b>Capital Advances</b>				
	Unsecured, considered good	8.90	15.72	-	-
		<b>8.90</b>	<b>15.72</b>	-	-
ii)	<b>Advances to Suppliers in cash or in kind</b>				
	Unsecured, considered good	-	-	14.90	16.41
		-	-	<b>14.90</b>	<b>16.41</b>
iii)	<b>Other Advances recoverable in cash or in kind</b>				
	Unsecured, considered good	0.15	0.17	6.29	1.53
	Unsecured, considered doubtful	-	-	0.03	0.09
	Less: Allowance for doubtful advances	-	-	(0.03)	(0.09)
		<b>0.15</b>	<b>0.17</b>	<b>6.29</b>	<b>1.53</b>
iv)	<b>Prepaid expenses</b>				
	Unsecured, considered good	0.60	0.89	88.91	90.68
		<b>0.60</b>	<b>0.89</b>	<b>88.91</b>	<b>90.68</b>
		<b>9.65</b>	<b>16.78</b>	<b>110.10</b>	<b>108.62</b>

		As at	
		March 31, 2023	March 31, 2022
<b>10</b>	<b>Inventories</b>		
	<b>As at the end of the year</b>		
	Stock-in-trade		
	Education and Training Material*	1.26	5.42
		<b>1.26</b>	<b>5.42</b>
	<b>As at the beginning of the year</b>		
	Stock-in-trade		
	Education and training material*	5.42	17.19
		<b>5.42</b>	<b>17.19</b>
	<b>Decrease in inventories</b>	<b>4.16</b>	<b>11.77</b>

\* Net of provision for non-moving inventories of Rs. 21.32 Million (Previous year Rs. 22.07 Million).

**11 Share capital [Refer note 35]**

**a) Authorised share capital**

Particulars	Number of shares	Amount
<b>As at April 1, 2021 (Equity shares of Rs. 10 each)</b>	120,000,000	1,200.00
Addition during the year	-	-
<b>As at March 31, 2022 (Equity shares of Rs. 10 each)</b>	120,000,000	1,200.00
Authorised Share Capital reclassified/reorganised by reducing the face value of equity shares to Rs. 2 (Rupees Two only pursuant to Scheme of Arrangement)	600,000,000	1,200.00
Addition during the year	-	-
<b>As at March 31, 2023 (Equity shares of Rs. 2 each)</b>	<b>600,000,000</b>	<b>1,200.00</b>

Pursuant to the Scheme of Arrangement, the authorised share capital of the Company got reclassified/reorganized from 120,000,000 equity shares of Rs. 10/- each aggregating to Rs. 1,200 Million to 600,000,000 equity shares of Rs. 2/- each aggregating to Rs. 1,200 Million by reducing the face value of equity shares from Rs. 10/- to Rs. 2/- each.



## Notes to the Standalone Financial Statements for the year ended March 31, 2023 Contd..

(All Amount in Rs. Millions, unless otherwise stated)

### b) Movement in equity share capital

Subscribed and paid up share capital	Equity shares	
	Number of shares	Amount
As at April 1, 2021 (Equity shares of Rs. 10 each)	115,564,072	1,155.64
Issued during the year	-	-
As at March 31, 2022 (Equity shares of Rs. 10 each)	115,564,072	1,155.64
Cancelled pursuant to Scheme of Arrangement	(115,564,072)	(1,155.64)
<b>Share Suspense Account</b>		
Shares to be issued pursuant to Scheme of Arrangement (Equity shares of Rs. 2 each) (Refer note 35)	134,564,360	269.14
As at March 31, 2023 (Equity shares of Rs. 2 each)	134,564,360	269.14

### c) Terms / rights attached to equity shares

The Company has only one class of equity shares having par value of Rs. 2 per share. Each holder of equity shares is entitled to one vote per share. The Company declares and pays dividends in Indian rupees. The dividend (excluding interim dividend) proposed by the Board of Directors, if any, is subject to the approval of the shareholders in the ensuing Annual General Meeting. In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

### d) Shares reserved for issue under options

Information relating to Employee Stock Option Plan, including details of options issued, granted, exercised and lapsed during the financial year and options outstanding at the end of the reporting year, is set out in Note 26.

### e) Details of Shareholders holding more than 5% shares in the Company

Particulars	March 31, 2023		March 31, 2022	
	Number of shares	% of holding	Number of shares	% of holding
NIIT Limited*	-	-	115,564,072	100.00%
Rajendra Singh Pawar as Trustee of Pawar Family Trust	22,445,644	16.68%	-	-
Vijay Kumar Thadani as Trustee of Thadani Family Trust	22,994,229	17.09%	-	-
Nippon Life India Trustee Ltd - A/c Nippon India Small Cap Fund	11,095,416	8.25%	-	-
Massachusetts Institute of Technology	7,741,830	5.75%	-	-
<b>Total</b>	<b>64,277,119</b>	<b>47.77%</b>	<b>115,564,072</b>	<b>100.00%</b>

\*Six Equity Shares were registered in the names of nominee individuals, the beneficial interest of which lied with NIIT Limited.

### f) Details of shares held by promoters and Promoter Group

As at March 31, 2023

Particulars	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
<b>Promoters</b>					
NIIT Limited*	115,564,072	(115,564,072)	-	0.00%	(100.00%)
Rajendra Singh Pawar	-	155,000	155,000	0.12%	100.00%
Vijay Kumar Thadani	-	155,000	155,000	0.12%	100.00%
<b>Promoter Group</b>					
Rajendra Singh Pawar as Trustee of Pawar Family Trust	-	22,445,644	22,445,644	16.68%	100.00%
Vijay Kumar Thadani as Trustee of Thadani Family Trust	-	22,994,229	22,994,229	17.09%	100.00%
Arvind Thakur	-	566,829	566,829	0.42%	100.00%
Neeti Pawar and Rajendra Singh Pawar	-	427,326	427,326	0.32%	100.00%
Urvashi Pawar	-	56,250	56,250	0.04%	100.00%
Unnati Pawar	-	56,242	56,242	0.04%	100.00%
Udai Pawar	-	7,500	7,500	0.01%	100.00%
R S Pawar HUF	-	2,527	2,527	0.00%	100.00%
V K Thadani HUF	-	2,527	2,527	0.00%	100.00%

## Notes to the Standalone Financial Statements for the year ended March 31, 2023 Contd..

(All Amount in Rs. Millions, unless otherwise stated)

### f) Details of shares held by promoters and Promoter Group

As at March 31, 2023

Particulars	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
Renu Kanwar and Vandana Katoch	-	2,339	2,339	0.00%	100.00%
Santosh Dogra	-	1,687	1,687	0.00%	100.00%
Renuka Vijay Thadani and Vijay Kumar Thadani	-	1,000	1,000	0.00%	100.00%
Kailash K Singh and Yogesh Singh	-	750	750	0.00%	100.00%
Janki Jamwal and Neeti Pawar	-	652	652	0.00%	100.00%
Janki Jamwal and Pramod Singh Jamwal	-	562	562	0.00%	100.00%
Janki Jamwal and Keerti Katoch	-	562	562	0.00%	100.00%
Rasina Uberoi	-	15,464	15,464	0.01%	100.00%
Rubika Vinod Chablani	-	1,687	1,687	0.00%	100.00%

\* Shares to be issued pursuant to the Scheme of Arrangement [Refer note 35(D)].

As at March 31, 2022

Particulars	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
<b>Promoters</b>					
NIIT Limited*	115,564,072	-	115,564,072	100.00%	0.00%
<b>Total</b>	<b>115,564,072</b>	<b>-</b>	<b>115,564,072</b>	<b>100.00%</b>	<b>0.00%</b>

\*Six Equity Shares were registered in the names of nominee individuals, the beneficial interest of which lied with NIIT Limited.

### 12 Other Equity

Particulars	As at	
	March 31, 2023	March 31, 2022
<b>Reserves and Surplus [Refer note 12(i)]</b>		
Capital reserve	23.30	-
Securities Premium	-	20.00
Employees Stock Option Outstanding	301.46	149.50
Retained Earnings	4,333.39	2,431.44
	<b>4,658.15</b>	<b>2,600.94</b>
<b>Other Reserves [Refer note 12(ii)]</b>		
Hedging Reserve Account	(10.24)	8.29
<b>Total Other Equity</b>	<b>4,647.91</b>	<b>2,609.23</b>

#### 12(i) Reserves and Surplus

	As at			
	March 31, 2023		March 31, 2022	
<b>a) Capital Reserve [Refer footnote (i)]</b>				
Opening Balance	-	-	-	-
Created upon Capital Reduction pursuant to the Scheme of Arrangement [Refer note 35(C)]	23.30	23.30	-	-
<b>b) Securities Premium [Refer footnote (ii)]</b>				
Opening Balance	20.00	20.00	-	-
Utilized for Capital Reduction pursuant to the Scheme of Arrangement [Refer note 35(C)]	(20.00)	-	-	20.00
<b>c) Employees Stock Option Outstanding</b>				
Opening Balance	149.50	-	-	-
Transferred pursuant to the Scheme of Arrangement (Refer note 35)	-	85.36	-	-
Adjustment pursuant to the Scheme of Arrangement	(68.98)	(60.85)	-	-
Share based payments (Refer note 26)	118.96	67.07	-	-
Share based payments recovered from Subsidiaries	101.98	301.46	57.92	149.50

## Notes to the Standalone Financial Statements for the year ended March 31, 2023 Contd..

(All Amount in Rs. Millions, unless otherwise stated)

		As at	
		March 31, 2023	March 31, 2022
<b>d)</b>	<b>Retained Earnings</b>		
	Opening Balance	2,431.44	(1,147.94)
	Capital Reduction pursuant to the Scheme of Arrangement [Refer note 35(C)]	1,152.34	-
	Transferred pursuant to the Scheme of Arrangement (Refer note 35)	-	3,030.70
	Profit for the year	992.63	584.83
	Share capital to be issued Pursuant to Scheme of Arrangement (Equity shares of Rs. 2 each) [Refer note 35 (D)]	(269.14)	-
	Other Comprehensive Profit/ (Loss) (net of tax)	26.12	4,333.39
		(36.16)	2,431.44
	<b>Total Reserves and Surplus</b>	<b>4,658.15</b>	<b>2,600.94</b>

		As at	
		March 31, 2023	March 31, 2022
<b>12(ii)</b>	<b>Other Reserves</b>		
	<b>Hedging Reserve Account (Cash flow Hedge) [Refer footnote (iii)]</b>		
	Opening Balance	8.29	-
	Transferred pursuant to the Scheme of Arrangement (Refer note 35)	-	9.75
	Impact of restatement of derivative on Receivables	(18.53)	(1.46)
	<b>Total Other Reserves</b>	<b>(10.24)</b>	<b>8.29</b>

**Footnotes:**

- (i) Capital reserve represents the reserve created on Amalgamation and Business Combinations.
- (ii) The amount represents the additional amount shareholders paid for their issued shares that was in excess of the par value of those shares. The same can be utilised for the items specified under section 52 of Companies Act, 2013.
- (iii) The Company uses hedging instruments as part of its management of foreign currency risk associated with its highly probable forecasted transactions, i.e., revenue, as described in Note 28. The Company uses Foreign Currency Forward Contracts which are designated as Cash Flow Hedges for hedging foreign currency risk. To the extent these hedges are effective, the change in fair value of the hedging instrument is recognised in the Cash Flow Hedging Reserve. Amount recognised in the Cash Flow Hedging Reserve is reclassified to profit or loss when the hedged item effects profit and loss, i.e., Revenue.

### 13 Financial Liabilities

		As at	
		March 31, 2023	March 31, 2022
<b>13(i)</b>	<b>Trade Payables</b>		
	Total outstanding dues of creditors other than micro enterprises and small enterprises	278.86	247.17
	Total outstanding dues of micro enterprises and small enterprises	26.15	21.34
	Trade Payables to related parties	190.42	192.22
		<b>495.43</b>	<b>460.73</b>

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

Parties covered under Micro, Small and Medium Enterprises Development Act, 2006 (MSMED Act) have been identified on the basis of information available with the Company. Disclosures as per Section 22 of the Micro, Small and Medium Enterprises Development (MSMED) Act, 2006 are as follows:

		As at	
		March 31, 2023	March 31, 2022
<b>a)</b>	The principal amount and the interest due thereon remaining unpaid to any supplier		
	i) Principal amount	26.15	21.34
	ii) Interest thereon	-	-
<b>b)</b>	The amount of payment made to the supplier beyond the appointed day and the interest thereon, during an accounting year		
	i) Principal amount	4.50	9.57
	ii) Interest thereon	0.01	0.02
<b>c)</b>	The amount of interest due and payable for the year of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under this Act	-	-
<b>d)</b>	The amount of interest accrued and remaining unpaid at the end of accounting year	-	-
<b>e)</b>	Amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues above are actually paid to the small investor	-	-

## Notes to the Standalone Financial Statements for the year ended March 31, 2023 Contd..

(All Amount in Rs. Millions, unless otherwise stated)

### Ageing of trade payables as at 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 outstanding dues of micro enterprises and small enterprises	26.15	-	-	-	-	26.15
Undisputed outstanding dues of creditors other than micro enterprises and small enterprises	173.71	53.14	16.96	0.07	14.93	258.81
<b>Total</b>	<b>199.86</b>	<b>53.14</b>	<b>16.96</b>	<b>0.07</b>	<b>14.93</b>	<b>284.96</b>
Add: Unbilled dues						210.47
<b>Total trade payables</b>						<b>495.43</b>

### Ageing of trade payables as at March 31, 2022\*

Particulars	Not due	Outstanding for following periods from due date of payment				Total
		Less than 1 year	1-2 years	2-3 years	More than 3 years	
Undisputed outstanding dues of micro enterprises and small enterprises	21.34	-	-	-	-	21.34
Undisputed outstanding dues of creditors other than micro enterprises and small enterprises	169.69	38.38	18.95	0.24	15.28	242.54
<b>Total</b>	<b>191.03</b>	<b>38.38</b>	<b>18.95</b>	<b>0.24</b>	<b>15.28</b>	<b>263.88</b>
Add: Unbilled dues						196.85
<b>Total trade payables</b>						<b>460.73</b>

\*There are no disputed trade payables.

13(ii) Other Financial Liabilities	As at			
	March 31, 2023	March 31, 2022	March 31, 2023	March 31, 2022
	Non-Current		Current	
Derivative liabilities (Refer note 28)	-	-	23.71	-
Other Payables *	2.51	-	253.83	265.83
	<b>2.51</b>	<b>-</b>	<b>277.54</b>	<b>265.83</b>

\* Includes Payable to Employees amounting to Rs. 211.39 Million (Previous year Rs. 212.55 Million ), Payables to related parties Rs. 0.05 Million (Previous year Rs. 0.04 Million) and Capital Creditors amounting to Rs. 2.49 Million (Previous year Rs. 6.31 Million).

14 Other Liabilities	As at			
	March 31, 2023	March 31, 2022	March 31, 2023	March 31, 2022
	Non-Current		Current	
<b>Contract Liabilities (Refer note 16.1)</b>				
-Deferred Revenue	0.86	-	1.91	7.79
-Advances from Customers	-	-	7.52	6.29
Statutory Dues*	-	-	110.93	80.60
	<b>0.86</b>	<b>-</b>	<b>120.36</b>	<b>94.68</b>

\* Statutory Dues mainly includes withholding tax and Contribution to Provident fund etc.

15 Provisions	As at	
	March 31, 2023	March 31, 2022
	Current	
Provision for Employee Benefits :		
-Provision for Gratuity (Refer note 25)	127.49	128.03
-Provision for Compensated Absences	76.93	69.06
Other Provisions	0.63	-
	<b>205.05</b>	<b>197.09</b>

The movement of provision towards other provisions is as below:-

Particulars	As at	
	March 31, 2023	March 31, 2022
Opening balance	-	-
Created during the year	0.63	-
Utilised/(Written back) during the year	-	-
<b>Closing balance</b>	<b>0.63</b>	<b>-</b>

## Notes to the Standalone Financial Statements for the year ended March 31, 2023 Contd..

(All Amount in Rs. Millions, unless otherwise stated)

	Year ended	
	March 31, 2023	March 31, 2022
<b>16 Revenue From Operations</b>		
Sale of products : Courseware	25.94	28.22
Sale of Services	4,011.81	3,257.24
Less: Discounts & Rebates	-	(0.43)
	<u>4,037.75</u>	<u>3,285.03</u>

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

	Year ended	
	March 31, 2023	March 31, 2022
<b>a. Disaggregated revenue information</b>		
<b>Type of Services</b>		
Sale of Courseware and Training Material	25.94	28.22
Sale of Services	4,011.81	3,256.81
	<u>4,037.75</u>	<u>3,285.03</u>
<b>Timing of Revenue Recognition</b>		
Goods (Courseware, Training Material) transferred at a point in time	25.94	28.22
Services transferred over time	4,011.81	3,256.81
	<u>4,037.75</u>	<u>3,285.03</u>
<b>b. Contract Balances</b>		
Trade Receivables [Refer note 7(iii)]	1,048.27	708.14
Contract Assets [Refer note 7(ii)]	69.31	38.24
Contract Liabilities (Refer note 14)	(10.29)	(14.08)
	<u>1,107.29</u>	<u>732.30</u>

Trade receivables are non-interest bearing and are generally on terms of 30 - 90 days. A sum of Rs. (4.63) Million (Previous year Rs. (7.81) Million) is recognised as allowance for doubtful debts (net of reversal) on trade receivables during the year.

Unbilled revenues are billed in a terms of 30 - 90 days. A sum of Rs. Nil (Previous year Rs. Nil) is recognised as provision for expected credit losses on unbilled revenue during the year.

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

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

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

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

	Year ended	
	March 31, 2023	March 31, 2022
Revenue as per contracted price	4,072.86	3,251.02
<b>Adjustments</b>		
Gain on hedging contracts	(35.11)	34.44
Discount	-	(0.43)
	<u>4,037.75</u>	<u>3,285.03</u>

### d. Performance obligation and remaining performance obligation

The remaining performance obligation disclosure provides the aggregate amount of the transaction price yet to be recognised as at the end of the reporting period and an explanation as to when the Company expects to recognize these amounts in revenue. As on March 31, 2023, there were no remaining performance obligation as the same is satisfied upon delivery of goods/services.

	Year ended	
	March 31, 2023	March 31, 2022
<b>17 Other Income (Refer note 35)</b>		
Interest Income		
-Interest Income on Bank and other Deposits carried at amortized cost	76.82	102.64
- Unwinding of Interest on Security Deposit	0.11	-
- Others	0.27	1.11
Net gain on investment carried at fair value through profit and loss	54.01	2.27
Gain on sale / disposal of property, plant and equipment and intangible assets (net)	4.54	1.78
Gain on termination of leases (net)	0.04	-
Gain on foreign currency translation and transaction (net)	57.98	20.86
Recovery from subsidiaries for corporate and management support services (refer note 34)	331.72	267.48
Provision for doubtful debts written back (refer note 28)	4.63	7.81
Advances from customers written back	1.59	2.42
Other non-operating income	42.77	7.23
	<u>574.48</u>	<u>413.60</u>

## Notes to the Standalone Financial Statements for the year ended March 31, 2023 Contd..

(All Amount in Rs. Millions, unless otherwise stated)

	Year ended	
	March 31, 2023	March 31, 2022
<b>18 Employee Benefits Expenses (Refer note 35)#</b>		
Salary, Wages and Bonus	1,734.75	1,528.20
Contribution to Provident and Other Funds* (refer note 25)	128.97	104.52
Share Based Payments (refer note 26)	118.96	67.07
Staff Welfare Expense	46.68	42.30
	<b>2,029.36</b>	<b>1,742.09</b>

# Net of Rs. 88.88 Million (Previous year Rs. 11.38 Million) capitalised in intangible assets (Refer note 5).

\* There are numerous interpretative issues relating to the Supreme Court (SC) judgement on Provident fund dated February 28, 2019. As a matter of caution, the Company has implemented the provisions on a prospective basis from the date of the SC order. The Company will assess its position, on receiving further clarity on the subject.

	Year ended	
	March 31, 2023	March 31, 2022
<b>19 Finance Costs</b>		
Interest on lease liabilities [refer note 6(ii)]	0.59	0.90
Interest expense-others	0.10	0.04
	<b>0.69</b>	<b>0.94</b>

	Year ended	
	March 31, 2023	March 31, 2022
<b>20 Other Expenses *</b>		
Equipment Hiring [Refer note 6(i)]	14.50	33.39
Software Subscriptions	54.25	44.19
Royalties	0.04	-
Freight and Cartage	3.52	3.97
Rent [Refer note 6(i)]	3.39	5.97
Asset usage charges	22.78	24.83
Rates and Taxes	0.59	0.84
Power & Fuel	14.56	11.76
Communication	23.00	20.33
Legal and Professional (Refer note 22)	186.62	168.31
Travelling and Conveyance	52.38	9.64
Allowance for Doubtful Advances and other receivables	0.70	-
Advances written off	0.76	0.03
Less:- Provision for advances written back	<u>(0.76)</u>	<u>(0.03)</u>
Insurance	11.73	6.42
Repairs and Maintenance		
- Plant and Machinery	12.65	12.83
- Buildings	14.58	5.26
- Others	25.72	14.31
Consumables	13.87	12.60
Security and Administration Services	23.61	16.89
Bank Charges	1.74	1.45
Donation	0.40	-
Expenditure towards Corporate Social Responsibility (CSR) activities (Refer note 21)	15.30	5.70
Marketing and Advertising Expenses	8.84	8.48
Sundry Expenses	6.63	4.83
	<b>511.40</b>	<b>412.00</b>

\* Net of Rs. 19.99 Million (Previous year Rs. 4.60 Million) capitalised in intangible assets (Refer note 5).

**Notes to the Standalone Financial Statements for the year ended March 31, 2023** **Contd..**  
(All Amount in Rs. Millions, unless otherwise stated)

	Year ended	
	March 31, 2023	March 31, 2022
<b>21 Corporate Social Responsibility Expenditure*</b>		
a) Gross amount required to be spent by the Company during the year	15.25	5.60
b) Amount approved by the board to be spent during the year	15.30	5.70
c) Amount spent during the year:		
-Construction/acquisition of any asset	-	-
-On purposes other than above	15.30	5.70
d) Details of related party transactions in relation to CSR expenditure		
-Contribution to NIIT Institute of Information Technology	15.30	5.70
e) The amount of shortfall at the end of the year out of the amount required to be spent by the Company during the year	-	-
f) Total of previous years shortfall	-	-
g) Reason for above shortfall	-	-
h) Nature of CSR activities:	Education	
	(Grant of Scholarship to meritorious students at NIIT University during the financial year 2022-23 & 2021-22)	

\* The CSR related compliances were done by NIIT Limited, however the entire amount was allocated to CLG Business Undertaking pursuant to Scheme of Arrangement (Refer note 35).

	Year ended	
	March 31, 2023	March 31, 2022
<b>22 Payment To Auditors (included in legal and professional fees and exceptional items)</b>		
Audit Fee	0.52	0.52
For other Certification	-	0.30
For reimbursement of expenses (excluding GST)	0.04	0.04
	<b>0.56</b>	<b>0.86</b>

	Year ended	
	March 31, 2023	March 31, 2022
<b>23 Exceptional Items (Refer note 35)</b>		
Legal and professional cost towards acquisition [Refer footnote (i)]	(3.84)	-
Legal and professional cost towards scheme of arrangement [Refer note 35]	(31.97)	(0.30)
	<b>(35.81)</b>	<b>(0.30)</b>

**Footnote:**

(i) The Company has signed a definitive agreement to make a strategic investment of USD 2 million in Compulsorily Convertible Preference Shares (CCPS) of KNOLSKAPE Solutions PTE LTD, Singapore (Knolskape) as approved by Board of Directors on September 30, 2022. The Company shall make the said investment under the automatic route as per applicable regulations of RBI for overseas investment by Indian parties, post completion of certain Conditions Precedents by Knolskape. Expenses related to this investment have been recognised as an exceptional item.

	Year ended	
	March 31, 2023	March 31, 2022
<b>24 Tax expense (Refer note 35)</b>		
<b>(a) Income tax expense</b>		
<b>Current tax</b>		
Current tax on profits for the year	60.44	62.98
<b>Total current tax expense</b>	<b>60.44</b>	<b>62.98</b>
<b>Deferred tax</b>		
Deferred tax (credit) / charge	(70.80)	14.44
<b>Total deferred tax (credit) / charge</b>	<b>(70.80)</b>	<b>14.44</b>
<b>Income tax expense</b>	<b>(10.36)</b>	<b>77.42</b>

## Notes to the Standalone Financial Statements for the year ended March 31, 2023 Contd..

(All Amount in Rs. Millions, unless otherwise stated)

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

	Year ended	
	March 31, 2023	March 31, 2022
Profit before income tax expense	982.27	662.25
<b>Tax at the Indian tax rate of 25.17% (Previous year 25.17%)</b>	<b>247.24</b>	<b>166.69</b>
<b>Adjustments for:</b>		
Taxes Relating to Non deductible expenses	4.92	-
Deferred Tax on Long Term Capital Loss (Cancellation of Investment in Subsidiary)	-	(90.72)
Tax Impact of Adjustments due to Scheme of Arrangement	(263.19)	-
Tax Impact of other adjustments	0.67	1.45
<b>Income tax expense</b>	<b>(10.36)</b>	<b>77.42</b>

### 25 Employee Benefits [(Refer note 35 (B))]

#### A) Defined Contribution Plans

The Company makes contribution towards Superannuation Fund and Pension Scheme to the defined contribution plans for eligible employees.

The Company has charged the following costs in Contribution to Superannuation and Other Funds in the Statement of Profit and Loss:-

Particulars	Year ended	
	March 31, 2023	March 31, 2022
Employers' Contribution to Superannuation Fund	10.29	10.05
Employers' Contribution to Employees Pension Scheme	25.45	22.27
Employers' Contribution to Employee National Pension System	2.72	1.73
<b>Total</b>	<b>38.46</b>	<b>34.05</b>

The Company has charged the following costs in Contribution to Other Funds in the Statement of Profit and Loss for Key Management Personnel:

Particulars	Year ended	
	March 31, 2023	March 31, 2022
Employers' Contribution to Superannuation Fund	0.30	0.23
Employers' Contribution to Employees Pension Scheme	0.05	0.02
Employers' Contribution to Employee National Pension System	0.15	0.09
<b>Total</b>	<b>0.50</b>	<b>0.35</b>

#### B) Defined Benefit Plans

##### I. Provident Fund

The Company makes contribution to the "NIIT LIMITED EMPLOYEES' PROVIDENT FUND TRUST" ("the Trust"). The Company contributed Rs. 46.96 Million (Previous year Rs. 38.20 Million) including Rs. 0.32 Million (Previous year Rs. 0.24 Million) in respect of Key Management personnel during the year to the Trust. The same has been recognised in the statement of profit and loss under the head employee benefit expenses.

The Company has an obligation to make good the shortfall, if any, between the return from the investments of the Trust and the notified interest rate. The Company's obligation in this regard is actuarially determined and provided for if the circumstances indicate that the Trust may not be able to generate adequate returns to cover the interest rates notified by the Government.

The guidance on implementing Ind AS 19 Employee Benefits, issued by Accounting Standards Board (ASB) of The Institute of Chartered Accountants of India, states that benefits involving employer established provident fund trust, which require interest shortfall to be compensated by the employer is required to be considered as Defined Benefits Plans. The actuary has provided a valuation and based on the below mentioned assumptions, determined that there is no short fall as at March 31, 2023.

Each year, the board of trustees reviews the level of funding in the provident fund plan. Such a review includes the assets-liability matching strategy and investment risk management policy. This includes employing the use of annuities and longevity swaps to manage the risks. The board of trustees decides its contribution based on the result of this annual review.



## Notes to the Standalone Financial Statements for the year ended March 31, 2023 Contd..

(All Amount in Rs. Millions, unless otherwise stated)

		<b>As at</b>	
<b>i)</b>	<b>Change in Defined Benefit Obligation :-</b>		
	<b>Particulars</b>	<b>March 31, 2023</b>	<b>March 31, 2022</b>
	Present Value of Defined Benefit Obligation as at the beginning of the year	1,596.06	1,449.64
	Current service cost	66.58	54.45
	Acquisition cost	29.86	53.52
	Interest Cost	109.29	92.25
	Benefit paid	(165.09)	(151.33)
	Employee Contribution	114.64	95.99
	Actuarial (gain)/ loss on Obligations	15.56	1.54
	<b>Present Value of Defined Benefit Obligation as at the end of the year</b>	<b>1,766.90</b>	<b>1,596.06</b>
<b>(ii)</b>	<b>Change in Fair value of Assets:-</b>	<b>Year ended</b>	
	<b>Particulars</b>	<b>March 31, 2023</b>	<b>March 31, 2022</b>
	Fair value of Plan Assets as at the beginning of the year	1,816.73	1,665.19
	Benefit paid	(165.09)	(151.33)
	Employee Contribution	114.64	95.99
	Acquisition Adjustment	29.86	53.52
	Interest Income on Plan Assets	109.29	92.25
	Return on plan assets greater/(lesser) than discount rate	(60.24)	6.66
	Employers' Contribution	66.58	54.45
	<b>Fair value of Plan Assets as at the end of the year</b>	<b>1,911.77</b>	<b>1,816.73</b>
<b>(iii)</b>	<b>Estimated Net Asset/ (Liability) recognised in the Balance Sheet :-</b>	<b>Year ended</b>	
	<b>Particulars</b>	<b>March 31, 2023</b>	<b>March 31, 2022</b>
	Present value of Defined Benefit Obligation	1,766.90	1,596.06
	Fair Value of Plan Assets	1,911.77	1,816.73
	Funded Status [Surplus/(Deficit)] with the trust	144.87	220.67
	<b>Net Asset/(Liability) recognised in the Balance Sheet</b>	<b>-</b>	<b>-</b>
<b>(iv)</b>	<b>Assumptions used in accounting for provident Fund:-</b>	<b>As at</b>	
	<b>Particulars</b>	<b>March 31, 2023</b>	<b>March 31, 2022</b>
	Discount Rate (Per Annum)	7.25%	6.75%
	EPFO Rate	8.15%	8.10%
	Expected return of exempt fund	7.75%	7.50%
<b>(v)</b>	<b>Investment details of Plan Assets:-</b>	<b>As at</b>	
	<b>Particulars</b>	<b>March 31, 2023</b>	<b>March 31, 2022</b>
	Government Securities	51.33%	60.81%
	Debt Instruments	36.86%	32.50%
	Equities	2.13%	1.06%
	Short term Debt Instruments	9.68%	5.63%
	<b>Total</b>	<b>100.00%</b>	<b>100.00%</b>
<b>II.</b>	<b>Gratuity Fund - Funded</b>	<b>As at</b>	
		<b>March 31, 2023</b>	<b>March 31, 2022</b>
<b>i)</b>	<b>Change in Present value of Obligation:-</b>		
	Present value of obligation as at beginning of the year	266.64	7.59
	Transferred pursuant to Scheme of Arrangement	-	195.41
	Interest cost	18.82	12.36
	Current service cost	34.70	25.79
	Benefits paid	(11.72)	(21.00)
	Acquisition cost / (credit)	(0.14)	(0.06)
	Actuarial loss on experience	(9.98)	5.03
	Actuarial loss on financial assumption	(24.06)	41.52
	<b>Present value of obligation as at the year end</b>	<b>274.26</b>	<b>266.64</b>

## Notes to the Standalone Financial Statements for the year ended March 31, 2023 Contd..

(All Amount in Rs. Millions, unless otherwise stated)

	As at	
	March 31, 2023	March 31, 2022
<b>(ii) Change in Fair value of Plan Assets:-</b>		
Fair value of Plan Assets as at the beginning of the year	138.61	0.64
Transferred pursuant to Scheme of Arrangement	-	48.19
Expected return on Plan Assets	9.97	5.88
Contributions	9.19	106.88
Acquisition adjustment	(0.14)	(0.06)
Benefits Paid	(11.72)	(21.00)
Return on plan assets (lesser) than discount rate	0.86	(1.92)
<b>Fair value of Plan Assets as at the end of the year</b>	<b>146.77</b>	<b>138.61</b>

Estimated contributions for the year ended on March 31, 2024 is Rs. 127.49 Million (Previous year Rs. 128.03 Million).

<b>(iii) Amount of Asset/ (Liability) recognised in the Balance Sheet:-</b>	Fair value of Plan Assets as at the end of the year	Present value of obligation as at the end of the year	Liability recognised in Balance Sheet
As at March 31, 2023	146.77	274.26	(127.49)
As at March 31, 2022	138.61	266.64	(128.03)

<b>(iv) Gratuity Cost recognised in the Statement of Profit and Loss:-</b>	Year ended	
	March 31, 2023	March 31, 2022
<b>Particulars</b>		
Current service cost	34.70	25.79
Net interest on net defined benefit liability / (asset)	8.85	6.48
<b>Expense recognised in the Statement of Profit and Loss</b>	<b>43.55</b>	<b>32.27</b>

<b>(v) Gratuity Cost recognised through Other Comprehensive Income:-</b>	Year ended	
	March 31, 2023	March 31, 2022
Actuarial loss on experience	(9.98)	5.03
Actuarial loss on financial assumption	(24.06)	41.52
Return on plan assets lesser than discount rate	(0.86)	1.92
<b>Expense recognised through other comprehensive income</b>	<b>(34.90)</b>	<b>48.47</b>

<b>(vi) Assumptions used in accounting for gratuity plan:-</b>	As at	
	March 31, 2023	March 31, 2022
Discount Rate (Per Annum)	7.25%	6.75%
Future Salary Increase	10.00%	16% for next 2 years and 10% thereafter
Expected Rate of return on plan assets	7.37%	7.15%

Estimates of future salary increase considered in actuarial valuation, takes into account inflation, seniority, promotion and other relevant factors such as supply and demand in the employment market.

### **(vii) Investment details of Plan Assets:-**

The plan assets are maintained with Life Insurance Corporation of India Gratuity Scheme. The details of investment maintained by Life Insurance Corporation are not available with the Company and have not been disclosed.

The expected return on plan assets is determined considering several applicable factors mainly the compensation of plan assets held, assessed risk of asset management, historical result of the return on plan assets.

### **Sensitivity analysis**

The sensitivity of the defined benefit obligation to changes in the weighted principal assumptions is:

	Impact on defined benefit obligation		
	Change in assumption	Increase in assumption	Decrease in assumption
	March 31, 2023	March 31, 2023	March 31, 2023
Discount rate	0.50%	(10.86)	11.63
Salary growth rate	0.50%	11.17	(10.51)
Withdrawal rate	5.00%	(17.06)	18.55

	Impact on defined benefit obligation		
	Change in assumption	Increase in assumption	Decrease in assumption
	March 31, 2022	March 31, 2022	March 31, 2022
Discount rate	0.50%	(10.68)	11.44
Salary growth rate	0.50%	10.75	(10.14)
Withdrawal rate	5.00%	(19.64)	20.03

The above sensitivity analyses are based on a change in an assumption while holding all other assumptions constant. In practice, this is unlikely to occur, and changes in some of the assumptions may be correlated. When calculating the sensitivity of the defined benefit obligation to significant actuarial assumptions the same method (present value of the defined benefit obligation calculated with the projected unit credit method at the end of the reporting period) has been applied for calculating the defined benefit liability recognised in the balance sheet.

### Risk exposure

Through its defined benefit plans, the Company is exposed to a number of risks, the most significant of which are market volatility, changes in inflation, changes in interest rates, rising longevity, changing economic environment, regulatory changes etc. The Company ensures that the investment positions are managed within an asset-liability matching framework that has been developed to achieve investments which are in line with the obligations under the employee benefit plans. Within this framework, the Company's asset-liability matching objective is to match assets to the obligations by investing in securities to match the benefit payments as they fall due.

The Company actively monitors how the duration and the expected yield of the investments are matching the expected cash outflows arising from employee benefit obligations. The Company has not changed the processes used to manage its risks from previous periods. Investments are well diversified, such that failure of any single investment should not have a material impact on the overall level of assets.

## 26 Share Based Payments (Refer note 35)

### (a) Employee option plan

During the year 2005-06, NIIT Limited had established NIIT Employee Stock Option Plan 2005 "ESOP 2005" and the same was approved at the General Meeting of the Company held on May 18, 2005. The plan was set up so as to offer and grant, for the benefit of employees (excluding promoters) of the Company, who are eligible under "Securities and Exchange Board of India (SEBI) (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999", options of the Company in one or more tranches, and on such terms and conditions as may be fixed or determined by the Board, in accordance with the provisions of law or guidelines issued by the relevant authorities in this regard.

As per the plan, each option is exercisable for one equity share of face value of Rs. 2 each (Rs. 10 each pre bonus and split) fully paid up on payment to the Company, at a price to be determined in accordance with ESOP 2005. ESOP information is given for the number of shares after sub-division and Bonus issue.

Pursuant to Scheme of the Arrangement, with respect to the stock options granted already by the Transferor Company prior to the Effective Date to its employees or that of its subsidiaries (irrespective of whether they are employees of the Transferor Company or its subsidiaries or become employees of the Transferee Company or its subsidiaries pursuant to this Scheme) under the Existing ESOP Scheme, and upon the Scheme becoming effective, all such option holders (whether the options granted to such option holders are vested or not) shall also be issued the stock options by the Transferee Company under the New ESOP Scheme, in accordance with the share entitlement ratio of 1:1 as per the Scheme.

### i) Summary of options granted under plan:

Particulars	March 31, 2023		March 31, 2022	
	Avg exercise price per share option*	Number of options	Avg exercise price per share option*	Number of options
<b>Opening balance</b>	<b>103.95</b>	<b>7,188,894</b>	<b>50.89</b>	<b>5,637,204</b>
Granted during the year	201.35	3,070,000	165.27	3,260,000
Exercised during the year	49.83	697,113	44.34	1,397,263
Forfeited/ Lapsed during the year	190.37	236,674	52.70	311,047
<b>Closing balance</b>	<b>137.87</b>	<b>9,325,107</b>	<b>103.95</b>	<b>7,188,894</b>
<b>Vested and Exercisable</b>		<b>3,846,773</b>		<b>2,778,894</b>

## Notes to the Standalone Financial Statements for the year ended March 31, 2023 Contd..

(All Amount in Rs. Millions, unless otherwise stated)

ii) Share options outstanding at the end of year have following expiry date and exercise prices

Grant	Vests	Grant date	Vesting date	Expiry date	Exercise price*	Share options outstanding	
						March 31, 2023	March 31, 2022
Grant 10	Vest I	28-Aug-14	28-Aug-15	28-Aug-20	28.40	-	-
	Vest II	28-Aug-14	28-Aug-16	28-Aug-21	28.40	-	-
	Vest III	28-Aug-14	28-Aug-17	28-Aug-22	28.40	-	2
Grant 12	Vest I	24-Jun-15	24-Jun-16	24-Jun-21	23.75	-	-
	Vest II	24-Jun-15	24-Jun-17	24-Jun-22	23.75	-	45,000
	Vest III	24-Jun-15	24-Jun-18	24-Jun-23	23.75	50,000	146,844
Grant 13	Vest I	17-Jul-15	17-Jul-16	17-Jul-21	29.77	-	-
	Vest II	17-Jul-15	17-Jul-17	17-Jul-22	29.77	-	33,336
	Vest III	17-Jul-15	17-Jul-18	17-Jul-23	29.77	48,846	66,684
Grant 16	Vest I	16-Jun-16	16-Jun-17	16-Jun-22	47.56	-	13,332
	Vest II	16-Jun-16	16-Jun-18	16-Jun-23	47.56	13,332	13,332
	Vest III	16-Jun-16	16-Jun-19	16-Jun-24	47.56	13,338	20,672
Grant 17	Vest I	05-Feb-17	05-Feb-18	05-Feb-23	42.02	-	6,666
	Vest II	05-Feb-17	05-Feb-19	05-Feb-24	42.02	6,666	6,666
	Vest III	05-Feb-17	05-Feb-20	05-Feb-25	42.02	6,668	13,336
Grant 18	Vest I	23-Jun-17	23-Jun-18	23-Jun-23	52.84	63,332	140,664
	Vest II	23-Jun-17	23-Jun-19	23-Jun-24	52.84	123,664	207,330
	Vest III	23-Jun-17	23-Jun-20	23-Jun-25	52.84	179,340	233,340
Grant 19	Vest I	27-Jul-17	27-Jul-18	27-Jul-23	50.72	88,333	93,333
	Vest II	27-Jul-17	27-Jul-19	27-Jul-24	50.72	93,333	93,333
	Vest III	27-Jul-17	27-Jul-20	27-Jul-25	50.72	93,334	93,334
Grant 21	Vest I	25-Jun-18	25-Jun-19	25-Jun-24	54.89	115,000	120,000
	Vest II	25-Jun-18	25-Jun-20	25-Jun-25	54.89	115,000	140,000
	Vest III	25-Jun-18	25-Jun-21	25-Jun-26	54.89	115,000	140,000
Grant 22	Vest I	19-Jul-18	19-Jul-19	19-Jul-24	51.18	63,660	82,324
	Vest II	19-Jul-18	19-Jul-20	19-Jul-25	51.18	91,334	100,000
	Vest III	19-Jul-18	19-Jul-21	19-Jul-26	51.18	120,027	154,366
Grant 23	Vest I	23-Jan-19	23-Jan-20	23-Jan-25	53.46	-	-
	Vest II	23-Jan-19	23-Jan-21	23-Jan-26	53.46	-	20,000
	Vest III	23-Jan-19	23-Jan-22	23-Jan-27	53.46	20,000	50,000
Grant 24	Vest I	16-Jul-19	16-Jul-20	16-Jul-25	56.52	140,000	140,000
	Vest II	16-Jul-19	16-Jul-21	16-Jul-26	56.52	140,000	140,000
	Vest III	16-Jul-19	16-Jul-22	16-Jul-27	56.52	140,000	140,000
Grant 25	Vest I	10-Jul-20	10-Jul-21	10-Jul-26	53.89	345,000	385,000
	Vest II	10-Jul-20	10-Jul-22	10-Jul-27	53.89	425,000	425,000
	Vest III	10-Jul-20	10-Jul-23	10-Jul-28	53.89	425,000	425,000
Grant 26	Vest I	28-Sep-20	28-Sep-21	28-Sep-26	72.88	55,000	55,000
	Vest II	28-Sep-20	28-Sep-22	28-Sep-27	72.88	55,000	55,000
	Vest III	28-Sep-20	28-Sep-23	28-Sep-28	72.88	55,000	55,000
Grant 27	Vest I	07-Dec-20	07-Dec-21	07-Dec-26	99.45	-	25,000
	Vest II	07-Dec-20	07-Dec-22	07-Dec-27	99.45	25,000	25,000
	Vest III	07-Dec-20	07-Dec-23	07-Dec-28	99.45	25,000	25,000
Grant 28	Vest I	03-Jun-21	03-Jun-22	03-Jun-27	107.24	35,000	50,000
	Vest II	03-Jun-21	03-Jun-23	03-Jun-28	107.24	50,000	50,000
	Vest III	03-Jun-21	03-Jun-24	03-Jun-29	107.24	50,000	50,000

## Notes to the Standalone Financial Statements for the year ended March 31, 2023 Contd..

(All Amount in Rs. Millions, unless otherwise stated)

Grant	Vests	Grant date	Vesting date	Expiry date	Exercise price*	Share options outstanding	
						March 31, 2023	March 31, 2022
Grant 29	Vest I	18-Jun-21	18-Jun-22	18-Jun-27	150.86	356,666	356,666
	Vest II	18-Jun-21	18-Jun-23	18-Jun-28	150.86	356,666	356,666
	Vest III	18-Jun-21	18-Jun-24	18-Jun-29	150.86	356,668	356,668
Grant 30	Vest I	23-Aug-21	23-Aug-22	23-Aug-27	177.09	669,900	680,000
	Vest II	23-Aug-21	23-Aug-23	23-Aug-28	177.09	650,000	680,000
	Vest III	23-Aug-21	23-Aug-24	23-Aug-29	177.09	650,000	680,000
Grant 31	Vest I	19-Jul-22	19-Jul-23	19-Jul-28	201.36	736,666	-
	Vest II	19-Jul-22	19-Jul-24	19-Jul-29	201.36	736,666	-
	Vest III	19-Jul-22	19-Jul-25	19-Jul-30	201.36	736,668	-
Grant 32	Vest I	19-Jul-22	15-May-25	15-May-30	201.36	20,000	-
Grant 33	Vest I	19-Jul-22	23-Aug-25	23-Aug-30	201.36	640,000	-
Grant 34	Vest I	26-Aug-22	26-Aug-23	26-Aug-28	200.90	10,000	-
	Vest II	26-Aug-22	26-Aug-24	26-Aug-29	200.90	10,000	-
	Vest III	26-Aug-22	26-Aug-25	26-Aug-30	200.90	10,000	-

\* Adjusted pursuant to the Scheme of arrangement (Refer note 35)

### iii) Fair value of options granted

The fair value at grant date is determined using the Black Scholes Model as per an independent valuer's report, having taken into consideration the market price being the latest available closing price prior to the date of the grant, exercise price being the price payable by the employees for exercising the option and other assumptions as annexed below:

Grant	Vests	Market price*	Volatility	Average life of the option	Risk less interest rate	Dividend yield rate	Fair value*
Grant 10	Vest I	28.40	40.75%	3.50	8.78%	3.96%	8.85
	Vest II	28.40	39.51%	4.50	8.73%	3.96%	9.48
	Vest III	28.40	46.99%	5.50	8.70%	3.96%	11.29
Grant 12	Vest I	23.75	42.73%	3.50	7.95%	3.50%	7.68
	Vest II	23.75	41.13%	4.50	7.93%	3.50%	8.21
	Vest III	23.75	39.89%	5.50	7.92%	3.50%	8.60
Grant 13	Vest I	29.77	43.53%	3.50	7.79%	3.50%	9.71
	Vest II	29.77	41.89%	4.50	7.86%	3.50%	10.40
	Vest III	29.77	40.55%	5.50	7.90%	3.50%	10.89
Grant 16	Vest I	47.56	48.89%	3.50	7.52%	3.01%	17.30
	Vest II	47.56	45.98%	4.50	7.52%	3.01%	18.20
	Vest III	47.56	44.05%	5.50	7.52%	3.01%	18.94
Grant 17	Vest I	42.02	48.75%	3.50	6.41%	3.01%	14.77
	Vest II	42.02	45.93%	4.50	6.41%	3.01%	15.49
	Vest III	42.02	44.36%	5.50	6.41%	3.01%	16.15
Grant 18	Vest I	52.84	47.76%	3.50	6.45%	2.35%	19.11
	Vest II	52.84	46.09%	4.50	6.45%	2.35%	20.60
	Vest III	52.84	43.93%	5.50	6.45%	2.35%	21.47
Grant 19	Vest I	50.72	47.64%	3.50	6.45%	2.35%	18.30
	Vest II	50.72	45.78%	4.50	6.45%	2.35%	19.67
	Vest III	50.72	43.85%	5.50	6.45%	2.35%	20.01
Grant 21	Vest I	54.89	44.86%	3.50	7.80%	1.43%	21.00
	Vest II	54.89	47.55%	4.50	7.80%	1.43%	24.44
	Vest III	54.89	46.15%	5.50	7.80%	1.43%	26.12

## Notes to the Standalone Financial Statements for the year ended March 31, 2023 Contd..

(All Amount in Rs. Millions, unless otherwise stated)

Grant	Vests	Market price*	Volatility	Average life of the option	Risk less interest rate	Dividend yield rate	Fair value*
Grant 22	Vest I	51.18	45.06%	3.50	7.77%	1.43%	19.62
	Vest II	51.18	47.63%	4.50	7.77%	1.43%	22.79
	Vest III	51.18	46.30%	5.50	7.77%	1.43%	24.38
Grant 23	Vest I	53.46	43.80%	3.50	7.53%	1.43%	19.97
	Vest II	53.46	45.29%	4.50	7.53%	1.43%	22.90
	Vest III	53.46	46.75%	5.50	7.53%	1.43%	25.42
Grant 24	Vest I	56.52	42.39%	3.50	6.53%	1.10%	20.43
	Vest II	56.52	44.87%	4.50	6.53%	1.10%	23.91
	Vest III	56.52	47.04%	5.50	6.53%	1.10%	26.90
Grant 25	Vest I	53.89	43.86%	3.50	5.82%	2.67%	17.50
	Vest II	53.89	42.96%	4.50	5.82%	2.67%	19.02
	Vest III	53.89	44.66%	5.50	5.82%	2.67%	21.03
Grant 26	Vest I	72.88	45.58%	3.50	6.00%	3.07%	23.89
	Vest II	72.88	43.43%	4.50	6.00%	3.07%	25.26
	Vest III	72.88	45.53%	5.50	6.00%	3.07%	27.99
Grant 27	Vest I	99.45	46.55%	3.50	5.92%	3.07%	33.07
	Vest II	99.45	44.09%	4.50	5.92%	3.07%	34.77
	Vest III	99.45	45.80%	5.50	5.92%	3.07%	38.24
Grant 28	Vest I	107.24	46.77%	3.50	6.01%	3.15%	35.70
	Vest II	107.24	45.32%	4.50	6.01%	3.15%	38.17
	Vest III	107.24	44.62%	5.50	6.01%	3.15%	40.28
Grant 29	Vest I	150.86	48.34%	3.50	6.01%	3.15%	51.58
	Vest II	150.86	46.57%	4.50	6.01%	3.15%	54.84
	Vest III	150.86	45.60%	5.50	6.01%	3.15%	57.59
Grant 30	Vest I	177.09	48.68%	3.50	6.23%	3.52%	59.85
	Vest II	177.09	47.25%	4.50	6.23%	3.52%	63.73
	Vest III	177.09	45.32%	5.50	6.23%	3.52%	65.59
Grant 31	Vest I	201.36	53.29%	3.50	7.45%	3.48%	75.79
	Vest II	201.36	51.29%	4.50	7.45%	3.48%	80.26
	Vest III	201.36	49.66%	5.50	7.45%	3.48%	83.27
Grant 32	Vest I	201.36	50.10%	5.30	7.45%	3.48%	82.92
Grant 33	Vest I	201.36	49.40%	5.60	7.45%	3.48%	83.38
Grant 34	Vest I	200.90	52.92%	3.50	7.23%	3.48%	74.78
	Vest II	200.90	51.09%	4.50	7.23%	3.48%	79.34
	Vest III	200.90	49.54%	5.50	7.23%	3.48%	82.38

\* Adjusted pursuant to the Scheme of arrangement (Refer note 35).

### b) Expense arising from share-based payment transactions

Particulars	March 31, 2023	March 31, 2022
Expenses charged to statement of Profit and Loss based on fair value of options	118.96	67.07

## 27 Fair value measurements

### (i) Fair value hierarchy

To provide indication about the reliability of the inputs used 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 fair value of all equity instruments (including bonds) which are traded in the stock exchanges is valued using the closing price as at the reporting period. The mutual funds are valued using the closing net asset value.

(All Amount in Rs. Millions, unless otherwise stated)

**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**

Particulars	March 31, 2023				March 31, 2022			
	FVTPL	FVTPL	FVOCI	Amortised cost	FVTPL	FVTPL	FVOCI	Amortised cost
	Level 1	Level 2	Level 2		Level 1	Level 2	Level 2	
<b>Financial assets</b>								
Investments	2,127.13	-	-	699.00	144.19	-	-	850.00
Trade receivables	-	-	-	1,048.27	-	-	-	708.14
Cash and cash equivalents	-	-	-	1.84	-	-	-	1.32
Bank balances other than above	-	-	-	-	-	-	-	785.63
Other financial assets	-	-	-	419.80	-	-	-	942.10
Derivative assets	-	-	-	-	-	7.91	8.29	-
<b>Total financial assets</b>	<b>2,127.13</b>	<b>-</b>	<b>-</b>	<b>2,168.91</b>	<b>144.19</b>	<b>7.91</b>	<b>8.29</b>	<b>3,287.19</b>
<b>Financial liabilities</b>								
Lease liabilities	-	-	-	3.95	-	-	-	8.59
Trade payables	-	-	-	495.43	-	-	-	460.73
Other financial liabilities	-	-	-	256.34	-	-	-	265.83
Derivative liabilities	-	13.47	10.24	-	-	-	-	-
<b>Total financial liabilities</b>	<b>-</b>	<b>13.47</b>	<b>10.24</b>	<b>755.72</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>735.15</b>

As of March 31, 2023 and March 31, 2022, the fair value of cash and bank balances, trade receivables, other financial assets and liabilities, borrowings, trade payables approximate their carrying amount largely due to the nature of these instruments.

**28 Financial Risk Management**

The Company's principal financial liabilities, other than derivatives, comprise 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 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 finance 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:

**(A) Credit risk**

Credit risk refers to the risk of default on its obligation by the counter party resulting in a financial loss. The maximum exposure to the credit risk at the reporting date is primarily from trade receivables amounting to Rs. 1,048.27 Million as of March 31, 2023 (Previous year Rs. 708.14 Million) and unbilled revenue amounting to Rs. 69.31 Million as of March 31, 2023 (Previous year Rs. 38.24 Million). Trade receivables and unbilled revenue are typically unsecured and are derived from revenue earned through individual subsidiaries, government customers and other corporate customers. The Company has used the expected credit loss model to assess the impairment loss or gain on trade receivables and unbilled revenue, and has provided it wherever appropriate. The following table gives the movement in allowance for expected credit loss for the year ended March 31, 2023:

(All Amount in Rs. Millions, unless otherwise stated)

**Reconciliation of loss allowance provision**

Particulars	Trade Receivables	Unbilled Revenue
<b>Loss allowance as on April 1, 2021</b>	<b>200.19</b>	<b>2.89</b>
Less: Bad Debts written off	1.00	-
Less: Reversal of Provision for Expected credit loss	(7.81)	-
<b>Loss allowance as on March 31, 2022</b>	<b>193.38</b>	<b>2.89</b>
Less: Reversal of Provision for Expected credit loss	(4.63)	-
<b>Loss allowance as on March 31, 2023</b>	<b>188.75</b>	<b>2.89</b>

**(B) 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 working capital limits from banks. However, the Company believes that the working capital is sufficient to meet its current requirements. Accordingly, no liquidity risk is perceived.

**(i) Maturities of financial liabilities**

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

**Contractual maturities of financial liabilities:**

	Less than 1 year	Between 1 and 2 years	Beyond 2 years	Total
<b>March 31, 2023</b>				
Trade payables	495.43	-	-	495.43
Lease liabilities	2.41	1.27	0.27	3.95
Other financial liabilities	253.83	-	2.51	256.34
	<b>751.67</b>	<b>1.27</b>	<b>2.78</b>	<b>755.72</b>
<b>March 31, 2022</b>				
Trade payables	460.73	-	-	460.73
Lease liabilities	4.52	2.52	1.55	8.59
Other financial liabilities	265.83	-	-	265.83
	<b>731.08</b>	<b>2.52</b>	<b>1.55</b>	<b>735.15</b>
<b>March 31, 2023</b>				
Derivative liabilities	23.71	-	-	23.71
	<b>23.71</b>	<b>-</b>	<b>-</b>	<b>23.71</b>
<b>March 31, 2022</b>				
Derivative liabilities	-	-	-	-
	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

**(C) 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, foreign 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.

**(i) Interest rate risk**

As the Company is virtually debt-free, the exposure to interest rate risk from the perspective of financial liabilities is negligible.

**(ii) Foreign currency risk**

The Company operates internationally and is exposed to foreign exchange risk arising from foreign currency transactions, primarily with respect to the USD, GBP, EUR, CAD, CNY and NOK. Foreign exchange risk arises from future commercial transactions and recognised assets and liabilities denominated in a currency that is not the company's functional currency. 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.



## Notes to the Standalone Financial Statements for the year ended March 31, 2023 Contd..

(All Amount in Rs. Millions, unless otherwise stated)

The company's exposure to foreign currency risk at the end of the reporting period expressed in Rs., are as follows

Particulars	March 31, 2023	March 31, 2022
<b>Financial assets</b>		
Trade receivables		
USD	785.59	504.64
GBP	108.12	63.93
EUR	274.36	95.83
CAD	53.95	66.77
Others	4.37	7.69
<b>Net exposure to foreign currency risk (assets)</b>	<b>1,226.39</b>	<b>738.86</b>
<b>Financial liabilities</b>		
Trade payables		
USD	47.79	101.50
GBP	36.72	30.44
NOK	33.24	33.74
EUR	58.32	17.04
Others	3.22	2.83
<b>Net exposure to foreign currency risk (liabilities)</b>	<b>179.29</b>	<b>185.55</b>

### Sensitivity

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

Particulars	Impact on Profit and Loss for the year ended March 31, 2023		Impact on Profit and Loss for the year ended March 31, 2022	
	Gain / (Loss) on Appreciation	Gain / (Loss) on Depreciation	Gain / (Loss) on Appreciation	Gain / (Loss) on Depreciation
1% appreciation / depreciation in Indian Rupees against following foreign currencies *:				
USD	7.38	(7.38)	4.03	(4.03)
GBP	0.71	(0.71)	0.33	(0.33)
NOK	(0.33)	0.33	(0.34)	0.34
EUR	2.16	(2.16)	0.79	(0.79)
CAD	0.54	(0.54)	0.67	(0.67)
Others	0.01	(0.01)	0.05	(0.05)
<b>Total</b>	<b>10.47</b>	<b>(10.47)</b>	<b>5.53</b>	<b>(5.53)</b>

\* Holding all other variables constant

USD: United States Dollar, GBP: Great Britain Pound sterling, NOK: Norwegian Krone, EUR: Euro, CAD: Canadian Dollar

## Notes to the Standalone Financial Statements for the year ended March 31, 2023

Contd..

(All Amount in Rs. Millions, unless otherwise stated)

### (D) Impact of hedging activities

#### (a) Disclosure of effects of hedge accounting on financial position

Type of hedge and risks	Nominal value		Carrying amount of hedging instrument		Maturity date	Hedge Ratio*	Weighted average strike price/rate	Changes in fair value of hedging instrument	Change in the value of hedged item used as the basis for recognising hedge effectiveness
	Assets	Liabilities	Assets	Liabilities					
<b>March 31, 2023</b>									
<b>Foreign Exchange Risk</b>									
(i) Foreign exchange forward contracts	2,387.75	-	-	23.71	April 2023 to March 2024	1:1	Euro:- 89.64 USD:- 82.73 GBP:- 96.77 CAD:- 61.79	(18.53)	18.53
<b>March 31, 2022</b>									
<b>Foreign Exchange Risk</b>									
(i) Foreign exchange forward contracts	1,438.96	-	16.20	-	April 2022 to March 2023	1:1	Euro:- 89.83 USD:- 77.77 GBP:- 104.43 CAD:- 61.31	(1.46)	1.46

\*The foreign exchange forward are denominated in the same currency as the highly probable future sales, therefore the hedge ratio is 1:1.

## 29 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, securities premium, all other reserves and debts.

During the financial year, no significant changes were made in the objectives, policies or processes relating to the management of the Company's capital structure.

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

Particulars	March 31, 2023	March 31, 2022
Lease liabilities [Refer note 6(iii)]	3.95	8.59
<b>Total Debt (A)</b>	<b>3.95</b>	<b>8.59</b>
Equity share capital [Refer note 11 (b)]	269.14	1,155.64
Other equity (Refer note 12)	4,647.91	2,609.23
<b>Total Equity (B)</b>	<b>4,917.05</b>	<b>3,764.87</b>
<b>Profit after tax (C)</b>	<b>992.63</b>	<b>584.83</b>
Opening Shareholders equity	3,764.87	3,153.51
Closing Shareholders equity	4,917.05	3,764.87
<b>Average Shareholder's Equity (D)</b>	<b>4,340.96</b>	<b>3,459.19</b>
<b>Debt equity ratio (A/B)</b>	<b>0.00</b>	<b>0.00</b>
<b>Return on equity Ratio (%) (C/D)</b>	<b>22.9%</b>	<b>16.9%</b>

## 30 Contingent Liabilities

### a) Claims against the Company not acknowledged as debts:-

	As at	
	March 31, 2023	March 31, 2022
Customers	0.59	0.59
Indirect tax	19.42	19.42
Income tax	30.80	-
	<b>50.81</b>	<b>20.01</b>

### b) Guarantees

- i. Bank Guarantees issued by Bankers outstanding at the end of the year Rs. 20.01 Million (Previous year Rs. 20.01 Million).
- ii. Corporate Guarantee issued to ICICI Bank Canada to secure loan of up to CAD 5.00 Million, amount outstanding at the end of the year Nil, [Previous year Rs. 48.64 Million (CAD 0.80 Million)] availed by NIIT Learning Solutions (Canada) Limited. The Corporate Guarantee was closed during the current financial year.\*
- iii. Corporate Guarantee issued to ICICI Bank UK for availing working capital limit on behalf of NIIT Limited, UK up to GBP 4.20 Million, Amount Outstanding at the end of the year is Nil.\*

\* These corporate guarantees were issued by NIIT Limited and are in the process of being replaced by the corporate guarantees of NLSL pursuant to the Scheme of Arrangement.

## 31 Capital and Other Commitments

(a) Estimated amount of contracts remaining to be executed on capital account (net of advances) not provided for Rs. 7.67 Million (Previous year Rs.16.58 Million).

(b) For commitments related to lease arrangements, Refer note 6.

## 32 Segment Information

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

As per Ind AS 108 - Operating Segments, where the financial report contains both the consolidated financial statements of a parent as well as the parent's separate financial statements, segment information is required only in the consolidated financial statements. Accordingly, no segment information is disclosed in these standalone financial statements of the Company.

(All Amount in Rs. Millions, unless otherwise stated)

**33 Earnings Per Share**

	Year ended	
	March 31, 2023	March 31, 2022
Profit attributable to Equity Shareholders (Rs. Million) (A)	992.63	584.83
Weighted average number of Equity Shares outstanding during the year (Nos.) – (B)	134,309,442	115,564,072
Add : Effect of Potential Dilutive Shares (being Stock options) (Nos.)	3,253,292	-
Weighted average shares outstanding considered for determining Diluted Earnings per Share (Nos.) - (C)	137,562,734	115,564,072
Nominal Value of Equity Shares (Rs.)	2	10
Basic Earnings per Share (Rs.) (A/B)	7.39	5.06
Diluted Earnings per Share (Rs.) (A/C)	7.22	5.06

Note : Pursuant to the Scheme, the entire equity share capital of the Company of Rs. 10/- each is cancelled as on appointed date and the Company will issue one equity share of Rs. 2/- each in NLSL as fully paid up for every equity share of Rs. 2/- each held by the shareholders in NIIT. Therefore the earnings per share are strictly not comparable from previous year. [Refer notes 35(C) and (D)].

**34 Related Party Transactions :****A. Related party relationship where control exists:****Subsidiaries**

- 1 NIIT (USA) Inc, USA
- 2 St. Charles Consulting Group, LLC (subsidiary of entity at serial no. 1)
- 3 Stackroute Learning Inc, USA (subsidiary of entity at serial no. 1)
- 4 NIIT Limited, UK
- 5 NIIT Malaysia Sdn. Bhd, Malaysia
- 6 NIIT (Ireland) Limited
- 7 NIIT West Africa Limited
- 8 NIIT Learning Solutions (Canada) Limited (subsidiary of entity at serial no. 6)
- 9 Eagle international Institute Inc. USA (subsidiary of NIIT (USA) Inc., USA till June 30, 2021, merged with NIIT (USA) Inc, USA w.e.f. July 01, 2021)
- 10 Eagle Training Spain, S.L.U (subsidiary of entity at serial no. 9 till June 30, 2021, became subsidiary of NIIT (USA) Inc., USA w.e.f. July 1, 2021)
- 11 NIIT Mexico, S. DE R.L. DE C.V. (subsidiary of NIIT (USA) Inc., USA - incorporated on February 23, 2023)
- 12 NIIT Brazil LTDA (subsidiary of NIIT (USA) Inc., USA - incorporated on March 23, 2023)

**B. Entities in which Key Management Personnel of the Company and NIIT Limited are same**

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

\* Ceased to be wholly owned subsidiary of NIIT Limited, pursuant to the Composite Scheme of Arrangement between NIIT Limited and NIIT Learning Systems Limited as approved by Hon'ble National Company Law Tribunal vide its Order dated May 19, 2023 and the same became effective on May 24, 2023, with effect from an appointed date i.e. April 1, 2022.

**C. Key Management Personnel**

- 1 Mr. Rajendra S Pawar (Non-Executive Chairman-w.e.f. May 24, 2023)
- 2 Mr. Vijay K Thadani (Vice-Chairman & Managing Director w.e.f. May 24, 2023) (Non-Executive Director till May 23, 2023)
- 3 Mr. P Rajendran (Non-Executive Director- resigned w.e.f. May 24, 2023)
- 4 Mr. Sapnesh Kumar Lalla (Executive Director & Chief Executive Officer w.e.f. May 24, 2023) (Non-Executive Director till May 23, 2023)
- 5 Mr. Anand Sudarshan (Non-Executive Independent Director-tenure completed on March 13, 2021)
- 6 Ms. Lata Vaidyanathan (Non Executive Independent Director-tenure completed on May 08, 2021)
- 7 Mr. Ravinder Singh (Non-Executive Independent Director-w.e.f. May 20, 2023)
- 8 Ms. Sangita Singh (Non-Executive Independent Director- w.e.f. May 20, 2023)
- 9 Ms. Leher Vijay Thadani (Non-executive Director - w.e.f. May 24, 2023)
- 10 Mr. Ravindra Babu Garikipati (Non-Executive Independent Director-w.e.f May 24, 2023)
- 11 Mr. Umesh Kumar Gola (Chief Financial Officer-resigned w.e.f. September 30, 2021)
- 12 Mr. Sanjay Kumar Jain (Chief Financial Officer- resigned w.e.f. May 24, 2023)
- 13 Mr. Sanjay Mal (Chief Financial Officer-w.e.f. May 24, 2023)
- 14 Mr. Siddharth Nath (Company Secretary-Resigned w.e.f. May 24, 2023)
- 15 Mr. Deepak Bansal (Company Secretary-w.e.f. May 24, 2023)
- 16 Ms. Leena Khokha (Manager-resigned w.e.f. April 30, 2023)
- 17 Ms. Mita Brahma (Non-Executive Director-resigned w.e.f. May 24, 2023)

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

**Parties in which the Key Management Personnel of the Company are deemed to be interested**

- 1 NIIT Institute of Information Technology
- 2 NIIT University

**E. Key management personnel compensation\***

	Year ended	
	March 31, 2023	March 31, 2022
Short-term employee benefits	9.58	8.10
Post-employment benefits	1.19	2.00
Share based payments	6.74	3.20
<b>Total compensation</b>	<b>17.51</b>	<b>13.30</b>

\*Further, pursuant to Scheme of Arrangement (Refer note 35), remuneration of Key Management Personnel of NIIT Limited amounting to Rs. 147.52 Million (Previous year Rs. 162.64 Million) allocated to NLSL is not included above.

**F. Terms and conditions**

Transactions relating to dividends, subscriptions for new equity shares were on the same terms and conditions that applied to other shareholders.

Transactions with related parties during the year were based on terms that would be available to third parties. All other transactions were made in ordinary course of business and at arm's length price.

All outstanding balances are unsecured and are repayable in cash.

## Notes to the Standalone Financial Statements for the year ended March 31, 2023 Contd..

(All Amount in Rs. Millions, unless otherwise stated)

### G. Details of significant transactions with related parties :

Nature of Transactions	Subsidiaries	Parties in which Key Management Personnel of the Company are deemed to be interested	Entities in which KMP of the Company and NIIT Limited are same	Total
Sale of Property, Plant and equipment	-	-	-	-
	(-)	(-)	(0.40)	(0.40)
Sale of Services	2,537.41	-	43.60	2,581.01
	(2,104.01)	(-)	(32.55)	(2,136.56)
Purchase of Services-Professional Technical & Outsourcing expenses and others	485.43	-	39.20	524.63
	(313.92)	(-)	(20.87)	(334.79)
Recovery from subsidiaries for Corporate and Management Support Services	331.72	-	-	331.72
	(267.48)	(-)	(-)	(267.48)
Recovery of share based payments from	101.98	-	-	101.98
	(57.92)	(-)	(-)	(57.92)
Recovery of other expenses from	13.55	-	-	13.55
	(6.29)	(-)	(-)	(6.29)
Recovery of other expenses from (under the head other income)	34.39	-	-	34.39
	(-)	(-)	(-)	(-)
Recovery of Professional Technical & Outsourcing expenses by	34.33	-	10.33	44.66
	(34.80)	(-)	(-)	(34.80)
Recovery of other expenses by	3.29	1.12	0.02	4.43
	(0.49)	(-)	(-)	(0.49)
Corporate Guarantee Charges (included in Other Non-Operating Income)	2.70	-	-	2.70
	(3.60)	(-)	(-)	(3.60)
Expenditure towards Corporate Social Responsibility (CSR) activities	-	15.30	-	15.30
	(-)	(5.70)	(-)	(5.70)

Previous year figures of March 31, 2022 are given in parenthesis.

Refer notes 30 and 31 for Guarantees, collaterals and commitments.

### H. Outstanding Balances :

Particulars	Key Management Personnel	Subsidiaries	Parties in which Key Management Personnel of the Company are deemed to be interested	Entities in which KMP of the Company and NIIT Limited are same	Total
<b>Receivable</b>					
March 31, 2023	-	974.74	-	12.27	987.01
March 31, 2022	-	587.30	-	11.67	598.97
<b>Payables</b>					
March 31, 2023	0.05	174.50	0.08	15.84	190.47
March 31, 2022	0.08	164.95	-	27.27	192.30

Refer notes 30 and 31 for Guarantees, collaterals and commitments as at the year end.

**35 Composite Scheme of Arrangement**

(A) The Board of Directors of NIIT Limited, in its meeting held on January 28, 2022 approved a Composite Scheme of Arrangement ("Scheme") 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 Scheme inter-alia provides for, (i) Transfer and Vesting of Demerged Undertaking by the Transferor Company to Transferee Company, (ii) Reduction and cancellation of Share Capital of Transferee Company held by Transferor Company, (iii) Issuance and allotment of shares by the Transferee Company to the shareholders of Transferor Company in consideration of transfer of Demerged undertaking.

On May 19, 2023, the National Company Law Tribunal (NCLT), Chandigarh Bench sanctioned / approved the Composite Scheme of Arrangement which was made 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 Demerged Undertaking ("Demerged Undertaking") is demerged from NIIT and transferred to and vested in NLSL with effect from April 1, 2022 i.e. the Appointed Date as per Scheme.

The transactions pertaining to the Demerged Undertaking of NIIT from the appointed date upto the effective date of the Scheme have been made by NIIT on behalf of NLSL as per the Scheme.

The transfer of the Demerged Undertaking is accounted for in the books of the NLSL using the pooling of interest method in accordance with Appendix C "Business Combinations of entities under common control" of the Indian Accounting Standard (IND- AS) 103-Business Combinations and the financial statements for the year ended March 31, 2022 have been restated in accordance with the requirements of Ind AS 103. Consequently, the figures for the year ended March 31, 2022 have been restated to give impact of the Scheme of Arrangement.

The details of assets and liabilities transferred to the Company are as under :

PARTICULARS	April 01, 2022	April 01, 2021
<b>ASSETS</b>		
<b>Non-current assets</b>		
Property, plant and equipment	96.09	67.98
Other intangible assets	32.80	99.07
Right-of-use assets	7.64	8.88
Intangible assets under development	24.52	8.21
Financial assets		
Investments	940.64	940.64
Other financial assets	0.24	1.00
Deferred tax assets (net)	117.89	120.02
Income tax assets (net)	-	11.60
Other non-current assets	16.77	0.14
<b>Total non-current assets</b>	<b>1,236.59</b>	<b>1,257.54</b>
<b>Current Assets</b>		
Financial assets		
Investments	925.37	1,822.78
Trade receivables	674.88	531.46
Bank balances other than above	785.63	-
Other financial assetsh	937.00	305.37
Other current assets	101.84	60.25
<b>Total current assets</b>	<b>3,424.72</b>	<b>2,719.86</b>
<b>TOTAL ASSETS</b>	<b>4,661.31</b>	<b>3,977.40</b>
<b>LIABILITIES</b>		
<b>Non-current liabilities</b>		
Financial liabilities		
Lease liabilities	4.07	8.28
<b>Total non-current liabilities</b>	<b>4.07</b>	<b>8.28</b>

## Notes to the Standalone Financial Statements for the year ended March 31, 2023 Contd..

(All Amount in Rs. Millions, unless otherwise stated)

PARTICULARS	April 01, 2022	April 01, 2021
<b>Current liabilities</b>		
Financial liabilities		
Lease liabilities	4.20	1.17
Trade payables	358.39	366.89
Other financial liabilities	257.16	161.00
Other current liabilities	77.79	110.08
Provisions	190.52	204.17
Income tax liabilities (net)	27.61	-
<b>Total current liabilities</b>	<b>915.67</b>	<b>843.31</b>
<b>TOTAL LIABILITIES</b>	<b>919.74</b>	<b>851.59</b>
<b>Net Assets Received</b>	<b>3,741.57</b>	<b>3,125.81</b>

Pursuant to the Scheme of Arrangement, the difference between the book value of the assets and liabilities transferred, has been credited to the following reserves of the Company:

PARTICULARS	April 01, 2022	April 01, 2021
Employees Stock Option Outstanding	149.50	85.36
Hedging Reserve Account	8.29	9.75
Retained Earnings	3,583.78	3,030.70
	<b>3,741.57</b>	<b>3,125.81</b>

### (B) Basis of Carve Out Financials with respect to Demerged Undertaking

The Financial Information is prepared in accordance with the Guidance Note on 'Combined and Carve-out Financial information' ("Guidance Note") issued by the Institute of Chartered accounts of India ("ICAI") which sets out overall framework for the preparation and presentation of the carve-out Financial Information. In preparing the said carve-out Financial Information, principles as set out in the Guidance Note and accounting method prescribed in the Scheme have been applied as below:

- i. The directly identifiable assets, liabilities, income and expenditures of the demerged undertaking are based on the books of accounts and underlying accounting records maintained by the Company.
  - ii. All other assets including Fixed deposits, current investments in mutual funds, liabilities, income and expenditures, (including Common in nature) have been allocated on the basis of Revenue, or any other reasonable basis as approved by the Board. Balance of Employees Stock Option Outstanding is transferred based on net book value of assets transferred of demerged undertaking over net worth of the NIIT Limited as on the appointed date pre-demerger.
- (C) Pursuant to the Scheme, 115,564,072 equity shares of Rs. 10/- each of the NLSL amounting to Rs. 1,155.64 Million held by NIIT stands cancelled as per the Scheme w.e.f. Appointed Date. Consequently, NLSL has ceased to be subsidiary of NIIT Limited. The amount of equity share capital stands reduced and cancelled and correspondingly adjusted to the retained earnings and securities premium to the extent available and balance equity share capital of Rs. 23.30 Million is transferred to capital reserve.
- (D) Pursuant to the Scheme, the Company will issue and allot equity shares to the shareholders of NIIT Limited whose name appears in the register of members of NIIT as on the record date i.e. June 8, 2023, one equity share of Rs. 2/- each in NLSL as fully paid up for every equity share of Rs. 2/- each held by them in NIIT and the equity share capital of Rs. 269.14 Millions to be issued has been disclosed as Share Suspense Account under the head Equity Share Capital as on March 31, 2023. Scheme Related Expenses post appointed date are allocated equally between NIIT and NLSL, expenses incurred before appointed date are allocated to NIIT as per the Scheme.



(All Amount in Rs. Millions, unless otherwise stated)

**(E) Reconciliation of profits as per this financial statements and the audited standalone financial statements for the year ended March 31, 2022 adopted at the meeting of Board of Directors dated May 14, 2022:**

Particulars	Amount
Profit for the year ended March 31, 2022 of the Company as per financial statement issued on May 14, 2022 (a)	(4.83)
<b>Profits/(Loss) of: Demerged undertaking</b>	
Revenue	3,193.91
Other Income	397.66
Expenses	(2,924.76)
<b>Profit before tax</b>	<b>666.81</b>
Tax Expenses	77.15
<b>Profit after tax</b>	<b>(b) 589.66</b>
<b>Restated Profit for the year ended March 31, 2022</b>	<b>(a+b) 584.83</b>

**36 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 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, 2023.
- The Company does not have any Benami property, where any proceeding has been initiated or pending against the Company for holding any Benami property under the Benami Transactions (Prohibition) Act, 1988 and rules made thereunder.
- 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.
- Relationship with Struck off Companies

Name of the struck off company	Nature of transactions with struck off company	Balance outstanding as on March 31, 2023	Balance outstanding as on March 31, 2022	Relationship with the struck off company, if any, to be disclosed
Assam Computer Services Private Limited	Trade Receivable	0.05	0.05	None
Vijaya Lakshmi Softtech Private Limited	Trade Receivable	0.01	0.01	None
North East Info Services Private Limited	Trade Receivable	0.90	-	None

- The Company does not have any transaction which is not recorded in the books of accounts that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961.
- The Company has not traded or invested in cryptocurrency transactions during the financial year and there is no balance as at year end.

## Notes to the Standalone Financial Statements for the year ended March 31, 2023

Contd..  
(All Amount in Rs. Millions, unless otherwise stated)

## viii) Ratio Analysis and its elements

Ratio	Numerator	Denominator	March 31, 2023	March 31, 2022	%Change	Reasons for variance
Current Ratio	Current Assets	Current Liabilities	4.0	3.4	18%	
Debt-Equity Ratio	Total Debt = Borrowings + Lease liabilities	Shareholder's Equity	0.00	0.00	0%	
Debt Service Coverage Ratio	Earnings available for debt service = Net Profit after taxes + Non-cash operating expenses + Interest + Other non-cash adjustments	Debt Service	228.2	153.9	48%	Improvement in profitability has resulted in better debt service coverage ratio.
Return on Equity Ratio	Net Profits after taxes	Average Shareholder's Equity	22.9%	16.9%	36%	Improvement in profitability has resulted in improvement in the ratio.
Inventory Turnover Ratio	Cost of goods sold	Average Inventory	2.0	1.3	54%	Due to lower average inventory has resulted in improvement in the ratio.
Trade Receivable Turnover Ratio	Total sales	Trade receivables	3.9	4.6	(15%)	
Trade Payable Turnover Ratio	Total purchases	Trade creditors	3.0	2.5	20%	
Net Capital Turnover Ratio	Average Working Capital (i.e. Total current assets less Total current liabilities)	Net Sales	139.9%	150.2%	(7%)	
Net Profit Ratio	Net Profit	Net Sales	24.6%	17.8%	38%	Improvement in profitability has resulted in improvement in the ratio.
Return on Capital Employed	Earnings before interest & taxes	Capital employed = Tangible Net worth + Lease liabilities + Borrowings	22.9%	19.3%	19%	
Return on Investment Mutual funds	Income generated from invested funds	Weighted average investments	4.08%	2.83%	46%	Return on Debt Mutual funds is higher in current year, which resulted in Mark-to-Market(MTM) gain in the Debt MFs.
Fixed deposits	Income generated from invested funds	Weighted average investments	6.29%	5.12%	24%	

- ix) 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
- x) The Company has not received any fund from any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Company shall:
- (a) Directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries) or
  - (b) Provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries
- 37** The Code on Social Security, 2020 ('Code') relating to employee benefits during employment and post-employment benefits received Presidential assent in September 2020. However, the date on which the Code will come into effect has not been notified. The Company will assess the impact of the Code when it comes into effect and will record any related impact in the period when the Code becomes effective.
- 38** Previous year/ period figures have been regrouped / reclassified to conform the current period classification.

Signatures to Notes ' 1 ' to ' 38 ' above of these Financial Statements.

**For S.R.Batlboi & Associates LLP**

Chartered Accountants

Firm Registration No.: 101049W/E300004

**Sanjay Bachchani**

Partner

Membership No. 400419

**For and on behalf of the Board of Directors of NIIT Learning Systems Limited**

**Rajendra S Pawar**

Chairman

DIN - 00042516

**Vijay K Thadani**

Vice-Chairman & Managing Director

DIN - 00042527

**Sapnesh Kumar Lalla**

Executive Director &

Chief Executive Officer

DIN - 06808242

**Sanjay Mal**

Chief Financial Officer

**Deepak Bansal**

Company Secretary

Place: Gurugram

Date : May 29, 2023

Place: Gurugram

Date : May 29, 2023



MANAGED  
TRAINING  
SERVICES

# **CONSOLIDATED FINANCIAL STATEMENT**

NIIT Learning Systems Limited

## INDEPENDENT AUDITOR'S REPORT

### To the Members of NIIT Learning Systems Limited (Formerly known as Mindchampion Learning Systems Limited) Report on the Audit of the Consolidated Financial Statements

#### Opinion

We have audited the accompanying consolidated financial statements of NIIT Learning Systems Limited (Formerly known as Mindchampion Learning Systems Limited) (hereinafter referred to as "the Holding Company") and its subsidiaries (the Holding Company and its subsidiaries together referred to as "the Group") comprising of the consolidated Balance sheet as at March 31 2023, the consolidated Statement of Profit and Loss including the Other Comprehensive Income, the consolidated Cash Flow Statement and the consolidated Statement of Changes in Equity for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated financial statements").

In our opinion and to the best of our information and according to the explanations given to us and based on the consideration of reports of other auditors on separate financial statements and on the other financial information of the subsidiaries, the aforesaid consolidated financial statements give the information required by the Companies Act, 2013, as amended ("the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the consolidated state of affairs of the Group as at March 31, 2023, their consolidated profit including other comprehensive income, their consolidated cash flows and the consolidated statement of changes in equity for the year ended on that date.

#### Basis for Opinion

We conducted our audit of the consolidated financial statements in accordance with the Standards on Auditing (SAs), as specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the 'Auditor's Responsibilities for the Audit of the Consolidated Financial Statements' section of our report. We are independent of the Group in accordance with the 'Code of Ethics' issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the Rules thereunder, 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 consolidated financial statements.

#### Emphasis of Matter- Composite Scheme of Arrangement

We draw attention to Note 37 of the consolidated financial statements regarding accounting of transfer of CLG Business Undertaking of NIIT Limited into the Company under the Composite Scheme of Arrangement (the 'Scheme') approved by the National Company Law Tribunal ('NCLT'). As mentioned in paragraph 1.2.3 of the Composite Scheme of Arrangement ("Scheme"), the accounting treatment in the books of account of the Transferee Company has been given effect from the Appointed Date i.e. April 1, 2022, defined in the scheme which is in compliance with the MCA Circular. However, being a common control business combination, Ind AS 103 Business Combinations requires the transferee company to account for business combination from the combination date (i.e., the date on which control has been transferred) or the earliest date presented, whichever is later.

Our opinion is not modified in respect of this matter.

#### Other Information

The Holding Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Annual report, but does not include the consolidated financial statements and our auditor's report thereon.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information above when it becomes available and, in doing so, consider whether such other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

#### Responsibilities of Management for the Consolidated Financial Statements

The Holding Company's Board of Directors is responsible for the preparation and presentation of these consolidated financial statements in terms of the requirements of the Act that give a true and fair view of the consolidated financial position, consolidated financial performance including other comprehensive income, consolidated cash flows and consolidated statement of changes in equity of the Group 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. The respective Board of Directors of the companies included in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of their respective companies 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 consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Board of Directors of the Holding Company, as aforesaid.

In preparing the consolidated financial statements, the respective Board of Directors of the Companies included in the Group are responsible for assessing the ability of their respective companies 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 Group or to cease operations, or has no realistic alternative but to do so.

Those respective Board of Directors of the companies included in the Group are also responsible for overseeing the financial reporting process of their respective companies.

#### Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated 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 consolidated 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 consolidated 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. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Holding Company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.
- 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 ability of the Group 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 consolidated 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 Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group of which we are the independent auditors and whose financial information we have audited, to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the audit of the financial statements of such entities included in the consolidated financial statements of which we are the independent auditors. For the other entities included in the consolidated financial statements, which have been audited by other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion.

We communicate with those charged with governance of the Holding Company and such other entities included in the consolidated financial statements of which we are the independent auditors 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.

#### Other Matter

- (a) We did not audit the financial statements and other financial information, in respect of 4 subsidiaries, whose financial statements include total assets of Rs 3,735.16 Millions as at March 31, 2023, and total revenues of Rs 3,231.37 Millions and net cash inflows of Rs 68.88 Millions for the year ended on that date. These financial statement and other financial information have been audited by other auditors, whose financial statements, other financial information and auditor's reports have been furnished to us by the management. Our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries, and our report in terms of sub-sections (3) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiaries is based solely on the report(s) of such other auditors.

Our opinion above on the consolidated financial statements, and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditors and the financial statements and other financial information certified by the Management.

#### Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2020 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, based on our audit and on the consideration of report of the other auditors on separate financial statements and the other financial information of the subsidiary companies, incorporated in India, as noted in the 'Other Matter' paragraph we give in the "Annexure 1" a statement on the matters specified in paragraphs 3(xxi) of the Order.
2. As required by Section 143(3) of the Act, based on our audit and on the consideration of report of the other auditors on separate financial statements and the other financial information of subsidiaries as noted in the 'other matter' paragraph we report, to the extent applicable, that:
  - (a) We/the other auditors whose report we have relied upon have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated financial statements;
  - (b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidation of the financial statements have been kept so far as it appears from our examination of those books and reports of the other auditors;
  - (c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss including the Statement of Other Comprehensive Income, the Consolidated Cash Flow Statement and Consolidated Statement of Change in Equity dealt with by this Report are in agreement with the books of account maintained for the purpose of preparation of the consolidated financial statements;
  - (d) In our opinion, the aforesaid consolidated financial statements comply with the Accounting Companies specified under section 133 of the Act, read with Companies (Indian Accounting Standards) Rules 2015, as amended
  - (e) On the basis of the written representations received from the directors of the Holding Company as on March 31, 2023 taken on record by the Board of Directors of the Holding Company and the reports of the statutory auditors who are appointed under Section 139 of the Act, of its subsidiary companies none of the directors of the Group's companies incorporated in India is disqualified as on March 31, 2023 from being appointed as a director in terms of Section 164 (2) of the Act;
  - (f) With respect to the adequacy of the internal financial controls with reference to consolidated financial statements of the Holding Company and its subsidiary companies incorporated in India, and the operating effectiveness of such controls, refer to our separate Report in "Annexure 2" to this report;
  - (g) In our opinion, the managerial remuneration for the year ended March 31, 2023 has been paid / provided by the Holding Company and its subsidiaries which are companies incorporated in India to their directors in accordance with the provisions of section 197 read with Schedule V to the Act;

- (h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended, in our opinion and to the best of our information and according to the explanations given to us and based on the consideration of the report of the other auditors on separate financial statements as also the other financial information of the subsidiaries as noted in the 'Other matter' paragraph:
- i. The consolidated financial statements disclose the impact of pending litigations on its consolidated financial position of the Group in its consolidated financial statements – Refer Note 29 to the consolidated financial statements;
  - ii. The Group did not have any material foreseeable losses in long-term contracts including derivative contracts during the year ended March 31, 2023;
  - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Holding Company and its subsidiaries which are companies incorporated in India during the year ended March 31, 2023.
  - iv.
    - a) The respective managements of the Holding Company and its subsidiaries which are companies incorporated in India whose financial statements have been audited under the Act have represented to us and the other auditors of such subsidiaries respectively that, to the best of its knowledge and belief, other than as disclosed in the note 40(viii) to the consolidated financial statements, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Holding Company or any of such subsidiaries, to or in any other persons or entities, including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the respective Holding Company or any of such subsidiaries ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;
    - b) The respective managements of the Holding Company and its subsidiaries which are companies incorporated in India whose financial statements have been audited under the Act have represented to us and the other auditors of such subsidiaries respectively that, to the best of its knowledge and belief, other than as disclosed in the note 40(ix) to the consolidated financial statements, no funds have been received by the respective Holding Company or any of such subsidiaries from any persons or entities, including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Holding Company or any of such subsidiaries shall, whether, 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 provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries; and
    - c) Based on the audit procedures that have been considered reasonable and appropriate in the circumstances performed by us and that performed by the auditors of the subsidiaries which are companies incorporated in India whose financial statements have been audited under the Act, nothing has come to our or other auditor's notice that has caused us or the other auditors to believe that the representations under sub-clause (a) and (b) contain any material mis-statement.
  - v. No dividend has been declared or paid during the year by the Holding Company and its subsidiaries companies, incorporated in India.
  - vi. As proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014 is applicable only w.e.f. April 1, 2023 for the Holding Company and its subsidiaries companies incorporated in India, hence reporting under this clause is not applicable.

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

Chartered Accountants

ICAI Firm Registration Number: 101049W/E300004

**per Sanjay Bachchani**

Partner

Membership Number: 400419

UDIN: 23400419BGTGQJ6982

Place of Signature: Gurugram

Date: May 29, 2023



**ANNEXURE 1 REFERRED TO IN PARAGRAPH 1 OF THE REPORT ON THE OTHER LEGAL AND REGULATORY REQUIREMENTS**

Re: NIIT Learning Systems Limited (Formerly known as Mindchampion Learning Systems Limited) ('the Group')

(xxi) Qualification or adverse remarks by the respective auditors in the Companies (Auditors Report) Order (CARO) reports of the companies included in the consolidated financial statements are:

S. No.	Name	CIN	Holding company/ subsidiary company	Clause number of the CARO report which is qualified or adverse
1	NIIT Learning Systems Limited (Formerly known as Mindchampion Learning Systems Limited)	U72200HR2001PLC099478	Holding Company	Clause vii(a)

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

Chartered Accountants

ICAI Firm Registration Number: 101049W/E300004

**per Sanjay Bachchani**

Partner

Membership Number: 400419

UDIN: 23400419BGTGQJ6982

Place of Signature: Gurugram

Date: May 29, 2023

## ANNEXURE 2 TO THE INDEPENDENT AUDITOR'S REPORT OF EVEN DATE ON THE CONSOLIDATED FINANCIAL STATEMENTS OF NIIT LEARNING SYSTEMS LIMITED (FORMERLY KNOWN AS MINDCHAMPION LEARNING SYSTEMS LIMITED)

### Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

In conjunction with our audit of the consolidated financial statements of NIIT Learning Systems Limited (Formerly Known as Mindchampion Learning Systems Limited) ("the Company") (hereinafter referred to as the "Holding Company") as of and for the year ended March 31, 2023, we have audited the internal financial controls with reference to consolidated financial statements of the Holding Company and its subsidiaries (the Holding Company and its subsidiaries together referred to as "the Group") which are companies incorporated in India, as of that date.

#### Management's Responsibility for Internal Financial Controls

The respective Board of Directors of the companies included in the Group, which are companies incorporated in India, are responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Holding Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (ICAI). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the respective company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

#### Auditor's Responsibility

Our responsibility is to express an opinion on the Holding Company's internal financial controls with reference to consolidated financial statements based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing, specified under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls, both, issued by ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to consolidated financial statements was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls with reference to consolidated financial statements and their operating effectiveness. Our audit of internal financial controls with reference to consolidated financial statements included obtaining an understanding of internal financial controls with reference to consolidated financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls with reference to consolidated financial statements.

#### Meaning of Internal Financial Controls With Reference to Consolidated Financial Statements

A company's internal financial control with reference to consolidated financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control with reference to consolidated financial statements includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

#### Inherent Limitations of Internal Financial Controls With Reference to Consolidated Financial Statements

Because of the inherent limitations of internal financial controls with reference to consolidated financial statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls with reference to consolidated financial statements to future periods are subject to the risk that the internal financial controls with reference to consolidated financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

#### Opinion

In our opinion, the Group which are companies incorporated in India, have, maintained in all material respects, adequate internal financial controls with reference to consolidated financial statements and such internal financial controls with reference to consolidated financial statements were operating effectively as at March 31, 2023, based on the internal control over financial reporting criteria established by the Holding Company considering the essential components of internal control stated in the Guidance Note issued by the ICAI.

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

Chartered Accountants

ICAI Firm Registration Number: 101049W/E300004

**per Sanjay Bachchani**

Partner

Membership Number: 400419

UDIN: 23400419BGTGQJ6982

Place of Signature: Gurugram

Date: May 29, 2023

# CONSOLIDATED BALANCE SHEET

(All Amount in Rs. Millions, unless otherwise stated)

	Notes	As at	
		March 31, 2023	March 31, 2022
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property, plant and equipment	3	349.68	122.76
Goodwill	4	4,342.26	344.17
Other intangible assets	4	1,161.74	687.09
Right-of-use assets	6(ii)	120.33	37.08
Intangible assets under development	4	118.10	24.52
Financial assets			
Other financial assets	7(iii)	27.01	24.51
Deferred tax assets (net)	8(i)	191.71	160.28
Income tax assets (net)	8(ii)	124.23	7.65
Other non-current assets	9	9.65	60.13
<b>Total non-current assets</b>		<b>6,444.71</b>	<b>1,468.19</b>
<b>Current assets</b>			
Inventories	10	1.26	5.42
Financial assets			
Investments	7(i)	2,826.13	994.19
Trade receivables	7(ii)	2,155.36	1,394.30
Cash and cash equivalents	7(iv)	2,559.70	2,531.18
Bank balances other than above	7(v)	225.91	994.45
Other financial assets	7(iii)	2,653.37	1,941.63
Other current assets	9	202.29	153.33
<b>Total current assets</b>		<b>10,624.02</b>	<b>8,014.50</b>
<b>TOTAL ASSETS</b>		<b>17,068.73</b>	<b>9,482.69</b>
<b>EQUITY AND LIABILITIES</b>			
<b>EQUITY</b>			
Equity share capital	11	269.14	1,155.64
Other equity	12		
Reserves and surplus	12(i)	6,997.40	3,965.00
Other reserves	12(ii)	436.34	331.28
<b>TOTAL EQUITY</b>		<b>7,702.88</b>	<b>5,451.92</b>
<b>LIABILITIES</b>			
<b>Non-current liabilities</b>			
Financial liabilities			
Borrowings	13(i)	916.34	-
Lease liabilities	6(ii)	99.53	7.88
Other financial liabilities	13(iii)	2,037.85	-
Deferred tax liabilities (net)	8(i)	14.03	15.38
<b>Total non-current liabilities</b>		<b>3,067.75</b>	<b>23.26</b>
<b>Current liabilities</b>			
Financial liabilities			
Borrowings	13(i)	242.26	80.37
Lease liabilities	6(ii)	30.77	29.86
Trade payables	13(ii)	1,006.48	882.47
Other financial liabilities	13(iii)	3,340.34	1,477.86
Provisions	14	265.21	257.86
Income tax liabilities (net)	8(ii)	76.25	179.96
Other current liabilities	15	1,336.79	1,099.13
<b>Total current liabilities</b>		<b>6,298.10</b>	<b>4,007.51</b>
<b>TOTAL LIABILITIES</b>		<b>9,365.85</b>	<b>4,030.77</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>17,068.73</b>	<b>9,482.69</b>

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

As per our report of even date.

For S.R.Batlboi & Associates LLP

Chartered Accountants

Firm Registration No.: 101049W/E300004

Sanjay Bachchani

Partner

Membership No. 400419

For and on behalf of the Board of Directors of NIIT Learning Systems Limited

Rajendra S Pawar

Chairman

DIN - 00042516

Vijay K Thadani

Vice-Chairman & Managing Director

DIN - 00042527

Sapnesh Kumar Lalla

Executive Director &

Chief Executive Officer

DIN - 06808242

Place: Gurugram

Date : May 29, 2023

Sanjay Mal

Chief Financial Officer

Deepak Bansal

Company Secretary

Place: Gurugram

Date : May 29, 2023



## CONSOLIDATED STATEMENT OF PROFIT AND LOSS

(All Amount in Rs. Millions, unless otherwise stated)

	Notes	Year ended	
		March 31, 2023	March 31, 2022
<b>INCOME</b>			
Revenue from operations	16	13,617.87	11,323.24
Other Income	17	150.81	139.39
<b>Total Income</b>		<b>13,768.68</b>	<b>11,462.63</b>
<b>EXPENSES</b>			
Purchase of stock-in-trade		2.53	40.46
Change in inventories of stock-in-trade	10	4.16	11.78
Employee benefit expenses	18	6,942.03	5,733.80
Professional & technical outsourcing expenses		2,468.95	1,702.78
Finance costs	19	128.97	10.42
Depreciation and amortisation expenses	3,4 & 6(ii)	471.33	422.84
Other expenses	20	1,279.92	918.21
<b>Total Expenses</b>		<b>11,297.89</b>	<b>8,840.29</b>
<b>Profit before exceptional items and tax</b>		<b>2,470.79</b>	<b>2,622.34</b>
Exceptional items	22	(185.92)	(0.30)
<b>Profit before tax</b>		<b>2,284.87</b>	<b>2,622.04</b>
<b>Tax expense:</b>	23		
- Current tax		400.71	584.60
- Deferred tax (credit)/ charge		(38.01)	16.86
<b>Total tax expense</b>		<b>362.70</b>	<b>601.46</b>
<b>Profit for the year</b>		<b>1,922.17</b>	<b>2,020.58</b>
<b>Other comprehensive income</b>			
Items that will not be reclassified to profit or loss			
a) Remeasurement of the defined benefit obligation	24	34.90	(48.46)
b) Exchange differences on translation of foreign operations	12(ii)	123.59	48.29
c) Income tax effect		(8.79)	12.31
		<b>149.70</b>	<b>12.14</b>
Items that will be reclassified to profit or loss			
a) Fair value changes on cash flow hedges, net	12(ii)	(18.53)	(1.46)
b) Income tax effect		-	-
		<b>(18.53)</b>	<b>(1.46)</b>
<b>Other comprehensive income for the year, net of tax</b>		<b>131.17</b>	<b>10.68</b>
<b>Total comprehensive income for the year</b>		<b>2,053.34</b>	<b>2,031.26</b>
<b>Profit attributable to</b>			
Owners of NIIT Learning Systems Limited		1,922.17	2,020.58
		<b>1,922.17</b>	<b>2,020.58</b>
<b>Other comprehensive income attributable to:</b>			
Owners of NIIT Learning Systems Limited		131.17	10.68
		<b>131.17</b>	<b>10.68</b>
<b>Total comprehensive income attributable to</b>			
Owners of NIIT Learning Systems Limited		2,053.34	2,031.26
		<b>2,053.34</b>	<b>2,031.26</b>
<b>Earnings per equity share [Face Value Rs. 2 each (previous year Rs. 10 each)]</b>	32		
- Basic		14.31	17.48
- Diluted		13.97	17.48

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

As per our report of even date.

For S.R.Batlloi & Associates LLP

Chartered Accountants

Firm Registration No.: 101049W/E300004

Sanjay Bachchani

Partner

Membership No. 400419

For and on behalf of the Board of Directors of NIIT Learning Systems Limited

Rajendra S Pawar

Chairman

DIN - 00042516

Vijay K Thadani

Vice-Chairman & Managing Director

DIN - 00042527

Sapnesh Kumar Lalla

Executive Director &

Chief Executive Officer

DIN - 06808242

Place: Gurugram

Date : May 29, 2023

Sanjay Mal

Chief Financial Officer

Deepak Bansal

Company Secretary

Place: Gurugram

Date : May 29, 2023



**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY**

(All Amount in Rs. Millions, unless otherwise stated)

**a) Equity Share Capital [refer notes 11 (b) and 37]**

Particulars	Number	Amount
Balance as at April 1, 2021 (Equity shares of Rs. 10 each) Issued during the year	115,564,072	1,155.64
Balance as at March 31, 2022 (Equity shares of Rs. 10 each)	115,564,072	1,155.64
Cancelled Pursuant to Scheme of Arrangement (Equity shares of Rs. 10 each)	(115,564,072)	(1,155.64)
Share Suspense Account		
Shares to be issued Pursuant to Scheme of Arrangement (Equity shares of Rs. 2 each)	134,564,360	269.14
Balance as at March 31, 2023 (Equity shares of Rs. 2 each)	134,564,360	269.14

**b) Other Equity**

Particulars	Reserves and Surplus			Other Reserves			Total other equity
	Capital Reserve	Employees Stock Option Outstanding	Retained Earnings	Hedging Reserve Account	Currency Translation Reserve		
Balance as at April 1, 2021	-	85.36	(1,147.94)	-	-	(1,147.94)	
Transferred pursuant to Scheme of Arrangement (Refer note 37)	-	3,708.79	3,708.79	9.75	274.70	4,078.60	
Balance pursuant to Scheme of Arrangement	-	85.36	2,560.85	9.75	274.70	2,930.66	
Profit for the year	-	-	2,020.58	-	-	2,020.58	
Other comprehensive income (net of tax)	-	-	(36.15)	(1.46)	48.29	10.68	
Total comprehensive income for the year	-	-	1,984.43	(1.46)	48.29	2,031.26	
Share Based Payments (Refer note 25)	-	124.98	-	-	-	124.98	
Dividend (Refer note 31)	-	-	(743.64)	-	-	(743.64)	
Adjustment pursuant to the Scheme of Arrangement (Refer note 37)	-	(60.84)	13.86	-	-	(46.98)	
Balance as at March 31, 2022	-	149.50	3,815.50	8.29	322.99	4,296.28	
Balance as at April 1, 2022	-	-	-	-	-	-	
Cancelled Pursuant to Scheme of Arrangement (Refer note 37)	3.30	-	1,152.34	-	-	1,152.34	
Creation of Capital Reserve	3.30	-	-	3.30	-	3.30	
Total as at April 01, 2022	3.30	149.50	4,967.84	8.29	322.99	5,451.92	
Profit for the year	-	-	1,922.17	-	-	1,922.17	
Other comprehensive income (net of tax)	-	-	26.11	(18.53)	123.59	131.17	
Total comprehensive income for the year	-	-	1,948.28	(18.53)	123.59	2,053.34	
Share Based Payments (Refer note 25)	-	225.60	-	-	-	225.60	
Shares to be issued Pursuant to Scheme of Arrangement	-	(68.98)	(269.14)	-	-	(269.14)	
Adjustment pursuant to the Scheme of Arrangement (Refer note 37)	-	-	41.00	-	-	41.00	
Balance as at March 31, 2023	3.30	306.12	6,687.98	(10.24)	446.58	7,433.74	

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

**For S.R.Baiflob & Associates, LLP**

 Chartered Accountants  
 Firm Registration No.: 101049W/E500004

**Sanjay Bachchan**

 Partner  
 Membership No. 400419

**For and on behalf of the Board of Directors of NIIT Learning Systems Limited**
**Rajendra S Pawar**

 Chairman  
 DIN - 00042516

**Vijay K Thadani**

 Vice-Chairman & Managing Director  
 DIN - 00042327

**Sapnesh Kumar Lalla**

 Executive Director &  
 Chief Executive Officer  
 DIN - 06806242

 Place: Gurugram  
 Date : May 29, 2023

**Sanjay Mal**

Chief Financial Officer

**Deepak Bansal**

Company Secretary

## CONSOLIDATED STATEMENT OF CASH FLOWS

(All Amount in Rs. Millions, unless otherwise stated)

	Year ended	
	March 31, 2023	March 31, 2022
<b>A. CASH FLOW FROM OPERATING ACTIVITIES:</b>		
Profit before exceptional items and tax	2,470.79	2,622.34
<b>Adjustments to reconcile profit before tax to net cash flows</b>		
Depreciation and Amortisation	471.33	422.84
Finance Cost	35.78	9.71
Interest Income	(83.73)	(106.64)
Gain on termination of leases	(0.14)	(11.10)
Unwinding of discount on borrowings and deferred payment liability	1.10	0.71
Profit on sale/ disposal of Property, Plant and Equipment and Intangible assets (net)	(2.74)	(0.87)
Net gain on Investment carried at fair value through profit and loss	(54.02)	(2.27)
Fair value gain/ loss on contingent consideration	92.09	-
Allowance/ Write off of Doubtful Debts (net of reversal)	(4.63)	(7.81)
Allowance for Doubtful Advances (net of reversal)	0.69	0.14
Allowance for Unbilled Revenue	-	2.89
Allowance for Slow/ Non-moving Inventory/ (Written back) - (net)	(0.75)	1.95
Liabilities/ Provisions no longer required written back	(0.55)	(1.61)
Unrealised Foreign Exchange Gain (net)	25.35	(6.01)
Share Based Payments	225.60	124.98
<b>Operating cash flows before working capital changes</b>	<b>3,176.17</b>	<b>3,049.25</b>
<b>Working Capital Adjustments</b>		
(Decrease)/ Increase in Trade Payables	(36.36)	192.73
(Decrease)/ Increase in Other Non Current Financial Liabilities	(22.88)	-
(Decrease)/ Increase in Other Current Liabilities	(103.88)	50.65
(Decrease)/ Increase in Other Current Financial Liabilities	889.75	(140.10)
(Decrease)/ Increase in Short-Term Provisions	41.47	(57.36)
(Increase)/ Decrease in Trade Receivables	(417.55)	(149.15)
(Increase)/ Decrease in Inventories	4.91	9.82
(Increase)/ Decrease in Other Non Current Assets	(0.38)	15.26
(Increase)/ Decrease in Other Current Assets	(46.32)	(8.78)
(Increase)/ Decrease in Other Current Financial Assets	(1,242.62)	264.93
(Increase)/ Decrease in Other Non Current Financial Assets	(1.09)	4.18
<b>Net cash flow generated from operations before tax</b>	<b>2,241.22</b>	<b>3,231.43</b>
Direct Tax- (paid including TDS)/ refund received (net)	(624.56)	(465.77)
<b>Net Cash flow generated from operating activities (A)</b>	<b>1,616.66</b>	<b>2,765.66</b>
<b>B. CASH FLOW FROM INVESTING ACTIVITIES:</b>		
Purchase of Property, Plant and Equipment (including Capital Work-in-progress, internally developed intangibles and Capital Advances)	(406.58)	(189.63)
Proceeds from sale of property, plant and equipment	7.07	-
(Placement) / Encashment of Fixed Deposits from Banks (Net)	1,307.21	(1,434.93)
(Placement) / Encashment of Deposits with / from other Financial Institutions (Net)	151.00	972.78
Proceeds from sale of mutual funds	122.46	46.50
Purchase of mutual funds	(2,051.38)	(141.49)
Payment towards acquisition of businesses (Refer Note 38)	(1,803.84)	(40.83)
Expenses in relation to acquisition of business (Refer Note 22)	(94.56)	-
Expenses in relation to scheme of arrangement (Refer Note 22)	(9.08)	(0.30)
Interest received	123.92	123.16
<b>Net Cash flows generated from Investing activities (B)</b>	<b>(2,653.78)</b>	<b>(664.74)</b>

# CONSOLIDATED STATEMENT OF CASH FLOWS

Contd...

(All Amount in Rs. Millions, unless otherwise stated)

	Year ended	
	March 31, 2023	March 31, 2022
<b>C. CASH FLOW FROM FINANCING ACTIVITIES:</b>		
Payment of lease liabilities	(38.87)	(61.24)
Repayment of long term borrowings	1,089.62	(129.25)
Interest paid	(31.20)	(4.35)
Dividend paid to equity share holders of the Holding Company	-	(743.64)
<b>Net Cash flow used in from Financing activities (C)</b>	<b>1,019.55</b>	<b>(938.48)</b>
<b>Net Increase in cash &amp; cash equivalents (A) + (B) + (C)</b>	<b>(17.57)</b>	<b>1,162.44</b>
Adjustment on account of Foreign Exchange Fluctuations	46.09	48.58
<b>Cash and Cash equivalents as at the beginning of the year (Note 1)</b>	<b>2,531.18</b>	<b>1,320.16</b>
<b>Cash and cash equivalents as at the end of the year</b>	<b>2,559.70</b>	<b>2,531.18</b>

**Notes: Reconciliation of cash and cash equivalents as per the cash flow statement**

1) Particulars	March 31, 2023	March 31, 2022
<b>Composition of Cash and cash equivalents included in the statement of cash flows comprise of the following balance sheet amounts:</b>		
Cash and cash equivalents as per the balance sheet [Refer note 7(iv)]	2,559.70	2,531.18
<b>Cash and cash equivalents as at the end of the year</b>	<b>2,559.70</b>	<b>2,531.18</b>

2) Figures in parenthesis indicate cash outflow.

3) The Consolidated Statement of Cash Flows has been prepared using the indirect method as set out in Ind AS 7.

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

As per our report of even date.

**For S.R.Batlboi & Associates LLP**

Chartered Accountants

Firm Registration No.: 101049W/E300004

**Sanjay Bachchani**

Partner

Membership No. 400419

**For and on behalf of the Board of Directors of NIIT Learning Systems Limited**

**Rajendra S Pawar**

Chairman

DIN - 00042516

**Sapnesh Kumar Lalla**

Executive Director &  
Chief Executive Officer

DIN - 06808242

**Vijay K Thadani**

Vice-Chairman & Managing Director

DIN - 00042527

**Sanjay Mal**

Chief Financial Officer

**Deepak Bansal**

Company Secretary

Place: Gurugram

Date : May 29, 2023

Place: Gurugram

Date : May 29, 2023

## Notes to the Consolidated Financial Statements for the year ended March 31, 2023

### 1 Corporate Information

NIIT Learning Systems Limited (Formerly known as Mindchampion Learning Systems Limited), ('the Company') was set up in 2001 and was involved in the research and development activities for the purpose of discovering the extent to which poor children in rural and slum areas in India can access and learn from web based curriculum using a purpose built 'Internet Kiosk'. Pursuant to the Scheme of Arrangement, the CLG Business Undertaking of NIIT Limited got transferred to the Company.

Pursuant to the transfer, the Company helps leading companies across 30 countries transform their learning ecosystems while increasing the business value of learning. Trusted by the world's leading companies, NIIT MTS provides high-impact managed learning solutions that weave together the best of learning theory, technology, operations, and services to enable a thriving workforce.

The Company has comprehensive suite of Managed Training Services includes Custom Content and Curriculum Design, Learning Delivery, Learning Administration, Strategic Sourcing, Learning Technology, and L&D consulting services. The company also offers specialized solutions including immersive learning, customer education, talent pipeline as a service, DE&I training, digital transformation and IT training as well as leadership and professional development programs.

The registered place of business of the Company is Plot No. 85, Sector - 32, Institutional Area, Gurugram - 122001 (Haryana) India. During the previous year, the name of the Company has been changed from "Mindchampion Learning Systems Limited" to "NIIT Learning Systems Limited" w.e.f. January 18, 2022 vide certificate of incorporation issued by Ministry of Corporate Affairs, Government of India.

### 2 Significant Accounting Policies

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

#### a) Basis of preparation

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

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

The financial statements are based on the classification provisions contained in Ind AS 1, 'Presentation of Financial Statements' and division II of schedule III of the Companies Act 2013. Further, for the purpose of clarity, various items are aggregated in the statement of profit and loss and balance sheet. Nonetheless, these items are dis-aggregated separately in the notes to the consolidated financial statements, where applicable or required. All the amounts included in the financial statements are reported in Millions of Indian Rupees ('Rupees' or 'Rs.')

 and are rounded to the nearest Million, within two decimals, except per share data and unless stated otherwise.

Reference in these consolidated financial statements to "the Group" shall mean to include NIIT Learning Systems Limited and its subsidiaries, consolidated in these financial statements, unless otherwise stated.

##### (ii) Basis of measurement

The financial statements have been prepared on a historical cost basis, except for the following:

- financial assets and liabilities (including derivative instruments) are measured at fair value or amortised cost.
- defined benefit plans – plan assets measured at fair value.
- share-based payments (ESOP's) are measured at fair value.

#### b) Basis of consolidation

(i) The consolidated financial statements incorporate the financial statements of the Company and entities controlled by the Company (its subsidiaries) made up to 31 March each year. Control is achieved when the Company:

- has the power over the investee;
- is exposed, or has rights, to variable returns from its involvement with the investee; and
- has the ability to use its power to affects its returns.

The Company reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control listed above.



When the Company has less than a majority of the voting rights of an investee, it considers that it has power over the investee when the voting rights are sufficient to give it the practical ability to direct the relevant activities of the investee unilaterally. The Company considers all relevant facts and circumstances in assessing whether or not the Company's voting rights in an investee are sufficient to give it power, including:

- the size of the Company's holding of voting rights relative to the size and dispersion of holdings of the other vote holders;
- potential voting rights held by the Company, other vote holders or other parties;
- rights arising from other contractual arrangements; and
- any additional facts and circumstances that indicate that the Company has, or does not have, the current ability to direct the relevant activities at the time that decisions need to be made, including voting patterns at previous shareholders' meetings.

Consolidation of a subsidiary begins when the Company obtains control over the subsidiary and ceases when the Company loses control of the subsidiary. Specifically, the results of subsidiaries acquired or disposed of during the year are included in profit or loss from the date the Company gains control until the date when the Company ceases to control the subsidiary.

Where necessary, adjustments are made to the financial statements of subsidiaries to bring the accounting policies used into line with the Group's accounting policies.

All intragroup assets and liabilities, equity, income, expenses and cash flows relating to transactions between the members of the Group are eliminated on consolidation.

Non-controlling interests in subsidiaries are identified separately from the Group's equity therein. Those interests of non-controlling shareholders that are present ownership interests entitling their holders to a proportionate share of net assets upon liquidation may initially be measured at fair value or at the non-controlling interests' proportionate share of the fair value of the acquiree's identifiable net assets. The choice of measurement is made on an acquisition-by-acquisition basis. Other non-controlling interests are initially measured at fair value. Subsequent to acquisition, the carrying amount of non-controlling interests is the amount of those interests at initial recognition plus the non-controlling interests' share of subsequent changes in equity.

Profit or loss and each component of other comprehensive income are attributed to the owners of the Company and to the non-controlling interests. Total comprehensive income of the subsidiaries is attributed to the owners of the Company and to the non-controlling interests even if this results in the non-controlling interests having a deficit balance.

Changes in the Group's interests in subsidiaries that do not result in a loss of control are accounted for as equity transactions. The carrying amount of the Group's interests and the non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiaries. Any difference between the amount by which the non-controlling interests are adjusted and the fair value of the consideration paid or received is recognised directly in equity and attributed to the owners of the Company.

When the Group loses control of a subsidiary, the gain or loss on disposal recognised in profit or loss is calculated as the difference between (i) the aggregate of the fair value of the consideration received and the fair value of any retained interest and (ii) the previous carrying amount of the assets (including goodwill), less liabilities of the subsidiary and any non-controlling interests. All amounts previously recognised in other comprehensive income in relation to that subsidiary are accounted for as if the Group had directly disposed of the related assets or liabilities of the subsidiary (i.e. reclassified to profit or loss or transferred to another category of equity as required/permitted by applicable Ind ASs). The fair value of any investment retained in the former subsidiary at the date when control is lost is regarded as the fair value on initial recognition for subsequent accounting under Ind AS 109 when applicable, or the cost of initial recognition of an investment in an associate or a joint venture.

- (ii) **Associate:** Associate is the entity over which the group has significant influence but not control or joint control. This is generally the case where the group holds between 20% and 50% of the voting rights. Investments in associate is accounted for using the equity method of accounting (see (iii) below), after initially being recognised at cost.
- (iii) **Equity method :** Under the equity method of accounting, the investments are initially recognised at cost and adjusted thereafter to recognise the group's share of the post-acquisition profits or losses of the investee in profit and loss, and the group's share of other comprehensive income of the investee in other comprehensive income. Dividends received or receivable from associates and joint ventures are recognised as a reduction in the carrying amount of the investment.

When the group's share of losses in an equity-accounted investment equals or exceeds its interest in the entity, including any other unsecured long-term receivables, the group does not recognise further losses, unless it has incurred obligations or made payments on behalf of the other entity.

Unrealised gains on transactions between the group and its associates are eliminated to the extent of the group's interest in these entities. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred. Accounting policies of equity accounted investees have been changed where necessary to ensure consistency with the policies adopted by the group.

The carrying amount of equity accounted investments are tested for impairment.

- (iv) **Changes in ownership interests** : The group treats transactions with non-controlling interests that do not result in a loss of control as transactions with equity owners of the group. A change in ownership interest results in an adjustment between the carrying amounts of the controlling and non-controlling interests to reflect their relative interests in the subsidiary. Any difference between the amount of the adjustment to non-controlling interests and any consideration paid or received is recognised within equity

When the group ceases to consolidate or equity account for an investment because of a loss of control, joint control or significant influence, any retained interest in the entity is remeasured to its fair value with the change in carrying amount recognised in profit or loss. This fair value becomes the initial carrying amount for the purposes of subsequently accounting for the retained interest as an associate, joint venture or financial asset. In addition, any amounts previously recognised in other comprehensive income in respect of that entity are accounted for as if the group had directly disposed of the related assets or liabilities. This may mean that amounts previously recognised in other comprehensive income are reclassified to profit or loss.

If the ownership interest in a joint venture or an associate is reduced but joint control or significant influence is retained, only a proportionate share of the amounts previously recognised in other comprehensive income are reclassified to profit or loss where appropriate.

- (v) Pursuant to the Scheme of Arrangement, these Consolidated Financial Statements have been prepared for the first time. (refer note 37)

**c) Foreign currency translation**

**(i) Functional and presentation currency**

Items included in the financial statements of each of the Company's entities are measured using the currency of the primary economic environment in which the entity operates ('the functional currency'). The financial statements are presented in Indian Rupee (Rs.), which is the Group's presentation currency.

**(ii) Transactions and balances**

Foreign currency transactions are translated into the functional currency using the exchange rates at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at year end exchange rates are generally recognised in profit or loss. They are deferred in equity if they relate to qualifying cash flow hedges.

Foreign exchange differences regarded as an adjustment to borrowing costs are presented in the consolidated statement of profit and loss, within finance costs. All other foreign exchange gains and losses are presented in the consolidated statement of profit and loss on a net basis within other gains/ (losses).

Non-monetary items that are measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined.

**(iii) Foreign operations**

The results and financial position of foreign operations (none of which has the currency of a hyperinflationary economy) that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

- assets and liabilities are translated at the closing rate at the date of that balance sheet
- income and expenses are translated at average exchange rates (unless this is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case income and expenses are translated at the dates of the transactions), and
- All resulting exchange differences are recognised in other comprehensive income

On consolidation, exchange differences arising from the translation of any net investment in foreign entities, and of borrowings and other financial instruments designated as hedges of such investments, are recognised in other comprehensive income. When a foreign operation is sold, the associated exchange differences are reclassified to profit or loss, as part of the gain or loss on sale.

Goodwill and fair value adjustments arising on the acquisition of a foreign operation are treated as assets and liabilities of the foreign operation and translated at the closing rate.

**d) Current - non-current classification**

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

**Assets**

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

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

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

**Liabilities**

A liability is classified as current when it satisfies any of the following criteria:

- it is expected to be settled in the Group's normal operating cycle;
- it is held primarily for the purpose of being traded;
- it is due to be settled within 12 months after the reporting period; or
- the Company does not have an unconditional right to defer settlement of the liability for at least 12 months after the reporting period. Terms of a liability that could, at the option of the counterparty, result in its settlement by the issue of equity instruments do not affect its classification.

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

**Operating cycle**

The operating cycle is the time between the acquisition of assets for processing and their realisation in cash or cash equivalents. Based on the nature of operations and the time between the acquisition of assets for processing and their realisation in cash and cash equivalents, the Group has ascertained its operating cycle being a period of 12 months for the purpose of classification of assets and liabilities as current and non-current.

**e) Revenue recognition**

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

When two or more revenue generating activities or deliverables are provided under a single arrangement, each deliverable that is considered to be a separate deliverable is accounted separately. Where the contracts include multiple performance obligations, the transaction price is allocated to each performance obligation based on the standalone selling prices. 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 Group 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.

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 in respect of sale of courseware and other physical deliverables is recognised at a point in time when these are delivered, the legal title is passed and the customer has accepted the courseware and other physical deliverables.

In other cases, where courseware is not considered a separate component under a contract, revenue from the composite course is recognised over the period of the training or the contract period, depending upon the terms and conditions.

Revenue for providing Technical Information and Reference Material (TIRM) to the business partners is recognised over the period of the contract.

**f) Other Income**

**(i) Interest income**

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

**(ii) Dividend income**

It is recognised when the right to receive dividend is established.

**g) Segment Reporting**

Operating segments are reported in a manner consistent with the internal reporting provided to the Chief Operating Decision Maker (CODM).

The CEO & CFO of the Holding Company are considered as chief operating decision makers who assess the financial performance and position of the Group, and make strategic decisions.

**h) Government grants**

Grants from the government are recognised at their fair value where there is a reasonable assurance that the grant will be received and the group will comply with all attached conditions.

Government grants relating to income are deferred and recognised in the profit or loss over the period on systematic basis to cover the costs that they are intended to compensate and presented within other income.

Government grants relating to the purchase of property, plant and equipment are included in non-current liabilities as deferred income and are credited to profit or loss on a straight-line basis over the expected lives of the related assets and presented within other income.

**i) Income taxes**

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

**Current income taxes**

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

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

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

**Deferred income taxes**

Deferred income tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements.

Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the end of the reporting period and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

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

Deferred tax liabilities are not recognised for temporary differences between the carrying amount and tax bases of investments in subsidiaries, branches and associates and interest in joint arrangements where the group is able to control the timing of the reversal of the temporary differences and it is probable that the differences will not reverse in the foreseeable future.

Deferred tax assets are not recognised for temporary differences between the carrying amount and tax bases of investments in subsidiaries, branches and associates and interest in joint arrangements where it is not probable that the differences will reverse in the foreseeable future and taxable profit will not be available against which the temporary difference can be utilised. Deferred tax is recognised on any unrealised profits/losses arising from intra-group transactions

#### i) 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.

##### (i) Group as a lessee

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

The Group 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.

##### (ii) Group as a lessor

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

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

#### k) Business Combinations

Business combinations are accounted for using the acquisition method. The cost of an acquisition is measured as the aggregate of the consideration transferred measured at acquisition date fair value and the amount of any non-controlling interests in the acquiree. For each business combination, the Group elects whether to measure the non-controlling interests in the acquiree at fair value or at the proportionate share of the acquiree's identifiable net assets. Acquisition-related costs are expensed as incurred.

At the acquisition date, the identifiable assets acquired and the liabilities assumed are recognised at their acquisition date fair values. For this purpose, the liabilities assumed include contingent liabilities representing present obligation and they are measured at their acquisition fair values irrespective of the fact that outflow of resources embodying economic benefits is not probable.

After initial recognition, goodwill is measured at cost less any accumulated impairment losses. For the purpose of impairment testing, goodwill acquired in a business combination is, from the acquisition date, allocated to each of the Group's cash-generating units that are expected to benefit from the combination, irrespective of whether other assets or liabilities of the acquiree are assigned to those units.

Where settlement of any part of cash consideration is deferred, the amounts payable in the future are discounted to their present value as at the date of exchange. The discount rate used is the entity's incremental borrowing rate, being the rate at which a similar borrowing could be obtained from an independent financier under comparable terms and conditions.

If the business combination is achieved in stages, the acquisition date carrying value of the acquirer's previously held equity interest in the acquiree is remeasured to fair value at the acquisition date. Any gains or losses arising from such remeasurement are recognised in profit or loss or other comprehensive income, as appropriate.

When the consideration transferred by the Group in a business combination includes a contingent consideration arrangement, the contingent consideration is measured at its acquisition-date fair value and included as part of the consideration transferred in a business combination. Changes in fair value of the contingent consideration that qualify as measurement period adjustments are adjusted retrospectively, with corresponding adjustments against Goodwill/capital reserve. Measurement period adjustments are adjustments that arise from additional information obtained during the 'measurement period' (which cannot exceed one year from the acquisition date) about facts and circumstances that existed at the acquisition date.

The subsequent accounting for changes in the fair value of the contingent consideration that do not qualify as measurement period adjustments depends on how the contingent consideration is classified. Contingent consideration that is classified as equity is not remeasured at subsequent reporting dates and its subsequent settlement is accounted for within equity. Other contingent consideration is remeasured to fair value at subsequent reporting dates with changes in fair value recognised in profit or loss.

## I) Investments and other financial assets

### (i) Classification

The Group 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 Group's business model for managing the financial assets and the contractual terms of the cash flows.

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

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

### (ii) Measurement

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

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

#### Debt instruments

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

**Amortised Cost** : Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost. A gain or loss on a debt investment that is subsequently measured at amortised cost and is not part of a hedging relationship is recognised in profit or loss when the asset is derecognised or impaired. Interest income from these financial assets is included in finance income using the effective interest rate method.

**Fair value through 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 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). Interest income from these financial assets is included in other income using the effective interest rate method.

**Fair value through profit or loss:** Assets that do not meet the criteria for amortised cost or FVOCI are measured at fair value through profit or loss. A gain or loss on a debt investment that is subsequently measured at fair value through profit or loss and is not part of a hedging relationship is recognised in profit or loss and presented net in the statement of profit and loss within other gains/(losses) in the period in which it arises. Interest income from these financial assets is included in other income.

**(iii) Impairment of financial assets**

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

The Group 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 Group'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 Group 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 Group measures the loss allowance for that financial instrument at an amount equal to 12-month ECL.

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

**(iv) Derecognition of financial assets**

A financial asset is derecognised only when

- The Group 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 Group 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 Group has not retained control of the financial asset. Where the Group retains control of the financial asset, the asset is continued to be recognised to the extent of continuing involvement in the financial asset.

**m) Cash and cash equivalents**

For the purpose of presentation in the statement of cash flows, cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value. Bank overdrafts are shown as borrowings in current liabilities in the balance sheet.

**n) Trade receivables**

Trade receivables are recognised initially at fair value and subsequently adjusted for expected credit loss using the effective interest method.

**o) Inventories**

Traded goods are stated at the lower of cost or net realisable value. Cost of traded goods comprises cost of purchases

and all other costs incurred in bringing the inventories to their present location and condition. Costs are assigned to individual items of inventory on the basis weighted-average. Costs of purchased inventory are determined after deducting rebates and discounts. Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale.

**p) Derivatives and hedging activities**

Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently re-measured to their fair value at the end of each reporting period. The accounting for subsequent changes in fair value depends on whether the derivative is designated as a hedging instrument, and if so, the nature of the item being hedged and the type of hedge relationship designated.

For the purpose of hedge accounting, hedges are classified as:

- Fair value hedges when hedging the exposure to changes in the fair value of a recognised asset or liability or an unrecognised firm commitment;
- Cash flow hedges when hedging the exposure to variability in cash flows that is either attributable to a particular risk associated with a recognised asset or liability or a highly probable forecast transaction.

At the inception of a hedge relationship, the Group formally designates and documents the hedge relationship to which the Group wishes to apply hedge accounting and the risk management objective and strategy for undertaking the hedge. The documentation includes the Group's risk management objective and strategy for undertaking hedge, the hedging/ economic relationship, the hedged item or transaction, the nature of the risk being hedged, hedge ratio and how the entity will assess the effectiveness of changes in the hedging instrument's fair value in offsetting the exposure to changes in the hedged item's fair value or cash flows attributable to the hedged risk. Such hedges are expected to be highly effective in achieving offsetting changes in fair value or cash flows and are assessed on an ongoing basis to determine that they actually have been highly effective throughout the financial reporting periods for which they were designated.

The full fair value of a hedging derivative is classified as a non-current asset or liability when the remaining maturity of the hedged item is more than 12 months; it is classified as a current asset or liability when the remaining maturity of the hedged item is less than 12 months.

**(i) Cash flow hedges that qualify for hedge accounting**

The effective portion of changes in the fair value of derivatives that are designated and qualify as cash flow hedges is recognised in the other comprehensive income in cash flow hedging reserve within equity, limited to the cumulative change in fair value of the hedged item on a present value basis from the inception of the hedge. The gain or loss relating to the ineffective portion is recognised immediately in profit or loss, within other gains/(losses).

Forward contracts are used to hedge forecast transactions, the group generally designates only the change in fair value of the forward contract related to the spot component as the hedging instrument. Gains or losses relating to the effective portion of the change in the spot component of the forward contracts are recognised in other comprehensive income in cash flow hedging reserve within equity. The change in the forward element of the contract that relates to the hedged item ('aligned forward element') is recognised within other comprehensive income in the costs of hedging reserve within equity. In some cases, the Group may designate the full change in fair value of the forward contract (including forward points) as the hedging instrument. In such cases, the gains and losses relating to the effective portion of the change in fair value of the entire forward contract are recognised in the cash flow hedging reserve within equity.

Amounts accumulated in equity are reclassified to profit or loss in the periods when the hedged item affects profit or loss (for example, when the forecast sale that is hedged takes place).

When a hedging instrument expires, or is sold or terminated, or when a hedge no longer meets the criteria for hedge accounting, any cumulative deferred gain or loss and deferred costs of hedging in equity at that time remains in equity until the forecast transaction occurs. When the forecast transaction is no longer expected to occur, the cumulative gain or loss and deferred costs of hedging that were reported in equity are immediately reclassified to profit or loss within other gains/(losses).

If the hedge ratio for risk management purposes is no longer optimal but the risk management objective remains unchanged and the hedge continues to qualify for hedge accounting, the hedge relationship will be rebalanced by adjusting either the volume of the hedging instrument or the volume of the hedged item so that the hedge ratio aligns with the ratio used for risk management purposes. Any hedge ineffectiveness is calculated and accounted for in profit or loss at the time of the hedge relationship rebalancing.

**(ii) Fair value hedges**

The change in the fair value of a hedging instrument is recognised in the statement of profit and loss as finance costs.



The change in the fair value of the hedged item attributable to the risk hedged is recorded as part of the carrying value of the hedged item and is also recognised in the statement of profit and loss as finance costs.

For fair value hedges relating to items carried at amortised cost, any adjustment to carrying value is amortised through profit or loss over the remaining term of the hedge using the EIR method. EIR amortisation may begin as soon as an adjustment exists and no later than when the hedged item ceases to be adjusted for changes in its fair value attributable to the risk being hedged.

If the hedged item is derecognised, the unamortised fair value is recognised immediately in the statement of profit or loss.

**(iii) Derivatives that are not designated as hedges**

The group enters into certain derivative contracts to hedge risks which are not designated as hedges. Such contracts are accounted for at fair value through profit or loss and are included in other gains/(losses).

**q) Property, plant and equipment**

The Group 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.

Freehold land is carried at historical cost. All other items of property, plant and equipment are stated at historical cost less depreciation. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the group and the cost of the item can be measured reliably. The carrying amount of any component accounted for as a separate asset is de-recognised when replaced. All other repairs and maintenance are charged to profit or loss during the reporting period in which they are incurred.

Depreciation methods, estimated useful lives and residual value

Depreciation is calculated using the straight-line method to allocate their cost, net of their residual values, over their estimated useful lives as follows :

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

Depreciation is provided on a pro-rata basis on the straight-line method over the useful lives of the assets. The depreciation charge for each period is recognised in the Statement of Consolidated Profit and Loss. The residual values is considered as nil.

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Gains and losses on disposals are determined by comparing proceeds with carrying amount. These are included in profit or loss within income/ (expense).

**r) Intangible Assets**

Computer software, Educational content/products - Acquired

These Intangible assets are carried at cost less accumulated amortisation and accumulated impairment losses.

Education content/products-Internally generated

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, and
- 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.

#### Goodwill

Goodwill on acquisitions of subsidiaries is included in intangible assets. Goodwill is not amortised but it 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. Gains and losses on the disposal of an entity include the carrying amount of goodwill relating to the entity sold.

#### Brand, Consultant's Pool and Customer Relationships

Brand, Consultant's Pool and Customer Relationships acquired in a business combination are recognised at fair value at the acquisition date. They have a finite useful life and are subsequently carried at cost less accumulated amortization and impairment losses except the brand of Life Science Business, which is infinite.

#### Amortisation methods and periods

Intangible assets are amortised on a straight line basis over their estimated useful lives which are as follows:

Particulars	Useful Life
a) Internally Generated (Content and products)	
- School based non - IT content	10 Years
- Others	3-5 Years
b) Acquired (Software, contents and products)	3-5 Years
c) Patents	3-5 Years
d) Brand	10 Years
e) Consultant's Pool	7 Years
f) Customer Relationships	3 Years

#### s) 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 Group's cash-generating units that are expected to benefit from the business combination in which the goodwill arose. The units or Group'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).

#### t) Trade and other payables

These amounts represent liabilities for goods and services provided to the group prior to the end of financial year which are unpaid. Trade and other payables are presented as current liabilities unless payment is not due within 12 months after the reporting period. They are recognised initially at their fair value and subsequently measured at amortised cost using the effective interest method.

**u) Borrowings**

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

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

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

**v) Borrowings cost**

General and specific borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset are capitalised during the period of time that is required to complete and prepare the asset for its intended use or sale. Qualifying assets are assets that necessarily take a substantial period of time to get ready for their intended use or sale.

Other borrowing costs are expensed in the period in which they are incurred.

**w) Provisions**

Provisions are recognised when the group 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 Group 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 Group recognizes any impairment loss on the assets associated with that contract.

**x) Employee benefits****I. Short-term obligations**

Liabilities for wages and salaries, including non-monetary benefits that are expected to be settled wholly within 12 months after the end of the period in which the employees render the related service are recognised in respect of employees' services up to the end of the reporting period and are measured at the amounts expected to be paid when the liabilities are settled. The liabilities are presented as current employee benefit obligations in the balance sheet.

**II. Other long-term employee benefit obligations**

The liabilities for earned leave and sick leave are not expected to be settled wholly within 12 months after the end of the period in which the employees render the related service. They are therefore measured as the present value of expected future payments to be made in respect of services provided by employees up to the end of the reporting period using the projected unit credit method. The benefits are discounted using the market yields at the end of the reporting period that have terms approximating to the terms of the related obligation. Remeasurements as a result of experience adjustments and changes in actuarial assumptions are recognised in profit or loss.

The obligations are presented as current liabilities in the balance sheet if the entity does not have an unconditional right to defer settlement for at least twelve months after the reporting period, regardless of when the actual settlement is expected to occur.

### III. Post-employment obligations

The group operates the following post-employment schemes:

- Defined benefit plans such as Gratuity and Compensated absences
- Defined contribution plan such as Provident fund, Superannuation fund, Pension fund, National Pension System, and Overseas plans.

#### Gratuity

The liability or asset recognised in the balance sheet in respect of defined benefit gratuity plans is the present value of the defined benefit obligation at the end of the reporting period less the fair value of plan assets. The defined benefit obligation is calculated annually by actuaries using the projected unit credit method.

The present value of the defined benefit obligation denominated in Rs. is determined by discounting the estimated future cash outflows by reference to market yields at the end of the reporting period on government bonds that have terms approximating to the terms of the related obligation.

The net interest cost is calculated by applying the discount rate to the net balance of the defined benefit obligation and the fair value of plan assets. This cost is included in employee benefit expense in the statement of profit and loss.

Remeasurement gains and losses arising from experience adjustments and changes in actuarial assumptions are recognised in the period in which they occur, directly in other comprehensive income. They are included in retained earnings in the consolidated statement of changes in equity and in the consolidated balance sheet.

Changes in the present value of the defined benefit obligation resulting from plan amendments or curtailments are recognised immediately in profit or loss as past service cost.

#### Compensated absences

Liability in respect of compensated absences is provided for both encashable leave and those expected to be availed. The Group has defined benefit plans for compensated absences for employees, the liability for which is determined on the basis of an actuarial valuation at the end of the year using projected unit credit method. Any gain or loss arising out of such valuation is recognised in the Consolidated Statement of profit and loss as income or expense as the case may be.

Accumulated compensated absences, which are expected to be availed within twelve months from the end of the year are treated as short term employee benefits. The obligation towards the same is measured at the expected undiscounted cost of accumulated compensated absences expected to be availed based on the unutilised entitlement at the year end.

#### Provident fund

The Group makes contribution to the "NIIT LIMITED EMPLOYEES' PROVIDENT FUND TRUST" for certain entities in India, which is a defined benefit plan to the extent that the Company has an obligation to make good the shortfall, if any, between the return from the investments of the trust and the notified interest rate. The Group's obligation in this regard is actuarially determined using projected unit credit method and provided for if the circumstances indicate that the Trust may not be able to generate adequate returns to cover the interest rates notified by the Government.

#### The Group's contribution towards Provident Fund is charged to Consolidated Statement of Profit and Loss.

For employees of the entities not covered above, provident fund contributions are made to the Regional Provident Fund Commissioner in accordance with the Employee Provident Fund Rules and are accounted as defined contribution plans and charged to Consolidated Statement of Profit and Loss.

#### Superannuation fund

The Group makes defined contribution to the Trust established for the purpose by the Holding company towards superannuation fund maintained with Life Insurance Corporation of India. The Group has no further obligations beyond its monthly contributions. Contribution made during the year is charged to Consolidated Statement of Profit and Loss.

#### Pension fund

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

#### Overseas Plans

In respect of the subsidiaries incorporated outside India, the subsidiaries make defined contributions on a monthly basis towards the respective retirement plans which are charged to Consolidated Statement of Profit and Loss. These subsidiaries have no further obligation towards the respective retirement benefits.

**National Pension System**

The Group makes defined contribution towards National Pension System for certain employees for which Group has no further obligation. Contributions made during the year are charged to Consolidated Statement of Profit and Loss.

**y) Share based payments - Employee stock option plan (ESOP)**

The fair value of options granted under the 'NIIT Employee Stock Option Plan 2005' is recognised as an employee benefits expense with a corresponding increase in equity. The total amount to be expensed is determined by reference to the fair value of the options granted:

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

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

**z) 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.

**a) Dividends**

The final dividend on shares is recorded as a liability on the date of approval by the shareholders and interim dividends are recorded as a liability on the date of declaration by the Company's Board of Directors. The Company declares and pays dividends in Indian rupees. Companies are required to pay/distribute dividend after deducting applicable taxes. The remittance of dividends outside India is governed by Indian law on foreign exchange and is also subject to withholding tax at applicable rates.

**ab) Earnings per share****i. Basic earnings per share**

Basic earnings per share is calculated by dividing the profit attributable to owners of the Group by the weighted average number of equity shares outstanding during the financial year.

**ii. Diluted earnings per share**

Diluted earnings per share adjusts the figures used in the determination of basic earnings per share to take into account:

- the after income tax effect of interest and other financing costs associated with dilutive potential equity shares, and
- the weighted average number of additional equity shares that would have been outstanding assuming the conversion of all dilutive potential equity shares.

**ac) Fair value measurement**

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability, or
- In the absence of a principal market, In the most advantageous market for the asset or liability

The principal or the most advantageous market must be accessible to/ by the Group.

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

**Level 1:** 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 fair value of all equity instruments (including bonds) which are traded in the stock exchanges is valued using the closing price as at the reporting period. 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.

For assets and liabilities that are recognised in the financial statements on a recurring basis, the Group determines whether transfers have occurred between levels in the hierarchy by reassessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

For the purpose of fair value disclosures, the Group has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above. The Group measures financial instruments, such as, investments (other than investment in subsidiaries), at fair value at each reporting date.

#### ad) 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:

Measurement of defined benefit obligations: key actuarial assumptions- refer notes 2 x.

Measurement of useful life and residual values of property, plant and equipment -refer note 2 q.

Judgement required to determine grant date fair value technique -refer notes 2 y and 25.

Fair value measurement of financial instruments - refer notes 2 ac and 26.

Judgement required to determine probability of recognition of deferred tax assets - refer note 2 i.

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

#### ae) 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.

Materiality threshold can be used to select items to be disclosed as exceptional on case to case basis. This threshold would be applied separately for standalone as well as consolidated financial statements. However, in case an item qualifies for disclosure in standalone financial statements but not in consolidated financial statements or vice versa, this would need to be evaluated on case to case basis.

Basis the above analysis, mainly following items would be 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.
- c) Reassessment / Change in life of asset (in case of re-evaluation of business/product, impact of all assets specific to that business/product to be considered for applying the threshold).
- d) Disputed regulatory / tax levies including tax rate change having retrospective impact (other than impact on account of restatement of deferred tax asset / liability for tax rate change) – only impact for the past periods to be disclosed as exceptional.
- e) Provision for other than temporary diminution in the value of non-current investment.
- f) Shareholders' dispute settlement arising out of merger / acquisition transactions.
- g) Write-downs of inventories to net realisable value or of property, plant and equipment to recoverable amount, as well as reversals of such write-downs.
- h) Restructurings of the activities of an entity and reversals of any provisions for the costs of restructuring.

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.

**Notes to the Consolidated Financial Statements for the year ended March 31, 2023** (All Amount in Rs. Millions, unless otherwise stated) **Contd..**

3. Property, plant and equipment		Plant & Equipments	Leasehold Improvements	Furniture & Fixtures	Vehicles	Office Equipments	Total Tangible assets
<b>Particulars</b>							
<b>Year ended March 31, 2022</b>							
Gross carrying amount		-	-	-	-	-	-
Opening gross carrying amount		325.22	69.48	47.21	3.05	18.16	463.12
Pursuant to Scheme of Arrangement (Refer note 37)		54.17	-	-	15.73	-	69.90
Additions		36.23	6.70	3.44	0.18	0.15	46.70
Disposals		9.01	0.14	0.12	(0.02)	0.03	9.28
Exchange differences		352.17	62.92	43.89	18.58	18.04	495.60
<b>Closing gross carrying amount (A)</b>							
Accumulated depreciation		-	-	-	-	-	-
Opening accumulated depreciation		243.44	68.77	32.02	2.38	12.41	359.02
Pursuant to Scheme of Arrangement (Refer note 37)		48.74	0.42	4.08	0.58	2.35	56.17
Depreciation charged during the year		35.11	6.55	2.33	0.18	0.13	44.30
Disposals		1.72	0.15	0.07	(0.02)	0.03	1.95
Exchange differences		258.79	62.79	33.84	2.76	14.66	372.84
<b>Closing accumulated depreciation (B)</b>							
<b>Net carrying amount (A-B)</b>		<b>93.38</b>	<b>0.13</b>	<b>10.05</b>	<b>15.82</b>	<b>3.38</b>	<b>122.76</b>
<b>Year ended March 31, 2023</b>							
Gross Carrying amount		352.17	62.92	43.89	18.58	18.04	495.60
Opening gross carrying amount		10.34	-	-	-	-	10.34
Acquired through business combination (refer note 38)		103.52	34.50	112.10	39.35	27.01	316.48
Additions		57.22	21.58	26.57	-	0.93	106.30
Disposals		4.75	1.39	0.91	(0.01)	0.14	7.18
Exchange differences		413.56	77.23	130.33	57.92	44.26	723.30
<b>Closing gross carrying amount (C)</b>							
Accumulated Depreciation		258.79	62.79	33.84	2.76	14.66	372.84
Opening accumulated depreciation		9.29	-	-	-	-	9.29
Acquired through business combination (refer note 38)		60.92	8.90	9.48	7.37	3.14	89.81
Depreciation charged during the year		56.44	21.58	23.17	(0.01)	0.89	102.08
Disposals		3.22	0.32	0.15	(0.01)	0.08	3.76
Exchange differences		275.78	50.43	20.30	10.12	16.99	373.62
<b>Closing accumulated depreciation (D)</b>							
<b>Net carrying amount (C-D)</b>		<b>137.78</b>	<b>26.80</b>	<b>110.03</b>	<b>47.80</b>	<b>27.27</b>	<b>349.68</b>

## 4 Intangible assets, Goodwill and Intangible assets under development

Particulars	Internally Generated (footnote i)	Software Acquired	Brand [Refer note 4(a)]	Consultant's Pool	Customer Relationships	Total Intangibles assets other than Goodwill and Intangible assets under development	Goodwill [Refer note 4(a)]	Intangible assets under development (footnote i)	Total Intangible assets
<b>Year ended March 31, 2022</b>									
<b>Gross carrying amount</b>									
Opening gross carrying amount	-	-	-	-	-	-	-	-	-
Pursuant to Scheme of Arrangement (Refer note 37)	1,839.37	20.44	88.53	-	-	1,948.34	331.78	41.90	2,322.02
Additions	37.28	-	-	-	-	37.28	-	19.90	57.18
Disposals	2.60	2.71	-	-	-	5.31	-	-	5.31
Transfer	-	-	-	-	-	-	-	(37.28)	(37.28)
Exchange differences	53.06	0.19	3.31	-	-	56.56	12.39	-	68.95
<b>Closing gross carrying amount (A)</b>	<b>1,927.11</b>	<b>17.92</b>	<b>91.84</b>	<b>-</b>	<b>-</b>	<b>2,036.87</b>	<b>344.17</b>	<b>24.52</b>	<b>2,405.56</b>
<b>Accumulated amortisation and impairment</b>									
Opening accumulated amortisation and impairment	-	-	-	-	-	-	-	-	-
Pursuant to Scheme of Arrangement (Refer note 37)	998.11	18.68	-	-	-	1,016.79	-	-	1,016.79
Amortisation charge during the year	311.35	1.01	-	-	-	312.36	-	-	312.36
Disposals	2.60	2.71	-	-	-	5.31	-	-	5.31
Exchange differences	25.79	0.15	-	-	-	25.94	-	-	25.94
<b>Closing accumulated amortisation and impairment (B)</b>	<b>1,332.65</b>	<b>17.13</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1,349.78</b>	<b>-</b>	<b>-</b>	<b>1,349.78</b>
<b>Net carrying amount (A-B)</b>	<b>594.46</b>	<b>0.79</b>	<b>91.84</b>	<b>-</b>	<b>-</b>	<b>687.09</b>	<b>344.17</b>	<b>24.52</b>	<b>1,055.78</b>
<b>Year ended March 31, 2023</b>									
<b>Gross carrying amount</b>									
Opening gross carrying amount	1,927.11	17.92	91.84	-	-	2,036.87	344.17	24.52	2,405.56
Acquired through business combination (refer note 38)	-	3.59	224.63	101.96	365.19	695.37	4,002.05	-	4,697.42
Additions	119.03	0.08	-	-	-	119.11	-	212.61	331.72
Disposals	-	0.11	-	-	-	0.11	-	-	0.11
Transfer	-	-	-	-	-	-	-	(119.03)	(119.03)
Exchange differences	12.86	0.30	5.72	(0.82)	(2.93)	15.13	(3.96)	-	11.17
<b>Closing gross carrying amount (C)</b>	<b>2,059.00</b>	<b>21.78</b>	<b>322.19</b>	<b>101.14</b>	<b>362.26</b>	<b>2,866.37</b>	<b>4,342.26</b>	<b>118.10</b>	<b>7,326.73</b>
<b>Accumulated Amortisation and Impairment</b>									
Opening accumulated amortisation and impairment	1,332.65	17.13	-	-	-	1,349.78	-	-	1,349.78
Acquired through business combination (refer note 38)	-	3.59	-	-	-	3.59	-	-	3.59
Amortisation charge during the year	286.14	0.74	8.98	5.82	36.49	338.17	-	-	338.17
Disposals	-	0.11	-	-	-	0.11	-	-	0.11
Exchange differences	12.96	0.26	-	-	(0.02)	13.20	-	-	13.20
<b>Closing accumulated amortisation and impairment (D)</b>	<b>1,631.75</b>	<b>21.61</b>	<b>8.98</b>	<b>5.82</b>	<b>36.47</b>	<b>1,704.63</b>	<b>-</b>	<b>-</b>	<b>1,704.63</b>
<b>Net carrying amount (C-D)</b>	<b>427.25</b>	<b>0.17</b>	<b>313.21</b>	<b>95.32</b>	<b>325.79</b>	<b>1,161.74</b>	<b>4,342.26</b>	<b>118.10</b>	<b>5,622.10</b>

## Note

(i) Refer Note 5 for cost incurred during the year on internally generated intangible assets.

(ii) Subsequent to the fair valuation of assets and liabilities pertaining to acquisition, the group recognised intangible assets (Brand, Consultant's Pool and Customer Relationships) basis the fair valuation report obtained by the Group. The amortization has been carried out based on useful lives assessed by the Group.



(All Amount in Rs. Millions, unless otherwise stated)

Reconciliation of Depreciation and Amortisation charged to Consolidated Statement of Profit and Loss	March 31, 2023	March 31, 2022
(i) Depreciation on Property, plant and equipment	89.81	56.17
(ii) Amortisation on Intangible assets	338.17	312.36
(iii) Depreciation on Right-of-use assets (Refer note 6)	43.35	54.31
<b>Depreciation/ Amortisation recognised in Consolidated Statement of Profit and Loss</b>	<b>471.33</b>	<b>422.84</b>

#### 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 Group at which goodwill is monitored for internal management purposes, and which is not higher than the Group's operating segment. Goodwill is tested for impairment at least annually in accordance with the Group's procedure for determining the recoverable value of each CGU.

The following table sets out the net carrying amount of goodwill & brand (having indefinite useful lives) allocated to CGUs:

Particulars	St. Charles Consulting Group	Life Sciences Practice		Total
	Goodwill	Goodwill	Brand	
As at March 31, 2023	3,969.92	372.34	99.36	4,441.62
As at March 31, 2022	-	344.17	91.84	436.01

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

##### St. Charles Consulting Group

The recoverable amount of the St. Charles Consulting Group 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 Group has not recognised any impairment charge against goodwill in the consolidated statement of profit and loss for the year ended March 31, 2023.

##### 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 Group has not recognised any impairment charge against goodwill and brand in the consolidated statement of profit and loss for the year ended March 31, 2023.

##### Key Assumptions used in calculations of impairment testing:

- i) **Discount rates** - Discount rates represent the current market assessment of the risks specific to each CGU, taking into consideration the time value of money and individual risks of the underlying assets that have not been incorporated in the cash flow estimates. The discount rate calculation is based on the specific circumstances of the Group 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 Group's investors. The cost of debt is based on the interest-bearing borrowings the Group is obliged to service. Segment-specific risk is incorporated by applying individual beta factors. The beta factors are evaluated annually based on publicly available market data.

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

CGU Unit	March 31, 2023	March 31, 2022
St. Charles Consulting Group	9.50%	NA
Life Sciences Practice	9.50%	6.56%

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

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

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

CGU Unit	March 31, 2023	March 31, 2022
St. Charles Consulting Group	3%	NA
Life Sciences Practice	3%	3%

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

(All Amount in Rs. Millions, unless otherwise stated)

- 5 The Group is internally developing new software tools, platforms and content/ courseware. The investments would further expand the business of the Group 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 Group is confident of its ability to generate future economic benefits out of the above mentioned assets. The costs incurred towards the development is as follows:

Particulars	Year ended	
	March 31, 2023	March 31, 2022
Opening Balance	24.52	-
Pursuant to Scheme of Arrangement (Refer note 37)	-	41.90
Add:-Expenses capitalised during the year		
Salary and other employee benefits (Refer note 18)	88.88	11.66
Professional & technical outsourcing expenses	103.62	3.54
Other expenses (Refer note 20)	20.11	4.70
Less:-Intangible assets capitalised during the year	(119.03)	(37.28)
Closing Balance	118.10	24.52

## Ageing of projects

Projects in progress	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
March 31, 2023	93.58	19.44	5.08	-	118.10
March 31, 2022	19.44	5.08	-	-	24.52

## 6 Leases

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

The Group has entered into leases for office premises, employee accommodations, equipments which are cancelable at the option of the Group by giving the requisite notice. Aggregate payments during the year under short term leases are as shown hereunder:

Particulars	Year ended	
	March 31, 2023	March 31, 2022
In respect of Premises*	20.46	23.70
In respect of Equipments**	14.50	33.60
In respect of Vehicles	0.86	2.05
	35.82	59.35

\* Includes payment in respect of premises for office and employee accommodation.

\*\* Includes payment in respect of computers, printers and other equipments.

## 6(ii) Right-of-use assets/ (Lease Liabilities)

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

Particulars	Building	Vehicle	Total
As at April 1, 2021			
Pursuant to Scheme of Arrangement (Refer note 37)	174.24	9.06	183.30
Additions/Modification	-	3.11	3.11
Deletion	(80.90)	-	(80.90)
Depreciation	(50.09)	(4.22)	(54.31)
Translation difference	(14.12)	-	(14.12)
As at March 31, 2022	29.13	7.95	37.08
Acquired through business combination (refer note 38)	10.51	-	10.51
Additions/Modification	115.21	-	115.21
Deletion	(7.36)	(0.24)	(7.60)
Depreciation	(39.19)	(4.16)	(43.35)
Translation difference	8.48	-	8.48
As at March 31, 2023	116.78	3.55	120.33

(All Amount in Rs. Millions, unless otherwise stated)

## 6(ii) The following are the carrying amount of Lease liabilities and movement during the year :

Particulars	Total
<b>As at April 1, 2021</b>	-
Pursuant to Scheme of Arrangement (Refer note 37)	196.12
Additions/Modification	2.12
Deletion	(88.63)
Accretion of interest	5.43
Payments	(61.24)
Translation difference	(16.06)
<b>As at March 31, 2022</b>	<b>37.74</b>
Acquired through business combination (refer note 38)	10.95
Additions/Modification	115.22
Deletion	(7.60)
Accretion of interest	4.40
Payments	(38.87)
Translation difference	8.46
<b>As at March 31, 2023</b>	<b>130.30</b>

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

Particulars	March 31, 2023	March 31, 2022
Lease liabilities (Non-current)	99.53	7.88
Lease liabilities (Current)	30.77	29.86
<b>Total liabilities</b>	<b>130.30</b>	<b>37.74</b>

## The following are the amounts recognised in Consolidated Statement of Profit and Loss:

Particulars	March 31, 2023	March 31, 2022
Depreciation expense	43.35	54.31
Interest expense on lease liabilities (Refer note 19)	4.40	5.43
Gain on termination of lease assets (Net) (Refer note 17)	(0.14)	(11.10)
<b>Total</b>	<b>47.61</b>	<b>48.64</b>

There are only fixed rental payable as per the terms of the contracts.

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

Particulars	March 31, 2023	March 31, 2022
Less than one year	30.77	29.86
One to Two years	31.21	5.39
More than Two years	68.32	2.49
<b>Total Amount</b>	<b>130.30</b>	<b>37.74</b>

## 7 Financial assets

## 7(i) Investment

	As at	
	March 31, 2023	March 31, 2022
	<b>Current</b>	
<b>Carried at Fair Value through statement of profit and loss [Quoted]</b>		
Investment in Mutual Funds*	2,127.13	144.19
<b>Carried at amortised cost [Unquoted]</b>		
Investment in term deposits with Financial Institution	699.00	850.00
	<b>2,826.13</b>	<b>994.19</b>
<b>*Market Value of Quoted Investments</b>	<b>2,127.13</b>	<b>144.19</b>

## 7(ii) Trade receivables

	As at	
	March 31, 2023	March 31, 2022
	<b>Current</b>	
Unsecured, considered good	2,155.36	1,394.30
Unsecured - credit impaired	291.00	290.70
Less: Allowance for doubtful debts [Refer note 27(A)]	(291.00)	(290.70)
	<b>2,155.36</b>	<b>1,394.30</b>

(i) Trade receivables are non-interest bearing and are generally on terms of 30 to 90 days.

(ii) Refer note 13(i) for assets pledged.

## Ageing of trade receivables as at March 31, 2023\*

Particulars	Current but 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	1,462.98	548.36	3.93	79.63	60.46	-	2,155.36
Undisputed Trade Receivables – credit impaired	-	-	0.04	5.34	77.02	208.60	291.00
<b>Total</b>	<b>1,462.98</b>	<b>548.36</b>	<b>3.97</b>	<b>84.97</b>	<b>137.48</b>	<b>208.60</b>	<b>2,446.36</b>
Less: Allowance for doubtful debts							(291.00)
<b>Total</b>							<b>2,155.36</b>

## Ageing of trade receivables as at March 31, 2022\*

Particulars	Current but 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	105.84	1,266.59	10.02	7.82	4.03	-	1,394.30
Undisputed Trade Receivables – credit impaired	-	-	-	-	24.33	266.37	290.70
<b>Total</b>	<b>105.84</b>	<b>1,266.59</b>	<b>10.02</b>	<b>7.82</b>	<b>28.36</b>	<b>266.37</b>	<b>1,685.00</b>
Less: Allowance for doubtful debts							(290.70)
<b>Total</b>							<b>1,394.30</b>

\* There are no disputed trade receivables.

7(iii) Other financial assets	As at			
	March 31, 2023	March 31, 2022	March 31, 2023	March 31, 2022
	Non-Current		Current	
<b>a) Security Deposits</b>				
Unsecured, considered good	5.68	4.19	0.81	0.42
Unsecured, considered doubtful	0.81	0.81	-	-
Less: Allowance for doubtful deposits	(0.81)	(0.81)	-	-
	<b>5.68</b>	<b>4.19</b>	<b>0.81</b>	<b>0.42</b>
<b>b) Contract Assets - Unbilled Revenue</b>				
Unsecured, considered good (Refer note 16.1)	-	-	817.09	761.28
Unsecured, considered doubtful	-	-	2.89	2.89
Less: Provision for doubtful unbilled revenue	-	-	(2.89)	(2.89)
	-	-	<b>817.09</b>	<b>761.28</b>
<b>c) Interest receivable</b>				
Interest Accrued on bank and other deposits	1.32	0.31	30.26	71.67
<b>d) Derivative asset (refer note 27 D)</b>	-	-	-	16.20
<b>e) Other receivables</b>	-	-	1,714.88	463.06
<b>f) Bank deposits</b>				
With remaining maturity of more than 12 months*	20.01	20.01	-	-
With remaining maturity of less than 12 months	-	-	90.33	629.00
<b>Total</b>	<b>27.01</b>	<b>24.51</b>	<b>2,653.37</b>	<b>1,941.63</b>

\*Deposit of Rs. 20.01 Million (Previous year Rs. 20.01 Million) pledged as margin money with bank for issuance of bank guarantees.

## 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	800.01	17.08	-	-	-	817.09
Undisputed Unbilled revenue - credit impaired	-	-	-	-	2.89	2.89
<b>Total</b>	<b>800.01</b>	<b>17.08</b>	<b>-</b>	<b>-</b>	<b>2.89</b>	<b>819.98</b>
Less: Allowance for doubtful unbilled revenue						(2.89)
<b>Total</b>						<b>817.09</b>

(All Amount in Rs. Millions, unless otherwise stated)

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

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	761.28	-	-	-	-	761.28
Undisputed Unbilled revenue - credit impaired	-	-	-	-	2.89	2.89
<b>Total</b>	<b>761.28</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>2.89</b>	<b>764.17</b>
Less: Allowance for doubtful unbilled revenue						(2.89)
<b>Total</b>						<b>761.28</b>

\* There are no disputed unbilled revenue.

## 7(iv) Cash and cash equivalents

Balance with banks  
-Current Accounts

As at	
March 31, 2023	March 31, 2022
Current	
2,559.70	2,531.18
<b>2,559.70</b>	<b>2,531.18</b>

## 7(v) Bank balances other than above

Bank deposits  
-With original maturity of more than 3 months and upto 12 months\*

As at	
March 31, 2023	March 31, 2022
Current	
225.91	994.45
<b>225.91</b>	<b>994.45</b>

\*Deposits are made with banks for varying periods, depending on the immediate cash requirements of the Group and to earn interest at the respective term deposit rates.

## 8 Tax Assets (Net)

## 8(i) Deferred Tax Assets/ Liabilities

Particulars	As at	
	March 31, 2023	March 31, 2022
<b>Deferred Tax Assets</b>		
<b>The balance comprises temporary differences attributable to:</b>		
Tax impact of difference between carrying amount of property, plant and equipments and Intangible assets in the financial statements and as per Income Tax	10.79	51.95
Difference between carrying value of right of use of assets and lease liabilities as per Ind AS 116 in the financial statements and as per the Income Tax	2.51	0.08
Provision for employee benefits	65.76	62.83
Provision for doubtful debts, unbilled revenue and others	54.54	30.04
Carry forward losses	52.40	-
Others	3.40	-
<b>Total deferred tax assets (A)</b>	<b>189.40</b>	<b>144.90</b>
<b>Deferred Tax Liabilities</b>		
Unrealised gain on investment marked to market	(11.71)	-
Others	(0.01)	-
<b>Total deferred tax liabilities (B)</b>	<b>(11.72)</b>	<b>-</b>
<b>Net deferred tax assets (A-B)</b>	<b>177.68</b>	<b>144.90</b>
Deferred tax assets recognised in Consolidated Balance Sheet	191.71	160.28
Deferred tax liabilities recognised in Consolidated Balance Sheet	(14.03)	(15.38)

- (a) Deferred Tax Assets and Liabilities are being offset as they relate to taxes on income levied by the same governing taxation laws.
- (b) Deferred Tax Asset on brought forward losses has been recognised to the extent of availability of probable future taxable income to set off the losses.

(All Amount in Rs. Millions, unless otherwise stated)

## Movement in Deferred Tax Assets/ (Liabilities)

Movement in deferred tax assets / (liabilities) (net)	Property, Plant and Equipments and Intangible Assets	Provision for Employee Benefits	Provision for doubtful debts, unbilled revenue and others	Others including unabsorbed business losses and unrealized gain	Right-of-use assets/ Lease Liabilities	Total
As at April 1, 2021	-	-	-	-	-	-
Pursuant to Scheme of Arrangement (Refer note 37)	52.97	61.62	32.00	-	1.83	148.42
(charged)/credited:						
- to profit or loss	(0.47)	(11.49)	(3.08)	-	(1.82)	(16.86)
- to other comprehensive income	-	12.31	-	-	-	12.31
- Exchange differences	(0.55)	0.39	1.12	-	0.07	1.03
As at March 31, 2022	51.95	62.83	30.04	-	0.08	144.90
(charged)/credited:						
- to profit or loss	(40.10)	10.71	24.41	40.66	2.33	38.01
- to other comprehensive income	-	(8.79)	-	-	-	(8.79)
- Exchange differences	(1.06)	1.01	0.09	3.42	0.10	3.56
As at March 31, 2023	10.79	65.76	54.54	44.08	2.51	177.68

## Note :

- a) Deferred tax assets and liabilities have been determined by applying the income tax rates of respective countries. Deferred tax assets and liabilities in relation to taxes payable under different tax jurisdictions have not been offset in consolidated financial statements.
- b) Pursuant to Scheme of Arrangement, the Holding Company has reassessed utilization of absorption plan of timing differences including carry forward business losses and recognised Deferred Tax Assets accordingly.

## 8(ii) Income Tax Assets/ (Liabilities)(net)

Taxes recoverable	As at			
	March 31, 2023	March 31, 2022	March 31, 2023	March 31, 2022
	Non-Current		Current	
Advance Income Tax	148.52	232.71	331.37	158.15
Less : Provision for Income Tax	(24.29)	(225.06)	(407.62)	(338.11)
	124.23	7.65	(76.25)	(179.96)

## 9 Other assets

	As at			
	March 31, 2023	March 31, 2022	March 31, 2023	March 31, 2022
	Non-Current		Current	
i) Capital Advances				
Unsecured, considered good	8.90	59.07	-	-
	8.90	59.07	-	-
ii) Advances recoverable in cash or in kind				
Unsecured, considered good	0.75	1.06	201.35	151.47
Unsecured, considered doubtful	-	-	0.03	0.08
Less: Allowance for doubtful advances	-	-	(0.03)	(0.08)
	0.75	1.06	201.35	151.47
iii) Balances with Government Authorities (net)	-	-	0.94	1.86
	-	-	0.94	1.86
	9.65	60.13	202.29	153.33

## 10 Inventories

## As at the end of the year

	As at	
	March 31, 2023	March 31, 2022
Stock-in-trade		
Education and Training Material*	1.26	5.42
	1.26	5.42

## As at the beginning of the year

Stock-in-trade		
Education and Training Material*	5.42	17.20
	5.42	17.20
(Increase)/ Decrease in Inventories	4.16	11.78

\* Net of provision for non-moving inventories of Rs. 21.32 Million (Previous year - Rs. 22.07 Million).

(All Amount in Rs. Millions, unless otherwise stated)

## 11 Share capital

## a) Authorised Share Capital

Particulars	Number of Shares	Amount
As at April 1, 2021 (Equity shares of Rs. 10 each)	120,000,000	1,200.00
Addition during the year	-	-
As at March 31, 2022 (Equity shares of Rs. 10 each)	120,000,000	1,200.00
Authorised Share Capital reclassified/reorganised by reducing the face value of equity shares to Rs. 2 (Rupees Two only pursuant to Scheme of Arrangement)	600,000,000	1,200.00
Addition during the year	-	-
As at March 31, 2023 (Equity shares of Rs. 2 each)	600,000,000	1,200.00

Pursuant to the Scheme of Arrangement, the authorised share capital of the Company got reclassified/reorganized from 120,000,000 equity shares of Rs. 10/- each aggregating to Rs. 1,200 Million to 600,000,000 equity shares of Rs. 2/- each aggregating to Rs. 1,200 Million by reducing the face value of equity shares from Rs. 10/- to Rs. 2/- each.

## b) Movement in Equity Share Capital

Subscribed and paid up share capital	Equity Shares	
	Number of Shares	Amount
As at April 1, 2021 (Equity shares of Rs. 10 each)	115,564,072	1,155.64
Issued during the year	-	-
As at March 31, 2022 (Equity shares of Rs. 10 each)	115,564,072	1,155.64
Cancelled pursuant to Scheme of Arrangement	(115,564,072)	(1,155.64)
<b>Share Suspense Account</b>		
Shares to be issued pursuant to Scheme of Arrangement (Equity shares of Rs. 2 each) (Refer note 37)	134,564,360	269.14
As at March 31, 2023 (Equity shares of Rs. 2 each)	134,564,360	269.14

## c) Terms/ rights attached to equity shares

The Company has only one class of equity shares having par value of Rs. 2 per share. Each holder of equity shares is entitled to one vote per share. The Company declares and pays dividends in Indian rupees. The dividend (excluding interim dividend) proposed by the Board of Directors, if any, is subject to the approval of the shareholders in the ensuing Annual General Meeting.

In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

## d) Shares reserved for issue under options

Information relating to Employee Stock Option Plan, including details of options issued, granted, exercised and lapsed during the financial year and options outstanding at the end of the reporting period/ year, is set out in Note 25.

## e) Details of Shareholders holding more than 5% shares in the Company

Particulars	As at March 31, 2023		As at March 31, 2022	
	No. of shares	% of holding	No. of shares	% of holding
NIIT Limited *	-	-	115,564,072	100.00%
Rajendra Singh Pawar as Trustee of Pawar Family Trust	22,445,644	16.68%	-	-
Vijay Kumar Thadani as Trustee of Thadani Family Trust	22,994,229	17.09%	-	-
Nippon Life India Trustee Ltd - A/c Nippon India Small Cap Fund	11,095,416	8.25%	-	-
Massachusetts Institute of Technology	7,741,830	5.75%	-	-
<b>Total</b>	<b>64,277,119</b>	<b>47.77%</b>	<b>115,564,072</b>	<b>100.00%</b>

\*Six Equity Shares were registered in the names of individuals, the beneficial interest of which lied with NIIT Limited.

(All Amount in Rs. Millions, unless otherwise stated)

## f) Details of shares held by Promoter and Promoter Group

As at March 31, 2023

Particulars	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
<b>Promoters</b>					
NIIT Limited*	115,564,072	(115,564,072)	-	0.00%	(100.00%)
Rajendra Singh Pawar	-	1,55,000	1,55,000	0.12%	100.00%
Vijay Kumar Thadani	-	1,55,000	1,55,000	0.12%	100.00%
<b>Promoter Group</b>					
Rajendra Singh Pawar as Trustee of Pawar Family Trust	-	22,445,644	22,445,644	16.68%	100.00%
Vijay Kumar Thadani as Trustee of Thadani Family Trust	-	22,994,229	22,994,229	17.09%	100.00%
Arvind Thakur	-	566,829	566,829	0.42%	100.00%
Neeti Pawar and Rajendra Singh Pawar	-	427,326	427,326	0.32%	100.00%
Urvashi Pawar	-	56,250	56,250	0.04%	100.00%
Unnati Pawar	-	56,242	56,242	0.04%	100.00%
Udai Pawar	-	7,500	7,500	0.01%	100.00%
R S Pawar HUF	-	2,527	2,527	0.00%	100.00%
V K Thadani HUF	-	2,527	2,527	0.00%	100.00%
Renu Kanwar and Vandana Katoch	-	2,339	2,339	0.00%	100.00%
Santosh Dogra	-	1,687	1,687	0.00%	100.00%
Renuka Vijay Thadani and Vijay Kumar Thadani	-	1,000	1,000	0.00%	100.00%
Kailash K Singh and Yogesh Singh	-	750	750	0.00%	100.00%
Janki Jamwal and Neeti Pawar	-	652	652	0.00%	100.00%
Janki Jamwal and Pramod Singh Jamwal	-	562	562	0.00%	100.00%
Janki Jamwal and Keerti Katoch	-	562	562	0.00%	100.00%
Rasina Uberoi	-	15,464	15,464	0.01%	100.00%
Rubika Vinod Chablani	-	1,687	1,687	0.00%	100.00%

\* Shares to be issued pursuant to the Scheme of Arrangement [Refer note 37].

As at March 31, 2022

Particulars	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
<b>Promoters</b>					
NIIT Limited *	115,564,072	-	115,564,072	100.00%	0.00%

\*Six Equity Shares were registered in the names of nominee individuals, the beneficial interest of which lied with NIIT Limited.





## Notes to the Consolidated Financial Statements for the year ended March 31, 2023

Contd..

(All Amount in Rs. Millions, unless otherwise stated)

13 Financial liabilities	(i) Borrowings	As at			
		March 31, 2023	March 31, 2022	March 31, 2023	March 31, 2022
		Non-Current		Current Maturities	
A) Secured					
Term Loans from Banks:					
Foreign Currency Term Loans#		916.34	-	242.26	48.52
<b>Sub Total (A)</b>		<b>916.34</b>	<b>-</b>	<b>242.26</b>	<b>48.52</b>
B) Unsecured					
Deferred payment liabilities		-	-	-	31.85
<b>Sub Total (B)</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>31.85</b>
<b>Total (A+B)</b>		<b>916.34</b>	<b>-</b>	<b>242.26</b>	<b>80.37</b>

## #Details of interest rate and security given against Loans

- i) ICICI Bank Canada has sanctioned a Term loan of CAD 4.00 Million & Revolving credit facility of CAD 1.00 Million at floating rate of 3 Month CDOR with spread of 100 bps applicable through full maturity of the loan to NIIT Learning Solutions (Canada) Limited, first level step down subsidiary of NIIT Learning Systems Limited. The said credit facilities are secured by Corporate Guarantee from NIIT Limited of CAD 5.00 Million & secured by way of first & exclusive charge over all the fixed assets and current assets (including brands, patents, intangibles, investments in group companies) of the NIIT Learning Solutions (Canada) Limited (both present and future). The current outstanding as on March 31, 2023 for Term Loan is Nil (Previous year CAD 0.80 Million) and Revolving credit facility is Nil. During the Current Financial Year, these credit facilities were surrendered, and Corporate Guarantee issued earlier was also closed.
- ii) ICICI Bank UK Plc has sanctioned the Overdraft and Working Capital Demand Loan (WCDL) facilities for an aggregate value of up to GBP 4.00 Million. The said credit facilities are secured by Corporate Guarantee from NIIT Limited of GBP 4.20 Million & secured by way of first & exclusive charge over all the fixed assets and current assets (including brands, patents, intangibles, investments in group companies) of the NIIT UK Limited (both present and future). The current outstanding as on March 31, 2023 for Overdraft Facility is Nil (Previous year is Nil) and WCDL Facility is Nil (Previous year is Nil).

**Terms of Repayment**

Overdraft Facility is repayable on demand and WCDL Facility is repayable within 120 days from the drawdown date.

- iii) NIIT USA Inc, a wholly owned subsidiary of NIIT Learning Systems Limited, has availed Term loan for USD 15.00 Million at floating rate of 3 Month CME Term SOFR with spread of 185 bps 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 fixed assets and current assets (including brands, patents, intangibles, investments in group companies) of the NIIT USA Inc and St. Charles Consulting Group (both present and future). The current outstanding as on March 31, 2023 for Term Loan is USD 14.25 Million (Previous year nil) [Rs. 1,158.60 Million net of expenses in relation to the borrowing].

**Terms of repayment**

Term Loan for USD 15.00 Million (Outstanding as at March 31, 2023 USD 14.25 Million, Previous year : Nil) is repayable in 20 quarterly equated installments of USD 0.75 Million each, having first installment due on March 31, 2023 and last installment due on December 31, 2027.

The Group has not defaulted in any of the debt covenants prescribed in the terms of bank loan. There are no defaults as on reporting date in repayment of principal and interest.

## 13(ii) Trade payables

Trade payables*	As at	
	March 31, 2023	March 31, 2022
	Current	
	1,006.48	882.47
	<b>1,006.48</b>	<b>882.47</b>

\*Includes dues of micro enterprises and small enterprises amounting to Rs. 26.15 Million (Previous year Rs. 21.34 Million).

Trade payables are non-interest bearing and are normally settled on 45 day terms.

**Ageing of trade payables as at March 31, 2023\***

Particulars	Outstanding for following periods from due date of payment					Total
	Not due	Less than 1 year	1-2 Years	2-3 Years	More than 3 Years	
Undisputed outstanding dues of micro enterprises and small enterprises	26.15	-	-	-	-	26.15
Undisputed outstanding dues of creditors other than micro enterprises and small enterprises	424.44	81.54	16.96	0.07	14.93	537.94
<b>Sub Total</b>	<b>450.59</b>	<b>81.54</b>	<b>16.96</b>	<b>0.07</b>	<b>14.93</b>	<b>564.09</b>
Unbilled dues						442.39
<b>Total</b>						<b>1,006.48</b>

## Ageing of trade payables as at March 31, 2022\*

Particulars	Outstanding for following periods from due date of payment					Total
	Not due	Less than 1 year	1-2 Years	2-3 Years	More than 3 Years	
Undisputed outstanding dues of micro enterprises and small enterprises	21.34	-	-	-	-	21.34
Undisputed outstanding dues of creditors other than micro enterprises and small enterprises	29.77	93.89	73.59	0.24	15.28	212.77
<b>Sub Total</b>	<b>51.11</b>	<b>93.89</b>	<b>73.59</b>	<b>0.24</b>	<b>15.28</b>	<b>234.11</b>
Unbilled dues						648.36
<b>Total</b>						<b>882.47</b>

\* There are no disputed trade payables.

13(iii) Other financial liabilities	As at			
	March 31, 2023	March 31, 2022	March 31, 2022	
	Non-current		Current	
Interest accrued but not due on borrowings	-	-	0.21	0.03
Derivative liabilities [Refer note 27(D)]	-	-	23.71	-
Contingent consideration payable (Refer note 38)	2,037.85	-	889.13	-
Other Payables *	-	-	2,427.29	1,477.83
	<b>2,037.85</b>	<b>-</b>	<b>3,340.34</b>	<b>1,477.86</b>

\* Includes capital creditors, payable to employees and payable on account of Strategic sourcing.

14 Provisions	As at	
	March 31, 2023	March 31, 2022
	Current	Current
Provision for Employee Benefits :		
-Provision for Gratuity (Refer note 24)	127.49	128.04
-Provision for Compensated Absences	137.09	129.82
Other Provisions	0.63	-
	<b>265.21</b>	<b>257.86</b>

15 Other liabilities	As at	
	March 31, 2023	March 31, 2022
	Current	Current
<b>Contract Liabilities (Refer note 16.1)</b>		
Deferred Revenue	928.03	672.37
Advances from Customers	125.58	189.55
Payable to Government Authorities (net)	138.78	69.61
Statutory Dues*	144.40	167.60
	<b>1,336.79</b>	<b>1,099.13</b>

\*Statutory dues mainly includes withholding taxes and contribution to provident fund etc.

16 Revenue from operations	Year ended	
	March 31, 2023	March 31, 2022
	Current	Current
Sale of products : Courseware	25.94	28.22
Sale of Services	13,604.08	11,312.34
Less : Discounts & Rebates	(12.15)	(17.32)
	<b>13,617.87</b>	<b>11,323.24</b>

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

## a. Disaggregated revenue information

## Type of Services

Sale of Courseware and Training Material	25.94	28.22
Sale of Services	13,591.93	11,295.02
	<b>13,617.87</b>	<b>11,323.24</b>

## Timing of revenue recognition

Goods (Courseware, Training Material) transferred at a point in time	25.94	28.22
Services transferred over time	13,591.93	11,295.02
	<b>13,617.87</b>	<b>11,323.24</b>

## Notes to the Consolidated Financial Statements for the year ended March 31, 2023

Contd..

(All Amount in Rs. Millions, unless otherwise stated)

	Year ended	
	March 31, 2023	March 31, 2022
<b>b. Contract Balances</b>		
Trade Receivables [Refer note 7(ii)]	2,155.36	1,394.30
Contract Assets [Refer note 7(iii)]	817.09	761.28
Contract Liabilities (Refer note 15)	(1,053.61)	(861.92)

Trade receivables are non-interest bearing and are generally on terms of 30 - 90 days. A sum of Rs. (4.63) Million (Previous year Rs. (7.81) Million) is recognised as allowance for doubtful debts (net of reversal) on trade receivables during the year.

Unbilled revenues are billed in a terms of 30 - 90 days.

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

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

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

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

	Year ended	
	March 31, 2023	March 31, 2022
Revenue as per contracted price	13,630.02	11,340.56
<b>Adjustments</b>		
Discount	(12.15)	(17.32)
	<b>13,617.87</b>	<b>11,323.24</b>

### d. Performance obligation and remaining performance obligation

The remaining performance obligation disclosure provides the aggregate amount of the transaction price yet to be recognised as at the end of the reporting period and an explanation as to when the Group expects to recognize these amounts in revenue. As on March 31, 2023, there were no remaining performance obligation as the same is satisfied upon delivery of goods/services.

17 Other income	Year ended	
	March 31, 2023	March 31, 2022
Interest Income		
- Deposits with banks & other financial institutions	83.25	105.41
- Unwinding of interest on security deposit	0.21	0.12
- Others	0.27	1.11
Net gain on Investment carried at fair value through profit and loss	54.02	2.27
Provision / Other Liabilities written back	0.55	1.61
Gain on Disposal of Property, Plant and Equipment and Intangible assets (net)	2.74	-
Gain on Termination of Lease Assets (net)	0.14	11.10
Gain on foreign currency translation and transaction (Net)	-	4.13
Provision for Doubtful debts written back	4.63	7.81
Other non-operating income	5.00	5.83
	<b>150.81</b>	<b>139.39</b>

18 Employee benefits expenses#	Year ended	
	March 31, 2023	March 31, 2022
Salary, Wages and Bonus	6,256.58	5,239.51
Contribution to Provident and Other Funds* (refer note 24)	365.51	295.59
Share Based Payments (refer note 25)	225.60	124.98
Staff Welfare Expenses	94.34	73.72
	<b>6,942.03</b>	<b>5,733.80</b>

# Net of Rs. 88.88 Million (Previous year Rs. 11.66 Million) capitalised in intangible assets [refer note 5].

\*There are numerous interpretative issues relating to the Supreme Court (SC) judgement on Provident fund dated February 28, 2019. As a matter of caution, the company has implemented the provisions on a prospective basis from the date of the SC order. The Company will assess its position, on receiving further clarity on the subject.

19 Finance costs	Year ended	
	March 31, 2023	March 31, 2022
Interest expense	32.38	4.72
Interest on lease liabilities [refer note 6(ii)]	4.40	5.43
Other borrowing costs	0.10	0.27
Fair value loss on contingent consideration	92.09	-
	<b>128.97</b>	<b>10.42</b>

## Notes to the Consolidated Financial Statements for the year ended March 31, 2023

Contd..

(All Amount in Rs. Millions, unless otherwise stated)

	Year ended	
	March 31, 2023	March 31, 2022
<b>20 Other Expenses*</b>		
Equipment Hiring [Refer note 6(i)]	14.50	33.60
Software Subscriptions	58.03	44.19
Royalties	0.04	-
Freight and Cartage	3.52	4.14
Rent [Refer note 6(i)]	21.32	25.75
Rates and Taxes	17.18	19.76
Power & Fuel	18.43	14.74
Communication	55.09	53.34
Legal and Professional	269.07	263.60
Travelling and Conveyance	167.56	35.97
Allowance for Doubtful Advances	0.69	0.14
Insurance	34.26	33.40
Repairs and Maintenance		
- Plant and Machinery	17.33	14.00
- Buildings	14.57	5.26
- Others	27.45	16.57
Consumables	18.89	21.08
Loss on Sale of Property, Plant and Equipments (Net)	-	0.87
Loss on foreign currency translation and transactions (net)	61.73	-
Security and Administration Services	12.53	7.19
Bank Charges	37.32	26.38
Marketing & Advertising Expenses	306.31	199.21
Sales Commission	2.75	2.83
Donation	0.40	-
Expenditure towards Corporate Social Responsibility (CSR) activities (Refer note 21)	15.30	5.70
Asset usage charges	22.78	24.83
Subscription and Membership	65.02	51.25
Sundry Expenses	17.85	14.41
	<b>1,279.92</b>	<b>918.21</b>

\* Net of Rs. 20.11 Million (Previous year Rs. 4.70 Million) capitalised in intangible assets (refer note 5).

	Year ended	
	March 31, 2023	March 31, 2022
<b>21 Corporate Social Responsibility Expenditure*</b>		
a) Gross amount required to be spent by the Group during the year	15.25	5.60
b) Amount approved by the board to be spent during the year	15.30	5.70
c) Amount spent during the year:		
-Construction/acquisition of any asset	-	-
-On purposes other than above	15.30	5.70
d) Details of related party transactions in relation to CSR expenditure		
-Contribution to NIIT Institute of Information Technology	15.30	5.70
e) The amount of shortfall at the end of the year out of the amount required to be spent by the Group during the year	-	-
f) Total of previous years shortfall	-	-
g) Reason for above shortfall	-	-
h) Nature of CSR activities:	Education	
	(Grant of Scholarship to meritorious students at NIIT University during the financial year 2022-23 & 2021-22)	

\* The CSR related compliances were done by NIIT Limited, however the entire amount was allocated to CLG Business Undertaking pursuant to Scheme of Arrangement (Refer note 37).

## Notes to the Consolidated Financial Statements for the year ended March 31, 2023

Contd..

(All Amount in Rs. Millions, unless otherwise stated)

	Year ended	
	March 31, 2023	March 31, 2022
<b>22 Exceptional Items</b>		
Legal and professional cost towards acquisition (refer notes 38 & 39)	(153.94)	-
Legal and professional cost towards scheme of arrangement (refer note 37)	(31.98)	(0.30)
	<b>(185.92)</b>	<b>(0.30)</b>

	Year ended	
	March 31, 2023	March 31, 2022
<b>23 Tax expense</b>		
<b>Particulars</b>		
<b>Current tax</b>		
Current tax on profits for the year	404.76	569.84
Adjustments for tax relating to earlier years	(4.61)	14.76
Foreign tax paid for branches (FTC)	0.56	-
<b>Total current tax</b>	<b>400.71</b>	<b>584.60</b>
<b>Deferred tax</b>		
Decrease/ (Increase) in deferred tax assets	(38.01)	16.86
<b>Total deferred tax charge/ (credit)</b>	<b>(38.01)</b>	<b>16.86</b>
<b>Total tax expense</b>	<b>362.70</b>	<b>601.46</b>

**(b) Reconciliation of tax expense and the accounting profit multiplied by India's tax rate:**

Particulars	Year ended	
	March 31, 2023	March 31, 2022
Profit before tax	2,284.87	2,622.04
<b>Tax at the Indian tax rate of 25.17% for FY 2022-23 and 25.17% for FY 2021-22</b>	<b>575.10</b>	<b>659.97</b>
<b>Adjustments for:</b>		
Expenditure towards CSR to the extent disallowable	4.92	1.43
Tax impact of Deferred Tax not recognised on account of prudence	(3.17)	(15.88)
Taxes relating to earlier years	(4.61)	14.76
Tax provision (reversal) / expense in Foreign Territories to the extent not allowed to be set off	0.56	(7.02)
Withholding taxes on dividend repatriation not available to be set off	-	41.47
Effect due to difference in tax rates	0.15	0.25
Tax Impact of Adjustments due to Scheme of Arrangement	(263.19)	(7.18)
Tax Impact of other adjustments	52.94	(86.34)
<b>Income tax expense</b>	<b>362.70</b>	<b>601.46</b>

**24 Employee benefits****A) Defined Contribution Plans**

The Group makes contribution towards Provident Fund (other than NIIT Limited and certain other domestic subsidiaries), Superannuation Fund and Pension Scheme to the defined contribution plans for eligible employees.

The Group has charged the following costs in Contribution to Provident and Other Funds in the Consolidated Statement of Profit and Loss:-

Particulars	Year ended	
	March 31, 2023	March 31, 2022
Employers' Contribution to Provident Fund & Other Fund	137.66	100.90
Employers' Contribution to Superannuation Fund	15.82	14.63
Employers' Contribution to Employees Pension Scheme	118.80	107.86
Employers' Contribution to Employee National Pension System	2.72	1.73
<b>Total</b>	<b>275.00</b>	<b>225.12</b>

## Notes to the Consolidated Financial Statements for the year ended March 31, 2023

Contd..

(All Amount in Rs. Millions, unless otherwise stated)

The Group has charged the following costs in Contribution to Other Funds in the Consolidated Statement of Profit and Loss for Key Management Personnel:

Particulars	Year ended	
	March 31, 2023	March 31, 2022
Employers' Contribution to Superannuation Fund	0.30	0.23
Employers' Contribution to Employees Pension Scheme	0.05	0.02
Employers' Contribution to Employee National Pension System	0.15	0.09
<b>Total</b>	<b>0.50</b>	<b>0.34</b>

### B) Defined Benefit Plans

#### I. Provident Fund

The Group makes contribution to the "NIIT LIMITED EMPLOYEES' PROVIDENT FUND TRUST" ("the Trust") [for NIIT Limited and certain other domestic subsidiaries]. The Group contributed Rs. 46.96 Million (Previous year Rs. 38.20 Million) including Rs. 0.32 Million (Previous year Rs. 0.24 Million) in respect of Key Management personnel during the year to the Trust.

The Group has an obligation to make good the shortfall, if any, between the return from the investments of the Trust and the notified interest rate. The Group's obligation in this regard is actuarially determined and provided for if the circumstances indicate that the Trust may not be able to generate adequate returns to cover the interest rates notified by the Government.

The guidance on implementing Ind AS 19 Employee Benefits, issued by Accounting Standards Board (ASB) of The Institute of Chartered Accountants of India, states that benefits involving employer established provident fund trust, which require interest shortfall to be compensated by the employer is required to be considered as Defined Benefits Plans. The actuary has provided a valuation and based on the below mentioned assumptions, determined that there is no short fall as at March 31, 2023.

The details of fund and plan assets of the Trust as at March 31, 2023 (limited to the extent provided by the actuary):

#### (i) Change in Defined Benefit Obligation

Particulars	As at	
	March 31, 2023	March 31, 2022
Present Value of Defined Benefit Obligation as at the beginning of the year	1,596.06	1,449.64
Current service cost	66.58	54.45
Acquisition cost	29.86	53.52
Interest Cost	109.29	92.25
Benefit paid	(165.09)	(151.33)
Employee Contribution	114.64	95.99
Actuarial loss on Obligations	15.56	1.54
<b>Present Value of Defined Benefit Obligation as at the end of the year</b>	<b>1,766.90</b>	<b>1,596.06</b>

#### (ii) Change in Fair Value of Assets

Particulars	As at	
	March 31, 2023	March 31, 2022
Fair value of Plan Assets as at the beginning of the year	1,816.73	1,665.19
Benefit paid	(165.09)	(151.33)
Employee Contribution	114.64	95.99
Acquisition Adjustment	29.86	53.52
Interest Income on Plan Assets	109.29	92.25
Return on plan assets greater/(lesser) than discount rate	(60.24)	6.66
Employers' Contribution	66.58	54.45
<b>Fair value of Plan Assets as at the end of the year</b>	<b>1,911.77</b>	<b>1,816.73</b>

#### (iii) Estimated Net Asset/ (Liability) recognised in the Balance Sheet :

Particulars	As at	
	March 31, 2023	March 31, 2022
Present value of Defined Benefit Obligation	1,766.90	1,596.06
Fair Value of Plan Assets	1,911.77	1,816.73
Funded Status [Surplus/(Deficit)] with the trust	144.87	220.67
<b>Net Asset/(Liability) recognised in the Balance Sheet</b>	<b>-</b>	<b>-</b>

#### (iv) Assumptions used in accounting for provident Fund:-

Particulars	As at	
	March 31, 2023	March 31, 2022
Discount Rate (Per Annum)	7.25%	6.75%
EPFO Rate	8.15%	8.10%
Expected return of exempt fund	7.75%	7.50%

## Notes to the Consolidated Financial Statements for the year ended March 31, 2023

Contd..

(All Amount in Rs. Millions, unless otherwise stated)

v) Investment details of Plan Assets:-	As at	
	March 31, 2023	March 31, 2022
Particulars		
Government Securities	51.33%	60.81%
Debt Instruments	36.86%	32.50%
Equities	2.13%	1.06%
Short term Debt Instruments	9.68%	5.63%
<b>Total</b>	<b>100.00%</b>	<b>100.00%</b>

### II. Gratuity Fund - Funded / Non Funded

#### A. Gratuity Funded

Particulars	Year ended	
	March 31, 2023	March 31, 2022
i) Change in Present value of Obligation:-		
Present value of obligation as at beginning of the year	266.64	7.59
Transferred pursuant to composite scheme	-	195.41
Interest cost	18.82	12.36
Current service cost	34.70	25.79
Benefits paid	(11.72)	(21.00)
Acquisition cost / (credit)	(0.14)	(0.06)
Actuarial loss on experience	(9.98)	5.03
Actuarial loss on financial assumption	(24.06)	41.52
<b>Present value of obligation as at the year end</b>	<b>274.26</b>	<b>266.64</b>
ii) Change in fair value of plan assets:-		
Particulars	March 31, 2023	March 31, 2022
Fair value of Plan Assets as at the beginning of the year	138.60	0.64
Transferred pursuant to composite scheme	-	48.19
Expected return on Plan Assets	9.97	5.88
Contributions	9.20	106.86
Acquisition adjustment	(0.14)	(0.06)
Benefits Paid	(11.72)	(21.00)
Return on plan assets greater / (lesser) than discount rate	0.86	(1.91)
<b>Fair value of Plan Assets as at the end of the year</b>	<b>146.77</b>	<b>138.60</b>

Estimated contributions for the year ended on March 31, 2024 is Rs. 127.49 Million (Previous year Rs. 128.03 Million).

iii) Amount of Asset/ (Liability) recognised in the Balance Sheet:-	Fair value of Plan Assets as at the end of the year	Present value of obligation as at the end of the year	Liability recognised in Balance Sheet
As at March 31, 2023	146.77	274.26	(127.49)
As at March 31, 2022	138.60	266.64	(128.04)

#### iv) Net Gratuity Cost recognised in Consolidated Statement of Profit and Loss:-

Particulars	Year ended	
	March 31, 2023	March 31, 2022
Current service cost	34.70	25.79
Net interest on net defined benefit liability / (asset)	8.85	6.48
<b>Expense recognised in Consolidated Statement of Profit and Loss (under contribution to provident and other funds)</b>	<b>43.55</b>	<b>32.27</b>



(All Amount in Rs. Millions, unless otherwise stated)

v) **Gratuity Cost recognised through Other Comprehensive Income:-**

Particulars	Year ended	
	March 31, 2023	March 31, 2022
Actuarial (gain)/ loss - experience	(9.98)	5.03
Actuarial (gain)/ loss - financial assumptions	(24.06)	41.52
Return on plan assets (greater) / less than discount rate	(0.86)	1.91
<b>Expense recognised through other comprehensive income</b>	<b>(34.90)</b>	<b>48.46</b>

vi) **Assumptions used in accounting for gratuity plan:-**

Particulars	March 31, 2023	March 31, 2022
Discount Rate (Per Annum)	7.25%	6.75%
Future Salary Increase	10.00%	16% for next 2 years and 10% thereafter
Expected Rate of return on plan assets	7.37%	7.15%

Estimates of future salary increase considered in actuarial valuation, takes into account inflation, seniority, promotion and other relevant factors such as supply and demand in the employment market.

vii) **Investment details of Plan Assets:-**

The plan assets are maintained with Life Insurance Corporation of India Gratuity Scheme. The details of investment maintained by Life Insurance Corporation are not available with the Group and have not been disclosed.

The expected return on plan assets is determined considering several applicable factors mainly the compensation of plan assets held, assessed risk of asset management, historical result of the return on plan assets.

**Sensitivity analysis**

The sensitivity of the defined benefit obligation to changes in the weighted principal assumptions is:

Particulars	Impact on defined benefit obligation		
	Change in assumption	Increase in assumption	Decrease in assumption
	March 31, 2023	March 31, 2023	March 31, 2023
Discount rate	0.50%	(10.86)	11.63
Salary growth rate	0.50%	11.17	(10.51)
Withdrawal rate	5.00%	(17.06)	18.55

Particulars	Impact on defined benefit obligation		
	Change in assumption	Increase in assumption	Decrease in assumption
	March 31, 2022	March 31, 2022	March 31, 2022
Discount rate	0.50%	(10.68)	11.44
Salary growth rate	0.50%	10.75	(10.14)
Withdrawal rate	5.00%	(19.64)	20.03

The above sensitivity analysis are based on a change in an assumption while holding all other assumptions constant. In practice, this is unlikely to occur, and changes in some of the assumptions may be correlated. When calculating the sensitivity of the defined benefit obligation to significant actuarial assumptions the same method (present value of the defined benefit obligation calculated with the projected unit credit method at the end of the reporting period) has been applied for calculating the defined benefit liability recognised in the balance sheet.

**Risk exposure**

Through its defined benefit plans, the Group is exposed to a number of risks, the most significant of which are market volatility, changes in inflation, changes in interest rates, rising longevity, changing economic environment, regulatory changes etc. The Group ensures that the investment positions are managed within an asset-liability matching framework that has been developed to achieve investments which are in line with the obligations under the employee benefit plans. Within this framework, the Group's asset-liability matching objective is to match assets to the obligations by investing in securities to match the benefit payments as they fall due.

The Group actively monitors how the duration and the expected yield of the investments are matching the expected cash outflows arising from employee benefit obligations. The Group has not changed the processes used to manage its risks from previous periods. Investments are well diversified, such that failure of any single investment should not have a material impact on the overall level of assets.

(All Amount in Rs. Millions, unless otherwise stated)

**25 Share Based Payments****(a) Employee option plan**

During the year 2005-06, NIIT Limited had established NIIT Employee Stock Option Plan 2005 "ESOP 2005" and the same was approved at the General Meeting of the Company held on May 18, 2005. The plan was set up so as to offer and grant, for the benefit of employees (excluding promoters) of the Company, who are eligible under "Securities and Exchange Board of India (SEBI) (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999", options of the Company in one or more tranches, and on such terms and conditions as may be fixed or determined by the Board, in accordance with the provisions of law or guidelines issued by the relevant authorities in this regard.

As per the plan, each option is exercisable for one equity share of face value of Rs. 2 each (Rs. 10 each pre bonus and split) fully paid up on payment to the Company, at a price to be determined in accordance with ESOP 2005. ESOP information is given for the number of shares after sub-division and Bonus issue.

Pursuant to Scheme of the Arrangement, with respect to the stock options granted already by the Transferor Company prior to the Effective Date to its employees or that of its subsidiaries (irrespective of whether they are employees of the Transferor Company or its subsidiaries or become employees of the Transferee Company or its subsidiaries pursuant to this Scheme) under the Existing ESOP Scheme, and upon the Scheme becoming effective, all such option holders (whether the options granted to such option holders are vested or not) shall also be issued the stock options by the Transferee Company under the New ESOP Scheme, in accordance with the share entitlement ratio of 1:1 as per the Scheme.

**i) Summary of options granted under plan:**

Particulars	March 31, 2023		March 31, 2022	
	Average exercise price per share option	Number of options	Average exercise price per share option	Number of options
Opening balance	103.95	7,188,894	50.89	5,637,204
Granted during the year	201.35	3,070,000	165.27	3,260,000
Exercised during the year	49.83	697,113	44.34	1,397,263
Forfeited/ Lapsed during the year	190.37	236,674	52.70	311,047
<b>Closing balance</b>	<b>137.87</b>	<b>9,325,107</b>	<b>103.95</b>	<b>7,188,894</b>
<b>Vested and exercisable</b>		<b>3,846,773</b>		<b>2,778,894</b>

**ii) Share options outstanding at the end of year have following expiry date and exercise prices:**

Grant	Vests	Grant date	Vesting date	Expiry date	Exercise price*	Share options outstanding	
						March 31, 2023	March 31, 2022
Grant 10	Vest I	28-Aug-14	28-Aug-15	28-Aug-20	28.40	-	-
	Vest II	28-Aug-14	28-Aug-16	28-Aug-21	28.40	-	-
	Vest III	28-Aug-14	28-Aug-17	28-Aug-22	28.40	-	2
Grant 12	Vest I	24-Jun-15	24-Jun-16	24-Jun-21	23.75	-	-
	Vest II	24-Jun-15	24-Jun-17	24-Jun-22	23.75	-	45,000
	Vest III	24-Jun-15	24-Jun-18	24-Jun-23	23.75	50,000	146,844
Grant 13	Vest I	17-Jul-15	17-Jul-16	17-Jul-21	29.77	-	-
	Vest II	17-Jul-15	17-Jul-17	17-Jul-22	29.77	-	33,336
	Vest III	17-Jul-15	17-Jul-18	17-Jul-23	29.77	48,846	66,684
Grant 16	Vest I	16-Jun-16	16-Jun-17	16-Jun-22	47.56	-	13,332
	Vest II	16-Jun-16	16-Jun-18	16-Jun-23	47.56	13,332	13,332
	Vest III	16-Jun-16	16-Jun-19	16-Jun-24	47.56	13,338	20,672
Grant 17	Vest I	05-Feb-17	05-Feb-18	05-Feb-23	42.02	-	6,666
	Vest II	05-Feb-17	05-Feb-19	05-Feb-24	42.02	6,666	6,666
	Vest III	05-Feb-17	05-Feb-20	05-Feb-25	42.02	6,668	13,336
Grant 18	Vest I	23-Jun-17	23-Jun-18	23-Jun-23	52.84	63,332	140,664
	Vest II	23-Jun-17	23-Jun-19	23-Jun-24	52.84	123,664	207,330
	Vest III	23-Jun-17	23-Jun-20	23-Jun-25	52.84	179,340	233,340
Grant 19	Vest I	27-Jul-17	27-Jul-18	27-Jul-23	50.72	88,333	93,333
	Vest II	27-Jul-17	27-Jul-19	27-Jul-24	50.72	93,333	93,333
	Vest III	27-Jul-17	27-Jul-20	27-Jul-25	50.72	93,334	93,334

## Notes to the Consolidated Financial Statements for the year ended March 31, 2023

Contd..

(All Amount in Rs. Millions, unless otherwise stated)

Grant	Vests	Grant date	Vesting date	Expiry date	Exercise price*	Share options outstanding	
						March 31, 2023	March 31, 2022
Grant 21	Vest I	25-Jun-18	25-Jun-19	25-Jun-24	54.89	115,000	120,000
	Vest II	25-Jun-18	25-Jun-20	25-Jun-25	54.89	115,000	140,000
	Vest III	25-Jun-18	25-Jun-21	25-Jun-26	54.89	115,000	140,000
Grant 22	Vest I	19-Jul-18	19-Jul-19	19-Jul-24	51.18	63,660	82,324
	Vest II	19-Jul-18	19-Jul-20	19-Jul-25	51.18	91,334	100,000
	Vest III	19-Jul-18	19-Jul-21	19-Jul-26	51.18	120,027	154,366
Grant 23	Vest I	23-Jan-19	23-Jan-20	23-Jan-25	53.46	-	-
	Vest II	23-Jan-19	23-Jan-21	23-Jan-26	53.46	-	20,000
	Vest III	23-Jan-19	23-Jan-22	23-Jan-27	53.46	20,000	50,000
Grant 24	Vest I	16-Jul-19	16-Jul-20	16-Jul-25	56.52	140,000	140,000
	Vest II	16-Jul-19	16-Jul-21	16-Jul-26	56.52	140,000	140,000
	Vest III	16-Jul-19	16-Jul-22	16-Jul-27	56.52	140,000	140,000
Grant 25	Vest I	10-Jul-20	10-Jul-21	10-Jul-26	53.89	345,000	385,000
	Vest II	10-Jul-20	10-Jul-22	10-Jul-27	53.89	425,000	425,000
	Vest III	10-Jul-20	10-Jul-23	10-Jul-28	53.89	425,000	425,000
Grant 26	Vest I	28-Sep-20	28-Sep-21	28-Sep-26	72.88	55,000	55,000
	Vest II	28-Sep-20	28-Sep-22	28-Sep-27	72.88	55,000	55,000
	Vest III	28-Sep-20	28-Sep-23	28-Sep-28	72.88	55,000	55,000
Grant 27	Vest I	07-Dec-20	07-Dec-21	07-Dec-26	99.45	-	25,000
	Vest II	07-Dec-20	07-Dec-22	07-Dec-27	99.45	25,000	25,000
	Vest III	07-Dec-20	07-Dec-23	07-Dec-28	99.45	25,000	25,000
Grant 28	Vest I	03-Jun-21	03-Jun-22	03-Jun-27	107.24	35,000	50,000
	Vest II	03-Jun-21	03-Jun-23	03-Jun-28	107.24	50,000	50,000
	Vest III	03-Jun-21	03-Jun-24	03-Jun-29	107.24	50,000	50,000
Grant 29	Vest I	18-Jun-21	18-Jun-22	18-Jun-27	150.86	356,666	356,666
	Vest II	18-Jun-21	18-Jun-23	18-Jun-28	150.86	356,666	356,666
	Vest III	18-Jun-21	18-Jun-24	18-Jun-29	150.86	356,668	356,668
Grant 30	Vest I	23-Aug-21	23-Aug-22	23-Aug-27	177.09	669,900	680,000
	Vest II	23-Aug-21	23-Aug-23	23-Aug-28	177.09	650,000	680,000
	Vest III	23-Aug-21	23-Aug-24	23-Aug-29	177.09	650,000	680,000
Grant 31	Vest I	19-Jul-22	19-Jul-23	19-Jul-28	201.36	736,666	-
	Vest II	19-Jul-22	19-Jul-24	19-Jul-29	201.36	736,666	-
	Vest III	19-Jul-22	19-Jul-25	19-Jul-30	201.36	736,668	-
Grant 32	Vest I	19-Jul-22	15-May-25	15-May-30	201.36	20,000	-
Grant 33	Vest I	19-Jul-22	23-Aug-25	23-Aug-30	201.36	640,000	-
Grant 34	Vest I	26-Aug-22	26-Aug-23	26-Aug-28	200.90	10,000	-
	Vest II	26-Aug-22	26-Aug-24	26-Aug-29	200.90	10,000	-
	Vest III	26-Aug-22	26-Aug-25	26-Aug-30	200.90	10,000	-

\* Adjusted pursuant to the Scheme of arrangement (Refer note 37)

(All Amount in Rs. Millions, unless otherwise stated)

## iii) Fair value of options granted

The fair value at grant date is determined using the Black Scholes Model as per an independent valuer's report, having taken into consideration the market price being the latest available closing price prior to the date of the grant, exercise price being the price payable by the employees for exercising the option and other assumptions as annexed below:

Grant	Vests	Market price*	Volatility	Average life of the option	Risk less interest rate	Dividend yield rate	Fair value*
Grant 10	Vest I	28.40	40.75%	3.50	8.78%	3.96%	8.85
	Vest II	28.40	39.51%	4.50	8.73%	3.96%	9.48
	Vest III	28.40	46.99%	5.50	8.70%	3.96%	11.29
Grant 12	Vest I	23.75	42.73%	3.50	7.95%	3.50%	7.68
	Vest II	23.75	41.13%	4.50	7.93%	3.50%	8.21
	Vest III	23.75	39.89%	5.50	7.92%	3.50%	8.60
Grant 13	Vest I	29.77	43.53%	3.50	7.79%	3.50%	9.71
	Vest II	29.77	41.89%	4.50	7.86%	3.50%	10.40
	Vest III	29.77	40.55%	5.50	7.90%	3.50%	10.89
Grant 16	Vest I	47.56	48.89%	3.50	7.52%	3.01%	17.30
	Vest II	47.56	45.98%	4.50	7.52%	3.01%	18.20
	Vest III	47.56	44.05%	5.50	7.52%	3.01%	18.94
Grant 17	Vest I	42.02	48.75%	3.50	6.41%	3.01%	14.77
	Vest II	42.02	45.93%	4.50	6.41%	3.01%	15.49
	Vest III	42.02	44.36%	5.50	6.41%	3.01%	16.15
Grant 18	Vest I	52.84	47.76%	3.50	6.45%	2.35%	19.11
	Vest II	52.84	46.09%	4.50	6.45%	2.35%	20.60
	Vest III	52.84	43.93%	5.50	6.45%	2.35%	21.47
Grant 19	Vest I	50.72	47.64%	3.50	6.45%	2.35%	18.30
	Vest II	50.72	45.78%	4.50	6.45%	2.35%	19.67
	Vest III	50.72	43.85%	5.50	6.45%	2.35%	20.01
Grant 21	Vest I	54.89	44.86%	3.50	7.80%	1.43%	21.00
	Vest II	54.89	47.55%	4.50	7.80%	1.43%	24.44
	Vest III	54.89	46.15%	5.50	7.80%	1.43%	26.12
Grant 22	Vest I	51.18	45.06%	3.50	7.77%	1.43%	19.62
	Vest II	51.18	47.63%	4.50	7.77%	1.43%	22.79
	Vest III	51.18	46.30%	5.50	7.77%	1.43%	24.38
Grant 23	Vest I	53.46	43.80%	3.50	7.53%	1.43%	19.97
	Vest II	53.46	45.29%	4.50	7.53%	1.43%	22.90
	Vest III	53.46	46.75%	5.50	7.53%	1.43%	25.42
Grant 24	Vest I	56.52	42.39%	3.50	6.53%	1.10%	20.43
	Vest II	56.52	44.87%	4.50	6.53%	1.10%	23.91
	Vest III	56.52	47.04%	5.50	6.53%	1.10%	26.90
Grant 25	Vest I	53.89	43.86%	3.50	5.82%	2.67%	17.50
	Vest II	53.89	42.96%	4.50	5.82%	2.67%	19.02
	Vest III	53.89	44.66%	5.50	5.82%	2.67%	21.03
Grant 26	Vest I	72.88	45.58%	3.50	6.00%	3.07%	23.89
	Vest II	72.88	43.43%	4.50	6.00%	3.07%	25.26
	Vest III	72.88	45.53%	5.50	6.00%	3.07%	27.99
Grant 27	Vest I	99.45	46.55%	3.50	5.92%	3.07%	33.07
	Vest II	99.45	44.09%	4.50	5.92%	3.07%	34.77
	Vest III	99.45	45.80%	5.50	5.92%	3.07%	38.24

(All Amount in Rs. Millions, unless otherwise stated)

Grant	Vests	Market price*	Volatility	Average life of the option	Risk less interest rate	Dividend yield rate	Fair value*
Grant 28	Vest I	107.24	46.77%	3.50	6.01%	3.15%	35.70
	Vest II	107.24	45.32%	4.50	6.01%	3.15%	38.17
	Vest III	107.24	44.62%	5.50	6.01%	3.15%	40.28
Grant 29	Vest I	150.86	48.34%	3.50	6.01%	3.15%	51.58
	Vest II	150.86	46.57%	4.50	6.01%	3.15%	54.84
	Vest III	150.86	45.60%	5.50	6.01%	3.15%	57.59
Grant 30	Vest I	177.09	48.68%	3.50	6.23%	3.52%	59.85
	Vest II	177.09	47.25%	4.50	6.23%	3.52%	63.73
	Vest III	177.09	45.32%	5.50	6.23%	3.52%	65.59
Grant 31	Vest I	201.36	53.29%	3.50	7.45%	3.48%	75.79
	Vest II	201.36	51.29%	4.50	7.45%	3.48%	80.26
	Vest III	201.36	49.66%	5.50	7.45%	3.48%	83.27
Grant 32	Vest I	201.36	50.10%	5.30	7.45%	3.48%	82.92
Grant 33	Vest I	201.36	49.40%	5.60	7.45%	3.48%	83.38
Grant 34	Vest I	200.90	52.92%	3.50	7.23%	3.48%	74.78
	Vest II	200.90	51.09%	4.50	7.23%	3.48%	79.34
	Vest III	200.90	49.54%	5.50	7.23%	3.48%	82.38

\* Adjusted pursuant to the Scheme of arrangement (Refer note 37)

## (b) Expense arising from share-based payment transactions

Particulars	March 31, 2023	March 31, 2022
Expenses charged to Consolidated Statement of Profit and Loss during the year based on fair value of options	225.60	124.98

## 26. Fair value measurements

## (i) Fair value hierarchy

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

**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 fair value of all equity instruments (including bonds) which are traded in the stock exchanges is valued using the closing price as at the reporting period. 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.

The Group's policy is to recognize transfers into and transfers out of fair value hierarchy levels at the end of reporting period.

## (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

Particulars	March 31, 2023					March 31, 2022				
	FVTPL Level 1	FVTPL Level 2	FVTPL Level 3	FVOCI Level 2	Amortised cost	FVTPL Level 1	FVTPL Level 2	FVTPL Level 3	FVOCI Level 2	Amortised cost
<b>Financial assets</b>										
Investments	2,127.13	-	-	-	699.00	144.19	-	-	-	850.00
Trade receivables	-	-	-	-	2,155.36	-	-	-	-	1,394.30
Cash and cash equivalents	-	-	-	-	2,559.70	-	-	-	-	2,531.18

(All Amount in Rs. Millions, unless otherwise stated)

Particulars	March 31, 2023					March 31, 2022				
	FVTPL Level 1	FVTPL Level 2	FVTPL Level 3	FVOCI Level 2	Amortised cost	FVTPL Level 1	FVTPL Level 2	FVTPL Level 3	FVOCI Level 2	Amortised cost
Bank balances other than above	-	-	-	-	225.91	-	-	-	-	994.45
Other Financial Assets	-	-	-	-	2,680.38	-	-	-	-	1,949.94
Derivative assets	-	-	-	-	-	-	7.91	-	8.29	-
<b>Total financial assets</b>	<b>2,127.13</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>8,320.35</b>	<b>144.19</b>	<b>7.91</b>	<b>-</b>	<b>8.29</b>	<b>7,719.87</b>
<b>Financial liabilities</b>										
Borrowings	-	-	-	-	1,158.60	-	-	-	-	80.37
Lease liabilities	-	-	-	-	130.30	-	-	-	-	37.74
Trade payables	-	-	-	-	1,006.48	-	-	-	-	882.47
Other Financial Liabilities	-	-	-	-	2,427.50	-	-	-	-	1,477.86
Contingent Consideration	-	-	2,926.98	-	-	-	-	-	-	-
Derivative liabilities	-	13.47	-	10.24	-	-	-	-	-	-
<b>Total financial liabilities</b>	<b>-</b>	<b>13.47</b>	<b>2,926.98</b>	<b>10.24</b>	<b>4,722.88</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>2,478.44</b>

As of March 31, 2023 and March 31, 2022, the fair value of cash and bank balances, trade receivables, other financial assets and liabilities, borrowings, trade payables approximate their carrying amount largely due to the nature of these instruments.

## 27 Financial risk management

The Group'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 Group's operations and to provide guarantees to support its operations. The Group's principal financial assets include trade and other receivables, cash and short-term deposits that derive directly from its operations.

The Group is exposed to market risk, credit risk and liquidity risk. The Group's senior management oversees the management of these risks. The Group's senior management is supported by a financial risk committee that advises on financial risks and the appropriate financial risk governance framework for the Group. The finance committee provides assurance to the Group's senior management that the Group's financial risk activities are governed by appropriate policies and procedures and that financial risks are identified, measured and managed in accordance with the Group'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 Group'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:

### (A) Credit risk

Credit risk refers to the risk of default on its obligation by the counter party resulting in a financial loss. The maximum exposure to the credit risk at the reporting date is primarily from trade receivables amounting to Rs. 2,155.36 Million and Rs. 1,394.30 Million as of March 31, 2023 and March 31, 2022 respectively and unbilled revenue amounting to Rs. 817.09 Million and Rs. 761.28 Million as of March 31, 2023 and March 31, 2022 respectively.

Trade receivables and unbilled revenue are typically unsecured and are derived from revenue earned through government customers and other corporate customers. The Group 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, 2023:

#### Reconciliation of loss allowance provision.

Particulars	Trade Receivables	Unbilled Revenue
<b>Loss allowance as on April 01, 2021</b>	<b>298.51</b>	<b>2.89</b>
Less: Bad Debts/ Unbilled Revenue written off	-	-
Add: Provision for Expected credit loss	(7.81)	-
<b>Loss allowance as on March 31, 2022</b>	<b>290.70</b>	<b>2.89</b>
Less: Bad Debts/ Unbilled Revenue written off	4.93	-
Add: Provision for Expected credit loss	(4.63)	-
<b>Loss allowance as on March 31, 2023</b>	<b>291.00</b>	<b>2.89</b>

(All Amount in Rs. Millions, unless otherwise stated)

**(B) Liquidity risk**

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

**(i) Maturities of financial liabilities**

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

**Contractual maturities of financial liabilities**

Particulars	Less than 1 year	Between 1 and 2 years	More than 2 years	Total
<b>March 31, 2023</b>				
Borrowings	242.26	916.34	-	1,158.60
Trade payables	1,006.48	-	-	1,006.48
Other financial liabilities	3,316.63	2,037.85	-	5,354.48
Lease liabilities	30.77	31.21	68.32	130.30
Derivative Liabilities	23.71	-	-	23.71
	<b>4,619.85</b>	<b>2,985.40</b>	<b>68.32</b>	<b>7,673.57</b>
<b>March 31, 2022</b>				
Borrowings	80.37	-	-	80.37
Trade payables	882.47	-	-	882.47
Other financial liabilities	1,477.86	-	-	1,477.86
Lease liabilities	29.86	5.39	2.49	37.74
	<b>2,470.56</b>	<b>5.39</b>	<b>2.49</b>	<b>2,478.44</b>

**(C) 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.

**(i) 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. The Group's interest rate risk arises primarily from the foreign currency term loan carrying at floating rate of interest. These obligations exposes the Group to cash flow interest rate risk. The Group has mitigated the interest rate risk on foreign currency term loan by converting it from floating rate to fixed rate through currency swap. Hence, there is no significant challenge of interest rate risk.

**(ii) Foreign currency risk**

The Group operates internationally and is exposed to foreign exchange risk arising from foreign currency transactions, primarily with respect to the SGD, USD, EUR, NOK, GBP, AUD and CHF. Foreign exchange risk arises from future commercial transactions and recognised assets and liabilities denominated in a currency that is not the company's functional currency (Rs.). The Group 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 Group's exposure to foreign currency risk at the end of the reporting period expressed in Rs., are as follows

Financial assets	As at	
	March 31, 2023	March 31, 2022
Trade receivables & Bank balances		
SGD	66.29	66.78
USD	147.27	183.14
EUR	805.32	404.13
NOK	10.42	13.83
GBP	6.78	61.95
AUD	31.69	30.02
CHF	24.31	8.91
<b>Net exposure to foreign currency risk (assets)</b>	<b>1,092.08</b>	<b>768.76</b>

## Notes to the Consolidated Financial Statements for the year ended March 31, 2023

Contd..

(All Amount in Rs. Millions, unless otherwise stated)

	As at	
	March 31, 2023	March 31, 2022
<b>Financial liabilities</b>		
Trade payables		
SGD	2.70	12.24
USD	95.11	70.76
EUR	180.15	81.33
NOK	1.73	1.85
GBP	12.79	8.40
AUD	17.50	9.97
CHF	5.47	1.48
<b>Net exposure to foreign currency risk (liabilities)</b>	<b>315.45</b>	<b>186.03</b>

**Sensitivity**

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

Particulars	Impact on Profit and Loss for the year ended March 31, 2023		Impact on Profit and Loss for the year ended March 31, 2022	
	Gain/ (Loss) on Appreciation	Gain/ (Loss) on Depreciation	Gain/ (Loss) on Appreciation	Gain/ (Loss) on Depreciation
1% appreciation / depreciation in Indian Rupees against following foreign currencies*:				
SGD	0.64	(0.64)	0.55	(0.55)
USD	0.52	(0.52)	1.12	(1.12)
EUR	6.25	(6.25)	3.23	(3.23)
NOK	0.09	(0.09)	0.12	(0.12)
GBP	(0.06)	0.06	0.54	(0.54)
AUD	0.19	(0.19)	0.22	(0.22)
CHF	0.19	(0.19)	0.07	(0.07)
<b>Total</b>	<b>7.82</b>	<b>(7.82)</b>	<b>5.85</b>	<b>(5.85)</b>

\*Holding all other variables constant

SGD : Singapore Dollar, USD : United States Dollar, EUR : Euro, NOK : Norwegian Krone, GBP : Great Britain Pound Sterling, AUD : Austrian Dollar, CHF : Swiss Franc.



## Notes to the Consolidated Financial Statements for the year ended March 31, 2023

Contd..

(All Amount in Rs. Millions, unless otherwise stated)

### (D) Impact of hedging activities

#### (a) Disclosure of effects of hedge accounting on financial position

Type of hedge and risks	Nominal value		Carrying amount of hedging instrument		Maturity date	Hedge Ratio*	Weighted average strike price/rate	Changes in fair value of hedging instrument	Change in the value of hedged item used as the basis for recognising hedge effectiveness
	Assets	Liabilities	Assets	Liabilities					
<b>March 31, 2023</b>									
<b>Foreign Exchange Risk</b>									
Foreign exchange forward contracts	2,387.75	-	-	23.71	April 2023 to March 2024	1:1	Euro:- 89.64 USD:- 82.73 GBP:- 96.77 CAD:- 61.79	(18.53)	18.53
<b>March 31, 2022</b>									
<b>Foreign Exchange Risk</b>									
Foreign exchange forward contracts	1,438.96	-	16.20	-	April 2022 to March 2023	1:1	Euro:- 89.83 USD:- 77.77 GBP:- 104.43 CAD:- 61.31	(1.46)	1.46

\*The foreign exchange forward are denominated in the same currency as the highly probable future sales, therefore the hedge ratio is 1:1.

**28 Capital management**

The primary objective of the management of the Group'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. Management also monitors the return on equity.

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

For the purpose of the Group's capital management, capital includes issued share capital, securities premium and all other equity reserves. Debt includes, foreign currency term loan and other borrowings.

Loans availed by the Group are subject to certain financial covenants and the Group is compliant with these financial covenants on the reporting date as per the terms of the loan agreement.

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

Particulars	March 31, 2023	March 31, 2022
Borrowings [Refer note 13(i)]	1,158.60	80.37
Lease liabilities [Refer note 6(ii)]	130.30	37.74
<b>Total Debt (A)</b>	<b>1,288.90</b>	<b>118.11</b>
Equity share capital (Refer note 11)	269.14	1,155.64
Other Equity (Refer note 12)	7,433.74	4,296.28
<b>Total Equity (B)</b>	<b>7,702.88</b>	<b>5,451.92</b>
<b>Profit after tax (C)</b>	<b>1,922.17</b>	<b>2,020.58</b>
Opening Shareholders equity	5,451.92	15,234.87
Closing Shareholders equity	7,702.88	5,451.92
<b>Average Shareholder's Equity (D)</b>	<b>6,577.40</b>	<b>10,343.40</b>
<b>Debt equity ratio (A/B)</b>	<b>0.17</b>	<b>0.02</b>
<b>Return on equity Ratio (%) (C/D)</b>	<b>29.22%</b>	<b>19.53%</b>

**29 Contingent liabilities****a) i). Claims against the Group not acknowledged as debts:-**

Particulars	As at	
	March 31, 2023	March 31, 2022
- Customers	6.41	6.11
- VAT	19.42	19.42
- Income Tax	45.98	15.18
<b>Total</b>	<b>71.81</b>	<b>40.71</b>

**b) Guarantees**

- i) Bank Guarantees issued by bankers outstanding at the end of the year Rs. 20.01 Million (Previous year - Rs. 20.01 Million).
- ii) Issuance of Performance Bank Guarantee of Rs. 225.81 Million (USD 2.75 Million) [Previous year Rs. 208.73 Million (USD 2.75 Million)] by NIIT USA Inc. on behalf of NIIT Learning Solutions (Canada) Limited. The subject bank guarantee has been issued in terms of Registration Education Services Agreement dated March 30, 2017 between NIIT Learning Solutions (Canada) Limited, Real Estate Council of Ontario, Registrar appointed under the Real Estate and Business Brokers Act, 2002 and Humber College Institute of Technology & Advanced Learning.
- iii) Corporate Guarantee issued to ICICI Bank Canada to secure loan of up to CAD 5.00 Million, amount outstanding at the end of the year Nil, [Previous year Rs. 48.64 Million (CAD 0.80 Million)] availed by NIIT Learning Solutions (Canada) Limited. The Corporate Guarantee was closed during the current financial year.\*
- iv) Corporate Guarantee issued to ICICI Bank UK for availing working capital limit on behalf of NIIT Limited, UK up to GBP 4.20 Million, Amount Outstanding at the end of the year is Nil.\*

\*These corporate guarantees were issued by NIIT Limited and are in the process of being replaced by the corporate guarantees of NLSL pursuant to the Scheme of Arrangement.

**30 Capital and other Commitments**

- a) Estimated amount of contracts remaining to be executed on capital account (net of advances) not provided for Rs. 7.67 Million (Previous year Rs. 16.58 Million).
- b) For commitments related to lease arrangements, refer note 6.

## Notes to the Consolidated Financial Statements for the year ended March 31, 2023

Contd..

(All Amount in Rs. Millions, unless otherwise stated)

31 Dividend	Year ended	
	March 31, 2023	March 31, 2022
<b>Cash dividends on equity shares declared and paid:</b>		
Dividend paid to Equity Shareholder, NIIT Limited	-	743.64
	-	<b>743.64</b>

32 Earnings per share	Year ended	
	March 31, 2023	March 31, 2022
Profit attributable to Equity Shareholders (Rs. Million) (A)	1,922.17	2,020.58
Weighted average number of Equity Shares outstanding during the year (Nos.) – (B)	134,309,442	115,564,072
Add : Effect of Potential Dilutive Shares (being Stock options) (Nos.)	3,253,292	-
Weighted average shares outstanding considered for determining Diluted Earnings per Share (Nos.) - (C)	137,562,734	115,564,072
Nominal Value of Equity Shares (Rs.)	2	10
Basic Earnings per Share (Rs.) (A/B)	14.31	17.48
Diluted Earnings per Share (Rs.) (A/C)	13.97	17.48

Note : Pursuant to the Scheme, the entire equity share capital of the Company of Rs. 10/- each is cancelled as on appointed date and the Company will issue one equity share of Rs. 2/- each in NLSL as fully paid up for every equity share of Rs. 2/- each held by the shareholders in NIIT. Therefore the earnings per share are strictly not comparable from previous year. [refer notes 37(C) and (D)].

## 33 Related Party Transactions :

## (A) Related parties with whom the Group has transacted:

## Key Management Personnel

- 1 Mr. Rajendra S Pawar (Non-Executive Chairman-w.e.f. May 24, 2023)
- 2 Mr. Vijay K Thadani (Vice-Chairman & Managing Director w.e.f. May 24, 2023) (Non-Executive Director till May 23, 2023)
- 3 Mr. P Rajendran (Non-Executive Director- resigned w.e.f. May 24, 2023)
- 4 Mr. Sapnesh Kumar Lalla (Executive Director & Chief Executive Officer w.e.f. May 24, 2023) (Non-Executive Director till May 23, 2023)
- 5 Mr. Anand Sudarshan (Non-Executive Independent Director-tenure completed on March 13, 2021)
- 6 Ms. Lata Vaidyanathan (Non Executive Independent Director-tenure completed on May 08, 2021)
- 7 Mr. Ravinder Singh (Non-Executive Independent Director-w.e.f. May 20, 2023)
- 8 Ms. Sangita Singh (Non-Executive Independent Director- w.e.f. May 20, 2023)
- 9 Ms. Leher Vijay Thadani (Non-executive Director - w.e.f. May 24, 2023)
- 10 Mr. Ravindra Babu Garikipati (Non-Executive Independent Director-w.e.f. May 24, 2023)
- 11 Mr. Umesh Kumar Gola (Chief Financial Officer-resigned w.e.f. September 30, 2021)
- 12 Mr. Sanjay Kumar Jain (Chief Financial Officer- resigned w.e.f. May 24, 2023)
- 13 Mr. Sanjay Mal (Chief Financial Officer-w.e.f. May 24, 2023)
- 14 Mr. Siddharth Nath (Company Secretary-Resigned w.e.f. May 24, 2023)
- 15 Mr. Deepak Bansal (Company Secretary-w.e.f. May 24, 2023)
- 16 Ms. Leena Khokha (Manager-resigned w.e.f. April 30, 2023)
- 17 Ms. Mita Brahma (Non-Executive Director-resigned w.e.f. May 24, 2023)

## B) Entities in which Key Management Personnel of the Company and NIIT Limited are same

- 1 NIIT Limited (Erstwhile Holding Company till March 31, 2022)
- 2 NIIT Yuva Jyoti Limited (Liquidated on February 25, 2022)
- 3 NIIT Institute of Process Excellence Limited (Under Voluntary Liquidation w.e.f. February 19, 2020)
- 4 NIIT GC Limited, Mauritius
- 5 PT NIIT Indonesia, Indonesia (under liquidation)
- 6 NIIT China (Shanghai) Limited, Shanghai (subsidiary of entity at serial no. 4)
- 7 Chengmai NIIT Information Technology Company Limited, China (Closed w.e.f. August 18, 2022, subsidiary of entity at serial no. 6)
- 8 Chongqing An Dao Education Consulting Limited, China (subsidiary of entity at serial no. 6)
- 9 NingXia NIIT Education Technology Company Limited, China (Closed w.e.f. December 6, 2022, subsidiary of entity at serial no. 6)
- 10 Guizhou NIIT Information Technology Consulting Co., Limited, China (under process of closing, subsidiary of entity at serial no. 6)

(All Amount in Rs. Millions, unless otherwise stated)

- 11 NIIT (Guizhou) Education Technology Co., Limited, China (subsidiary of entity at serial no. 6)  
 12 NIIT Institute of Finance Banking and Insurance Training Limited  
 13 RPS Consulting Private Limited (w.e.f. October 01, 2021)

**(C) Other related parties with whom Company has transacted**

Parties in which the Key Management Personnel of the Holding Company are deemed to be interested

- 1 NIIT Institute of Information Technology  
 2 NIIT University

**(D) Key Management Personnel compensation\***

Particulars	March 31, 2023	March 31, 2022
Short-term employee benefits	9.58	8.10
Post-employment benefits	1.19	2.00
Share based payments	6.74	3.20
<b>Total compensation</b>	<b>17.51</b>	<b>13.30</b>

\*Further, pursuant to Scheme of Arrangement (refer note 37), remuneration of Key Management Personnel of NIIT Limited amounting to Rs. 147.52 Million (Previous year Rs. 162.64 Million) allocated to NLSL is not included above.

**(E) Terms and conditions**

Transactions relating to dividends, subscriptions for new equity shares were on the same terms and conditions that applied to other shareholders.

Transactions with related parties during the year were based on terms that would be available to third parties. All other transactions were made in ordinary course of business and at arm's length price.

All outstanding balances are unsecured and are repayable in cash.

**(F) Details of significant transactions and balances with related parties :**

Nature of Transactions	Parties in which Key Management Personnel of the Company are deemed to be interested	Entities in which KMP of the Company and NIIT Limited are same	Total
Other Income	- (-)	- (0.89)	- (0.89)
<b>Purchase of Services</b>			
Other Expenses (CSR Expenses)	15.30 (5.70)	- (-)	15.30 (5.70)
Professional Technical & Outsourcing Services	- (-)	77.22 (54.60)	77.22 (54.60)
<b>Recovery of Expenses By</b>			
Other Expenses	1.12 (-)	- (-)	1.12 (-)

Refer Notes 29 & 30 for Guarantees, collaterals and commitments.

Previous year figures are given in parenthesis.

**(G) Outstanding Balances:**

Particulars	Key Management Personnel	Parties in which Key Management Personnel of the Company are deemed to be interested	Entities in which KMP of the Company and NIIT Limited are same	Total
<b>Receivables</b>				
March 31, 2023	-	-	13.71	13.71
March 31, 2022	-	-	12.59	12.59
<b>Payables</b>				
March 31, 2023	0.05	0.08	28.13	28.26
March 31, 2022	0.08	-	33.38	33.46

Note:- Refer Notes 29 and 30 for guarantees, collaterals and commitments as at the year end.

(All Amount in Rs. Millions, unless otherwise stated)

**34 Segment information**

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

The Holding Company is domiciled in India. The amount of its revenue from external customers broken down by location of the customers is show in table below :

Particulars	March 31, 2023	March 31, 2022
India	308.80	281.37
America	10,443.11	8,869.62
Europe	2,762.23	2,090.67
Rest of the World	103.73	81.58
<b>Total</b>	<b>13,617.87</b>	<b>11,323.24</b>

The total of non-current assets other than financial instruments, deferred tax assets and income tax assets broken down by location of assets, is shown below :

Particulars	March 31, 2023	March 31, 2022
India	473.11	178.18
America	628.17	494.92
Europe	25.69	35.93
Rest of the World	4,974.79	566.72
<b>Total</b>	<b>6,101.76</b>	<b>1,275.75</b>

**35 Interests in other entities****(a) Subsidiaries**

The group's subsidiaries as at March 31, 2023 are set out below. Unless otherwise stated, they have share capital consisting solely of equity shares that are held directly by the group, and the proportion of ownership interests held equals the voting rights held by the group. The country of incorporation or registration is their principal place of business.

S. No	Name of entity	Place of business/ country of incorporation	Ownership interest held by the group (in %)		Principal activities
			March 31, 2023	March 31, 2022	
1	NIIT USA Inc, USA	United States	100	100	Education and Training
2	Stackroute Learning Inc, USA (subsidiary of entity at serial no. 1)	United States	100	100	Education and Training
3	NIIT Limited, UK	United Kingdom	100	100	Education and Training
4	NIIT Malaysia Sdn. Bhd, Malaysia	Malaysia	100	100	Education and Training
5	NIIT West Africa Limited	Nigeria	100	100	Education and Training
6	NIIT (Ireland) Limited	Ireland	100	100	Education and Training
7	NIIT Learning Solutions (Canada) Limited (subsidiary of entity at serial no. 6)	Canada	100	100	Education and Training
8	Eagle international Institute Inc. USA (subsidiary of entity at serial no. 1 till June 30, 2021, merged with NIIT (USA) Inc, USA w.e.f. July 01, 2021)	United States	100	100	Education and Training
9	Eagle Training Spain, S.L.U (subsidiary of entity at serial no. 8 till June 30, 2021, subsidiary of entity at serial no. 1 w.e.f. July 1, 2021)	Spain	100	100	Education and Training
10	St. Charles Consulting Group, LLC (subsidiary of entity at serial no. 1 w.e.f. November 04, 2022)	United States	100	-	Education and Training
11	NIIT Mexico, S. DE R.L. DE C.V. (subsidiary of entity at serial no. 1) - incorporated on February 23, 2023	Mexico	100	-	Education and Training
12	NIIT Brazil LTDA (subsidiary of entity at serial no. 1)-incorporated on March 23, 2023	Brazil	100	-	Education and Training

(All Amount in Rs. Millions, unless otherwise stated)

## 36 Disclosures mandated by Schedule III by way of additional information

Name of the entity	Year	Net Assets		Share in Profit or (Loss)		Share in other comprehensive Income		Share in total comprehensive Income	
		As % of Consolidated net assets	Amount (Rs. Million)	As % of Consolidated profit or loss	Amount (Rs. Million)	As % of Consolidated Other comprehensive income	Amount (Rs. Million)	As % of Consolidated total comprehensive income	Amount (Rs. Million)
<b>Parent Company</b>									
1. NIIT Learning Systems Limited	2023	41.34	3,184.49	(75.20)	(1,445.42)	5.79	7.58	(70.02)	(1,437.84)
	2022	43.79	2,387.20	(75.41)	(1,523.84)	(352.15)	(37.61)	(76.86)	(1,561.45)
<b>Foreign Subsidiaries</b>									
1. NIIT (USA) Inc., USA	2023	(28.60)	(2,202.15)	99.44	1,911.54	132.66	174.01	101.57	2,085.55
	2022	26.82	1,462.55	91.12	1,841.13	461.24	49.26	93.06	1,890.39
2. NIIT Limited, UK	2023	4.53	348.92	(6.23)	(119.83)	8.13	10.67	(5.32)	(109.16)
	2022	3.08	167.67	1.17	23.54	(46.91)	(5.01)	0.91	18.53
3. NIIT Malaysia Sdn. Bhd	2023	1.01	77.55	(0.87)	(16.78)	2.92	3.83	(0.63)	(12.95)
	2022	1.25	68.21	(1.22)	(24.66)	24.81	2.65	(1.08)	(22.01)
4. NIIT West Africa Limited	2023	0.02	1.40	(0.14)	(2.75)	(0.03)	(0.04)	(0.14)	(2.79)
	2022	0.03	1.54	(0.05)	(0.97)	0.19	0.02	(0.05)	(0.95)
5. NIIT Ireland Limited	2023	4.67	359.40	54.46	1,046.83	(4.02)	(5.27)	50.73	1,041.56
	2022	3.06	166.93	36.72	741.98	(261.89)	(27.97)	35.15	714.01
6. NIIT Learning Solutions (Canada) Limited	2023	11.13	857.20	41.16	791.08	(1.88)	(2.47)	38.41	788.61
	2022	22.00	1,199.58	62.28	1,258.43	277.06	29.59	63.41	1,288.02
7. Eagle International Institute Inc. USA	2023	-	-	-	-	-	-	-	-
	2022	-	-	1.02	20.68	8.52	0.91	1.06	21.59
8. Eagle Training, Spain S.L.U	2023	0.12	8.98	(4.69)	(90.12)	1.07	1.41	(4.32)	(88.71)
	2022	0.07	3.63	(2.95)	(59.69)	3.00	0.32	(2.92)	(59.37)
9. Stackroute Learning, Inc	2023	(0.17)	(13.14)	(18.55)	(356.56)	(18.65)	(24.46)	(18.56)	(381.02)
	2022	(0.10)	(5.39)	(12.67)	(256.02)	(13.86)	(1.48)	(12.68)	(257.50)
10. St. Charles Consulting Group, LLC	2023	65.95	5,080.23	10.62	204.18	(25.99)	(34.09)	8.28	170.09
	2022	-	-	-	-	-	-	-	-
11. NIIT Mexico, S. DE R.L. DE C.V.	2023	-	-	-	-	-	-	-	-
	2022	-	-	-	-	-	-	-	-
12. NIIT Brazil LTDA	2023	-	-	-	-	-	-	-	-
	2022	-	-	-	-	-	-	-	-
Total	2023	100.00	7,702.88	100.00	1,922.17	100.00	131.17	100.00	2,053.34
	2022	100.00	5,451.92	100.00	2,020.58	100.00	10.68	100.00	2,031.26

## 37 Composite Scheme of Arrangement

- (A) The Board of Directors of NIIT Limited, in its meeting held on January 28, 2022 approved a Composite Scheme of Arrangement ("Scheme") 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 Scheme inter-alia provides for, (i) Transfer and Vesting of CLG Business Undertaking by the Transferor Company to Transferee Company, (ii) Reduction and cancellation of Share Capital of Transferee Company held by Transferor Company, (iii) Issuance and allotment of shares by the Transferee Company to the shareholders of Transferor Company in consideration of transfer of CLG Business undertaking.

On May 19, 2023, the National Company Law Tribunal (NCLT), Chandigarh Bench sanctioned/ approved the Composite Scheme of Arrangement which was made 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 ("Demerged Undertaking") is demerged from NIIT and transferred to and vested in NLSL with effect from April 1, 2022 i.e. the Appointed Date as per Scheme.

The transactions pertaining to the Demerged Undertaking of NIIT from the appointed date upto the effective date of the Scheme have been made by NIIT on behalf of NLSL as per the Scheme.

The transfer of the Demerged Undertaking is accounted for using the pooling of interest method in accordance with Appendix C "Business Combinations of entities under common control" of the Indian Accounting Standard (IND- AS) 103- Business Combinations and the financial statements for the year ended March 31, 2022 have been prepared in accordance with the requirements of Ind AS 103.

## Notes to the Consolidated Financial Statements for the year ended March 31, 2023

Contd..

(All Amount in Rs. Millions, unless otherwise stated)

The details of assets and liabilities transferred are as under :

PARTICULARS	April 1, 2022	April 1, 2021
<b>ASSETS</b>		
<b>Non-current assets</b>		
Property, plant and equipment	122.76	104.10
Goodwill	344.17	331.78
Other intangible assets	687.09	931.55
Right-of-use assets	37.08	183.30
Intangible assets under development	24.52	41.90
Financial assets		
Other financial assets	24.51	8.10
Deferred tax assets (net)	160.28	148.42
Income tax assets (net)	7.65	-
Other non-current assets	60.13	16.46
<b>Total non-current assets</b>	<b>1,468.19</b>	<b>1,765.61</b>
<b>Current assets</b>		
Inventories	5.42	17.19
Financial assets		
Investments	994.19	1,869.71
Trade receivables	1,394.30	1,216.84
Cash and cash equivalents	2,531.18	1,320.16
Bank balances other than above	994.45	211.23
Other financial assets	1,941.63	1,574.60
Other current assets	153.33	144.55
<b>Total current assets</b>	<b>8,014.50</b>	<b>6,354.28</b>
<b>TOTAL ASSETS</b>	<b>9,482.69</b>	<b>8,119.89</b>
<b>PARTICULARS</b>	<b>April 1, 2022</b>	<b>April 1, 2021</b>
<b>LIABILITIES</b>		
<b>Non-current liabilities</b>		
Financial liabilities		
Borrowings	-	77.14
Lease liabilities	7.88	135.68
Deferred tax liabilities (net)	15.38	-
<b>Total non-current liabilities</b>	<b>23.26</b>	<b>212.82</b>
<b>Current liabilities</b>		
Financial liabilities		
Borrowings	80.37	131.79
Lease liabilities	29.86	60.44
Trade payables	882.47	675.25
Other financial liabilities	1,477.86	1,593.30
Provisions	257.86	266.76
Income tax liabilities (net)	179.96	52.45
Other current liabilities	1,099.13	1,048.48
<b>Total current liabilities</b>	<b>4,007.51</b>	<b>3,828.47</b>
<b>TOTAL LIABILITIES</b>	<b>4,030.77</b>	<b>4,041.29</b>
<b>Net Assets Received</b>	<b>5,451.92</b>	<b>4,078.60</b>

(All Amount in Rs. Millions, unless otherwise stated)

Pursuant to the Scheme of Arrangement, the difference between the book value of the assets and liabilities transferred, has been credited to the following reserves of the Group:

PARTICULARS	April 1, 2022	April 1, 2021
Employees Stock Option Outstanding	149.50	85.36
Hedging Reserve Account	8.29	9.75
Foreign Currency Translation Reserve	322.99	274.70
Retained Earnings	4,971.14	3,708.79
	<b>5,451.92</b>	<b>4,078.60</b>

**(B) Basis of Carve Out Financials with respect to Demerged Undertaking**

The Financial Information is prepared in accordance with the Guidance Note on 'Combined and Carve-out Financial information' ("Guidance Note") issued by the Institute of Chartered accounts of India ("ICAI") which sets out overall framework for the preparation and presentation of the carve-out Financial Information. In preparing the said carve-out Financial Information, principles as set out in the Guidance Note and accounting method prescribed in the Scheme have been applied as below:

- i. The directly identifiable assets, liabilities, income and expenditures of the demerged undertaking are based on the books of accounts and underlying accounting records maintained by the Company.
  - ii. All other assets including Fixed deposits, current investments in mutual fund, liabilities, income and expenditures, (including Common in nature) have been allocated on the basis of Revenue, or any other reasonable basis as approved by the Board. Balance of Employees Stock Option Outstanding is transferred based on net book value of assets transferred of demerged undertaking over net worth of the NIIT Limited as on the appointed date pre-demerge.
- (C)** Pursuant to the Scheme, 115,564,072 equity shares of Rs. 10/- each of the NLSL amounting to Rs. 1,155.64 Million held by NIIT stands cancelled as per the Scheme w.e.f. Appointed Date. Consequently, NLSL has ceased to be subsidiary of NIIT Limited. The amount of equity share capital stands reduced and cancelled and correspondingly adjusted to the retained earnings to the extent available and balance equity share capital of Rs. 3.30 Million is transferred to capital reserve.
- (D)** Pursuant to the Scheme, the Company will issue and allot equity shares to the shareholders of NIIT Limited whose name appears in the register of members of NIIT as on the record date i.e. June 8, 2023, one equity share of Rs. 2/- each in NLSL as fully paid up for every equity share of Rs. 2/- each held by them in NIIT and the equity share capital of Rs. 269.14 Million to be issued has been disclosed as Share Suspense Account under the head Equity Share Capital as on March 31, 2023. Scheme Related Expenses post appointed date are allocated equally between NIIT and NLSL, expenses incurred before appointed date are borne by NIIT as per the Scheme.

**38 Business combinations****(a) Summary of acquisition**

During the year, NIIT (USA), Inc, a wholly owned subsidiary of NLSL has acquired 100% membership interest in St. Charles Consulting Group LLC ("St. Charles") on November 04, 2022 and executed Membership Interest Purchase Agreement ("MIPA") and other definitive agreements ("Transaction Documents").

The acquisition helps the Group add significant presence in the professional services and management consulting sectors while strengthening Group's rapidly growing learning consulting practice. St Charles's deep experience in Strategic Learning Programs that are aimed towards advancing overall strategy, addressing strategic business priorities, and key initiatives at large organizations are in high demand across large, global organizations.

The aggregate purchase price of USD 66.49 million. As per the definitive agreements an amount of USD 25.56 million was paid by the end of the year and maximum earnout amount of USD 40.93 million will be paid based on annual performance over the next four years.

The Group has recorded identifiable assets in accordance with Ind AS 103-'Business Combinations'. Balance contingent consideration (performance based earnout) has been recorded at fair value. Change in the fair value measurement of contingent consideration has been recorded as finance cost in the consolidated statement of profit and loss. Legal, Professional and other costs towards acquisition has been recognised as an exceptional item in the consolidated statement of profit and loss.

Details of the purchase consideration, the net assets acquired and goodwill are as follows:

Purchase consideration	Amount (USD Mn)	Amount (INR Mn)
Cash paid	25.56	2,116.07
Contingent Consideration	33.83	2,800.37
<b>Total purchase consideration</b>	<b>59.39</b>	<b>4,916.44</b>



## Notes to the Consolidated Financial Statements for the year ended March 31, 2023

Contd..

(All Amount in Rs. Millions, unless otherwise stated)

The assets and liabilities recognised as on November 05, 2022 as a result of the acquisition are as follows:

Particulars	Amount USD (Mn)	Amount INR(Mn)
Property, plant and equipment	0.01	1.05
Right-of-use assets	0.13	10.51
Security deposits non current	0.00	0.30
Unbilled revenue	0.32	26.73
Prepaid expenses	0.03	2.64
Trade receivables	4.42	365.80
Cash and cash equivalents	4.19	346.94
Provision for compensated absences	(0.01)	(0.78)
Deferred revenue	(3.85)	(318.98)
Trade payables	(1.90)	(157.05)
Lease liabilities	(0.13)	(10.95)
Other financial liabilities	(0.53)	(43.60)
<b>Net identifiable assets acquired (A)</b>	<b>2.69</b>	<b>222.61</b>
<b>Intangible assets recognised pursuant to PPA</b>		
Brand	2.71	224.63
Consultant pool	1.23	101.96
Customer relationships	4.41	365.19
<b>Total Intangible assets recognised (B)</b>	<b>8.36</b>	<b>691.78</b>
<b>Total Assets acquired (A+B)</b>	<b>11.05</b>	<b>914.39</b>
<b>Calculation of goodwill</b>		
Purchase consideration as per SPA	59.39	4,916.44
Less : Total assets acquired as above	(11.05)	(914.39)
<b>Goodwill</b>	<b>48.35</b>	<b>4,002.05</b>

### (b) Significant judgements

#### (i) Contingent Consideration

The obligation to pay contingent consideration to the promoters of the St. Charles has been recorded as financial liability at fair value. The Group recorded transferred identifiable assets (tangible and intangible) basis a fair valuation. Consequent to this business acquisition, St. Charles were consolidated effective November 5, 2022. This financial liability has been measured at the date of acquisition initially as per MIPA. This amount was re-measured as at March 31, 2023. The increase in liability has been charged to consolidated statement of profit and loss.

Contingent Consideration Payable	Amount (USD Mn)	Amount (INR Mn)
Contingent Consideration Payable to promoters	33.83	2,800.37
Contingent Liability towards acquisition related expenses	0.70	57.53
Fair Value Loss on contingent consideration charged as finance cost in statement of profit and loss	1.12	92.09
Exchange differences	-	(23.01)
<b>Contingent Consideration Payable as on March 31, 2023</b>	<b>35.65</b>	<b>2,926.98</b>

#### (ii) The acquired business contributed revenues and profits to the Company as follows:

Particulars	November 05, 2022 to March 31, 2023
Revenue	1,043.84
Profit	204.63

(All Amount in Rs. Millions, unless otherwise stated)

## (iii) Purchase consideration - cash flow

Particulars	November 05, 2022 to March 31, 2023	
	(In USD)	(In INR)
Outflow of cash to acquire subsidiary, net of cash acquired		
Cash consideration	25.56	2,116.07
Less: balances acquired		
Cash and Bank	(4.19)	(346.94)
<b>Net outflow of cash - investing activities</b>	<b>21.37</b>	<b>1,769.13</b>

Acquisition related costs of Rs. 150.10 Million included in Consolidated Statement of Profit or Loss as exceptional items (refer note 22).

39 The Holding Company has signed a definitive agreement to make a strategic investment of USD 2 million in Compulsorily Convertible Preference Shares (CCPS) of KNOLSKAPE Solutions PTE LTD, Singapore (Knolskape) as approved by Board of Directors on September 30, 2022. The Holding Company shall make the said investment under the automatic route as per applicable regulations of RBI for overseas investment by Indian parties, post completion of certain Conditions Precedents by Knolskape. Expenses related to this investment amounting to Rs. 3.84 Million have been recognised as an exceptional item.

## 40 Additional Regulatory Information

- i) There are no immovable properties included in Property Plant and Equipment, whose title deeds are not held in the name of the Company.
- ii) The Group has not revalued its Property, Plant and Equipment (including Right of use assets) and intangible assets during the year ended March 31, 2023.
- iii) The Group does not have any Benami property, where any proceeding has been initiated or pending against the Company for holding any Benami property under the Benami Transactions (Prohibition) Act, 1988 and rules made thereunder.
- iv) The Group has not been declared wilful defaulter by any bank or financial institution or government or any government authority, as per the available information.
- v) Relationship with Struck off Companies

Name of the struck off company	Nature of transactions with struck off company	Balance outstanding as on March 31, 2023	Balance outstanding as on March 31, 2022	Relationship with the struck off company, if any, to be disclosed
Assam Computer Services Pvt. Ltd.	Trade Payables	0.05	0.05	None
Vijaya Lakshmi Softech Private Limited	Trade Receivable	0.01	0.01	None
North East Info Services Pvt. Ltd.	Trade Receivable	0.90	-	None

- vi) The Group does not have any transaction which is not recorded in the books of accounts that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961.
- vii) The Group has not traded or invested in cryptocurrency transactions during the financial year and there is no balance as at year end.
- viii) The Holding 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.
- ix) The Holding 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.

(All Amount in Rs. Millions, unless otherwise stated)

41 The Code on Social Security, 2020 ('Code') relating to employee benefits during employment and post-employment benefits received Presidential assent in September 2020. However, the date on which the Code will come into effect has not been notified. The Group will assess the impact of the Code when it comes into effect and will record any related impact in the period when the Code becomes effective.

42 Previous year figures have been regrouped / reclassified to conform to the current year's classification.

Signatures to Notes ' 1 ' to ' 42 ' above of these Consolidated Financial Statements.

**For S.R.Batlboi & Associates LLP**

Chartered Accountants

Firm Registration No.: 101049W/E300004

**Sanjay Bachchani**

Partner

Membership No. 400419

**For and on behalf of the Board of Directors of NIIT Learning Systems Limited****Rajendra S Pawar**

Chairman

DIN - 00042516

**Vijay K Thadani**

Vice-Chairman &amp; Managing Director

DIN - 00042527

**Sapnesh Kumar Lalla**

Executive Director &amp;

Chief Executive Officer

DIN - 06808242

**Sanjay Mal**

Chief Financial Officer

**Deepak Bansal**

Company Secretary

Place: Gurugram

Date : May 29, 2023

Place: Gurugram

Date : May 29, 2023



MANAGED  
TRAINING  
SERVICES

# NLSL GLOBAL OFFICES

NIIT Learning Systems Limited

## GLOBAL OFFICES

<p><b>AMERICAS</b>  <b>UNITED STATES OF AMERICA</b>  <b>Principal Office:</b>  <b>NIIT (USA) Inc.</b>  3 Ravinia Drive, 1930  Atlanta, GA 30346, USA  Phone: +1 770-450-6777  Fax: 16786233493</p>	<p><b>NIIT Limited, UK, Germany Branch</b>  (Niederlassung Deutschland)  Am Seedamm 44  60489 Frankfurt am  Main Germany  Phone: +0049 0 69 174871  Fax: +0049 0 69 174872</p>
<p><b>St. Charles Consulting Group LLC, USA</b>  320 Cardinal Drive Suite 400  St. Charles, IL 60175  Phone: (630) 377-5555  Email: info@stccg.com  Website: <a href="http://www.stccg.com">www.stccg.com</a></p>	<p><b>NIIT (Ireland) Limited</b>  SEAI Building, DCU Alpha Innovation Campus, Old  Finagles Road, Glasnevin,  Dublin 11, Ireland  Phone: +353 0 1699 3450</p>
<p><b>StackRoute Learning Inc., USA</b>  1225 Jefferson Road  Suite D01A  Rochester New York 14623  USA</p>	<p><b>NIIT (Ireland) Limited, Korea Branch</b>  396, Seocho-daero,  Seocho-gu, 137-857, Seoul,  South Korea</p>
<p><b>NIIT Brazil LTDA</b>  Rua Ezequiel Ramos  345, Bairro Mooca, Room 12, Sao Paulo City  Zip Code 03111-030, Brazil</p>	<p><b>NIIT (Ireland) Limited - Italy Branch</b>  Stabile Organizzazione Italiana,  Via Renato Hirsch, 14,  44124 Ferrara,  Italy</p>
<p><b>NIIT Mexico S.de.R.L de.C.V</b>  Av. Insurgentes Centro 64 Oficina B-601  Col. Juárez, Alcaldía Cuauhtémoc  Ciudad de México C.P. 06600</p>	<p><b>NIIT (Ireland) Limited, Belgium Branch</b>  RSM, Lozenberg 22,  1932 Zaventem,  Belgium</p>
<p><b>NIIT Learning Solutions (Canada) Limited</b>  7003 Steeles Avenue West Toronto,  Ontario, M9W0A2  Registered address:  1200, Waterfront Center, 200  Burrard Street, Vancouver BC V6C 3L6  Canada Phone: +1 888 454 6448</p>	<p><b>NIIT (Ireland) Limited, France Branch</b>  26, Rue Cambaceres,  75008 Paris 08  France</p>
<p><b>EUROPE</b>  <b>UNITED KINGDOM</b>  <b>NIIT Limited</b>  Dawson House, 5 Jewry St.  Suite 302, London EC3N 2EX,  United Kingdom  <b>Phone:</b> +44 207 002 0700  <b>Fax:</b> +44 207 002 0701  Registered Address-  100 New Bridge Street London EC4V 6JA</p>	<p><b>NIIT (Ireland) Limited, Dublin, Basel Branch</b>  c/o Findea AG,  Zweigniederlassung Basel  Steinenvorstadt 33  4051 Basel  Switzerland</p>
<p><b>NIIT Limited, UK, Norway Branch</b>  C/o Econ Partner AS,  Postboks 2006 Vikta  0125 OSLO  <b>Phone:</b> +44-20700-20700  <b>Fax:</b> +44-20700-20701</p>	<p><b>NIIT (Ireland) Limited, Denmark Branch</b>  Københavnsvvej 4, 4000 Roskilde  Denmark</p>
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## GLOBAL OFFICES Contd..

<p><b>MIDDLE EAST</b>  <b>NIIT (Ireland) Limited, Turkey Branch</b>          Mustafa Kemal Mah. 2152 Sok.No 2/18          Çankaya Ankara          Turkey</p>	<p><b>ASIA</b>  <b>MALAYSIA</b>  <b>NIIT Malaysia Sdn Bhd</b>          6th Floor, Plaza See Hoy Chan          Jalan Raja Chulan          50200 Kuala Lumpur, Malaysia          DID: +603 2050 1955          Tel: +603 2050 1888          Fax: +603 2031 8618</p>
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# MANAGED TRAINING SERVICES

## **NIIT LEARNING SYSTEMS LIMITED**

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