

## INDEPENDENT AUDITOR'S REPORT

To the Board of Directors of NIIT Learning Systems Limited

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

#### Opinion

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

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid special purpose Ind AS financial statements give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2023, its loss including other comprehensive income, its cash flows and the changes in equity for the year ended on that date.

#### Basis for Opinion

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

#### Responsibility of Management for the special purpose Ind AS financial statements

The Company's Board of Directors is responsible with respect to the preparation of these special purpose Ind AS financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015 and as more fully explained in the Note 2(a) to these special purpose Ind AS financial statements are for its internal use in relation to preparation of consolidated financial statements of the ultimate parent company. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the special purpose Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.



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

Chartered Accountants

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

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

## **Auditor's Responsibilities for the Audit of the special Purpose Ind AS Financial Statements**

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

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

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

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



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

Chartered Accountants

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

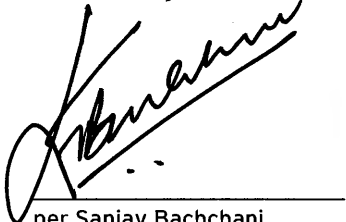
## **Other matter - restriction of use**

Our auditor's report is intended solely for the information and internal use by management of the Company in relation to preparation of consolidated financial statements of the ultimate parent company. It should not be used, referred to or distributed for any other purpose.

For S.R. Batliboi & Associates LLP

Chartered Accountants

ICAI Firm Registration Number: 101049W/E300004



per Sanjay Bachchani

Partner

Membership Number: 400419

UDIN: 23400419BGTGQF5059



Place of Signature: Gurugram

Date: May 26, 2023

**STACKROUTE LEARNING, INC**  
**Special Purpose Balance Sheet as at March 31, 2023**

(All amounts are in USD, unless stated otherwise)

		As at	
	Notes	March 31, 2023	March 31, 2022
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property, plant and equipment	3	11,502	-
Deferred tax assets (net)	5(i)	6,740	11,317
Income tax assets (net)	5(ii)	-	113
<b>Total non-current assets</b>		<b>18,242</b>	<b>11,430</b>
<b>Current assets</b>			
<b>Financial assets</b>			
Trade receivables	4(ii)	5,053	-
Cash and cash equivalents	4(i)	762,671	314,758
Other current assets	6	27,161	213,308
<b>Total current assets</b>		<b>794,885</b>	<b>528,066</b>
<b>TOTAL ASSETS</b>		<b>813,127</b>	<b>539,496</b>
<b>EQUITY AND LIABILITIES</b>			
<b>EQUITY</b>			
Equity share capital	7	4,250,000	1,500,000
Other equity	8	(8,782,639)	(3,992,052)
<b>TOTAL EQUITY</b>		<b>(4,532,639)</b>	<b>(2,492,052)</b>
<b>LIABILITIES</b>			
<b>Non-current liabilities</b>			
<b>Financial liabilities</b>			
Borrowings	9(iii)	4,250,000	1,500,000
<b>Total non-current liabilities</b>		<b>4,250,000</b>	<b>1,500,000</b>
<b>Current liabilities</b>			
<b>Financial liabilities</b>			
Trade payables	9(i)	323,036	1,165,962
Other financial liabilities	9(ii)	132,411	80,736
Other current liabilities	10	603,944	241,523
Provisions	11	36,375	43,327
<b>Total current liabilities</b>		<b>1,095,766</b>	<b>1,531,548</b>
<b>TOTAL LIABILITIES</b>		<b>5,345,766</b>	<b>3,031,548</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>813,127</b>	<b>539,496</b>

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

As per our report of even date

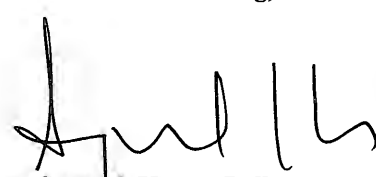
**For S.R. Batliboi & Associates LLP**  
Chartered Accountants  
Firm Registration No. 101049W/E300004

  
**Sanjay Bachchani**  
Partner  
Membership No. 400419

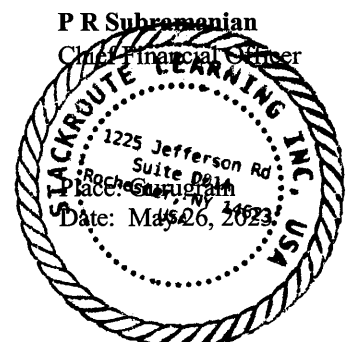


Place: Gurugram  
Date: May 26, 2023

**For and on behalf of the Board of Directors of  
Stackroute Learning, Inc**

  
**Sapnesh Kumar Lalla**  
Director

Place: Gurugram  
Date: May 26, 2023




**STACKROUTE LEARNING, INC**  
**Special Purpose Statement of Profit and Loss for the year ended March 31, 2023**

(All amounts are in USD, unless stated otherwise)

	Notes	March 31, 2023	March 31, 2022
<b>INCOME</b>			
Revenue from operations	12	830,625	25,078
<b>Total Income</b>		<b>830,625</b>	<b>25,078</b>
<b>EXPENSES</b>			
Employee benefits expenses	13	2,416,738	1,261,927
Professional & technical outsourcing expenses		896,957	212,427
Finance Cost	14	47,729	5,969
Depreciation and amortisation expenses	3	3,267	-
Other expenses	15	2,309,816	2,312,642
<b>Total Expenses</b>		<b>5,674,507</b>	<b>3,792,965</b>
<b>Loss before tax</b>		<b>(4,843,882)</b>	<b>(3,767,887)</b>
<b>Tax expenses:</b>	16		
- Current tax		-	-
- Deferred Tax charge/(credit)		4,577	(11,317)
<b>Total tax expenses</b>		<b>4,577</b>	<b>(11,317)</b>
<b>Loss for the year</b>		<b>(4,848,459)</b>	<b>(3,756,570)</b>
Other comprehensive income/ (loss)		-	-
<b>Total comprehensive loss for the year</b>		<b>(4,848,459)</b>	<b>(3,756,570)</b>
<b>Loss per equity share (face value USD 1 each):</b>			
-Basic and Diluted	19	(2.23)	(2.98)

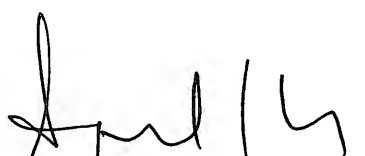
The accompanying notes form an integral part of these special purpose financial statements.  
As per our report of even date

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

  
**Sanjay Bachchani**  
Partner  
Membership No. 400419



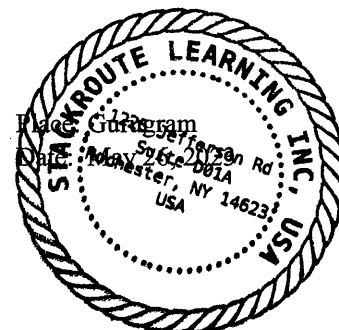
**For and on behalf of the Board of Directors of**  
**Stackroute Learning, Inc**

  
**Sapnesh Kumar Lalla**  
Director

  
**P R Subramanian**  
Chief Financial Officer

Place: Gurugram  
Date: May 26, 2023

Place: Gurugram  
Date: May 26, 2023



**STACKROUTE LEARNING, INC****Special Purpose Statement of changes in equity for the year ended March 31, 2023**

(All amounts are in USD, unless stated otherwise)

**a) Equity Share Capital**

Particulars	Number	Amount
Equity share of USD 1 each issued, subscribed and fully paid		
<b>As at April 01, 2021</b>	<b>500,000</b>	<b>500,000</b>
Issue of Shares during the year	1,000,000	1,000,000
<b>As at March 31, 2022</b>	<b>1,500,000</b>	<b>1,500,000</b>
Issue of Shares during the year	2,750,000	2,750,000
<b>As at March 31, 2023</b>	<b>4,250,000</b>	<b>4,250,000</b>

**b) Other Equity**

Particulars	Retained Earnings	Employees Stock Option Outstanding	Total
<b>As at April 01, 2021</b>	<b>(235,482)</b>	-	<b>(235,482)</b>
Loss for the year	(3,756,570)	-	(3,756,570)
<b>As at March 31, 2022</b>	<b>(3,992,052)</b>	-	<b>(3,992,052)</b>
Loss for the year	(4,848,459)	-	(4,848,459)
Share Based Payments (Refer Note 22)	-	57,872	57,872
<b>As at March 31, 2023</b>	<b>(8,840,511)</b>	<b>57,872</b>	<b>(8,782,639)</b>

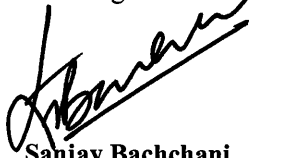
The accompanying notes form an integral part of these special purpose financial statements.

As per our report of even date

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

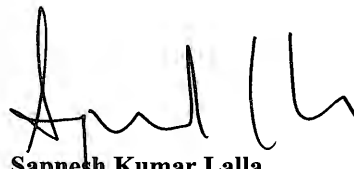
Chartered Accountants

Firm Registration No. 101049W/E300004

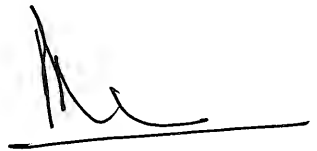

**Sanjay Bachchani**

Partner

Membership No. 400419

**For and on behalf of the Board of Directors of****Stackroute Learning, Inc**

**Sapnesh Kumar Lalla**

Director


**P R Subramanian**

Chief Financial Officer

Place: Gurugram

Date: May 26, 2023

Place: Gurugram

Date: May 26, 2023



**STACKROUTE LEARNING, INC**  
**Special Purpose Cash Flow Statement for the year ended March 31, 2023**

(All amounts are in USD, unless stated otherwise)

	Year ended	
	March 31, 2023	March 31, 2022
<b>A. CASH FLOW FROM OPERATING ACTIVITIES :</b>		
Loss before tax	(4,843,882)	(3,767,887)
Adjustments to reconcile profit before tax to net cash flows:		
Finance cost	47,729	5,969
Depreciation and amortisation expenses	3,267	-
Unrealised Foreign Exchange loss (net)	23	-
Share based payments	57,872	-
Operating loss before working capital changes	(4,734,991)	(3,761,918)
<b>Working Capital Adjustments:</b>		
Increase / (Decrease) in Trade Payables	(842,949)	1,042,379
Increase / (Decrease) in Other Current Liabilities	362,421	241,523
Increase / (Decrease) in Other Current Financial Liabilities	51,675	80,736
Increase / (Decrease) in Short-Term Provisions	(6,952)	43,327
(Increase) / Decrease in Trade Receivables	(5,053)	-
(Increase) / Decrease in Other Current Assets	186,147	(197,568)
<b>Cash used in operations</b>	<b>(4,989,702)</b>	<b>(2,551,521)</b>
Tax refund / (paid)	113	(113)
<b>Net cash flow used in operating activities</b>	<b>(A) (4,989,589)</b>	<b>(2,551,634)</b>
<b>B. CASH FLOW FROM INVESTING ACTIVITIES:</b>		
Purchase of Plant and Machinery	(14,769)	-
<b>Net cash flow used in investing activities</b>	<b>(B) (14,769)</b>	<b>-</b>
<b>C. CASH FLOW FROM FINANCING ACTIVITIES:</b>		
Issuance of Equity Share Capital	2,750,000	1,000,000
Loan taken from Holding Company	2,750,000	1,500,000
Interest Paid towards Loan	(47,729)	(5,969)
<b>Net cash flow generated from financing activities</b>	<b>(C) 5,452,271</b>	<b>2,494,031</b>
<b>Net Increase/ (Decrease) in cash &amp; cash equivalents (A) + (B) + (C)</b>	<b>447,913</b>	<b>(57,603)</b>
Cash and cash equivalents as at the beginning of the year	314,758	372,361
<b>Cash and cash equivalents as at the end of the year</b>	<b>762,671</b>	<b>314,758</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 4(i)]	762,671	314,758
<b>Total</b>	<b>762,671</b>	<b>314,758</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.

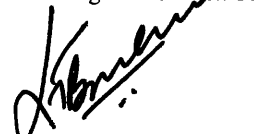
The accompanying notes form an integral part of these special purpose financial statements.

As per our report of even date

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

Chartered Accountants

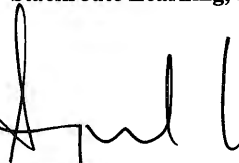
Firm Registration No.: 101049W/E300004

  
**Sanjay Bachchani**  
 Partner  
 Membership No. 400419

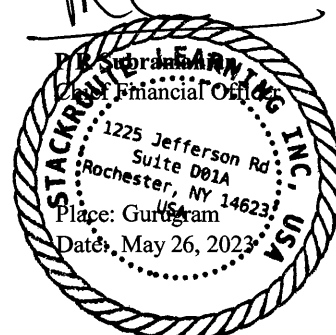


Place: Gurugram  
 Date: May 26, 2023

**For and on behalf of the Board of Directors of Stackroute Learning, Inc**

  
**Sapnesh Kumar Lalla**  
 Director

Place: Gurugram  
 Date: May 26, 2023



**STACKROUTE LEARNING, INC**  
**Notes to the Special Purpose Financial Statements for the year ended March 31, 2023**

**1 Company Information**

Stackroute Learning, Inc. (the Company) was incorporated on December 12, 2020 and is a wholly owned subsidiary of NIIT (USA), Inc., a leading global talent management Company. The Company is in the learning business providing services to customers in USA. The registered place of business of the Company is : 3, Ravinia Drive, NE , Suite 1930, Atlanta , Georgia 30346.

**2 Significant Accounting Policies**

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

**(a) Basis of Preparation**

**(i) Compliance with Ind AS**

These special purpose Ind AS financial statements ('financial statements') have been prepared in accordance with the Indian Accounting Standard ('Ind AS') notified under section 133 of the Companies Act, 2013 (the "Act"), read with the Companies (Indian Accounting Standards) Rules as amended from time to time. These financial statements are for its internal use in relation to preparation of consolidated financial statements of the ultimate holding company.

The net worth of the Company is fully eroded as at March 31, 2023. The holding company NIIT (USA), Inc. has committed operational and financial support to the Company for it to be able to meet future liabilities. Accordingly Company's Financial Statements have been prepared on an going concern basis.

**(ii) Historical cost convention**

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

These special purpose financial statements have been prepared by the management solely for its internal use to assist its ultimate holding Company in preparing their consolidated financial statements. The financial statements were approved for issue by the board of directors on May 26, 2023.

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

**(b) Foreign currency translation**

Foreign currency transactions and balances

**(i) Initial recognition**

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

**(ii) Conversion**

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

**(iii) Exchange differences**

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

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

**(c) Current - Non-Current Classification**

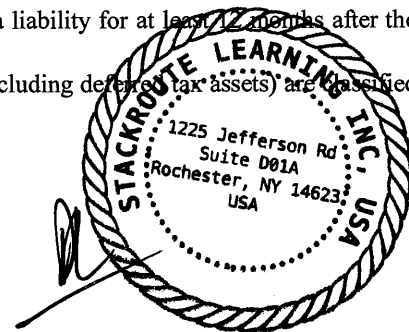
Assets and liabilities are classified into current and non-current as follows:

**Assets**

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

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

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





**STACKROUTE LEARNING, INC**  
**Notes to the Special Purpose Financial Statements for the year ended March 31, 2023**

**Liabilities**

A liability is classified as current when it satisfies any of the following criteria:

- it is expected to be settled in the Company's normal operating cycle;
- it is held primarily for the purpose of being traded;
- it is due to be settled within 12 months after the reporting period; or
- the Company does not have an unconditional right to defer settlement of the liability for at least 12 months after the reporting period. Terms of a liability that could, at the option of the counterparty, result in its settlement by the issue of equity instruments do not affect its classification.

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

**Operating cycle**

The operating cycle is the time between the acquisition of assets for processing and their realisation in cash or cash equivalents. Based on the nature of operations and the time between the acquisition of assets for processing and their realisation in cash and cash equivalents, the Company has ascertained its operating cycle being a period of 12 months for the purpose of classification of assets and liabilities as current and non-current.

**(d) Revenue from Contracts with Customers**

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

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

**Income from services**

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

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

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.

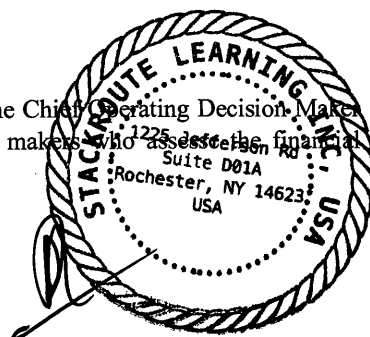
On certain contracts, where the Company acts as agent, only commission and fees receivable for services rendered are recognised as revenue. Any third party costs incurred on behalf of the principal that are rechargeable under the contractual arrangement are not included in revenue.

**(e) Other Income**

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

**(f) Segment Reporting**

Operating segments are reported in a manner consistent with the internal reporting provided to the Chief Operating Decision Maker (CODM). The Manager and 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.



**STACKROUTE LEARNING, INC**  
**Notes to the Special Purpose Financial Statements for the year ended March 31, 2023**

**(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, 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 realized or the deferred income tax liability is settled.

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

**(h) Investments and Other Financial Assets**

**i. Classification**

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

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

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

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

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

**ii. Measurement**

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

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

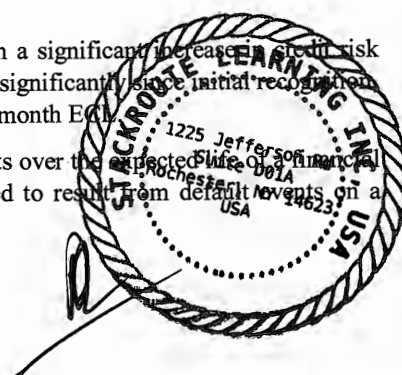
**iii. Impairment of financial assets**

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. 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 the 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.



**STACKROUTE LEARNING, INC**  
**Notes to the Special Purpose Financial Statements for the year ended March 31, 2023**

**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.

**(i) Cash and Cash Equivalents**

For the purpose of presentation in the statement of cash flows, cash and cash equivalents includes cash on hand, 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.

**(j) Trade Receivables**

Trade receivables are recognized initially at fair value and subsequently adjusted for expected credit loss using the effective interest method.

**(k) Property, plant and equipment and Depreciation**

The Company had applied for the one-time transition exemption of considering the carrying cost as the deemed cost under IND AS, regarded thereafter as historical cost.

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

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

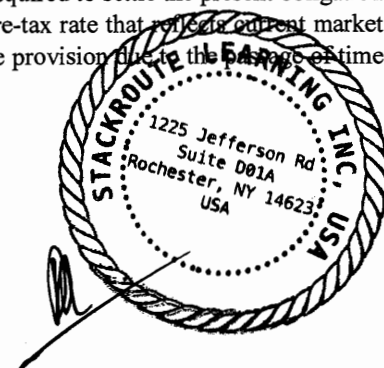
Description of Assets	Useful life
Plant and Equipment including:	
- Computers, Printers and related Accessories	3 years
- Computer Servers and Networks	5 years
- Air Conditioners	10 years
Office Equipment	5 years
Furniture & Fixtures	7 years
Leasehold Improvements	3-5 years or lease period, whichever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

**(l) Trade and Other Payables**

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

**(m) Provisions**

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. The increase in the provision due to the passage of time is recognized as interest expense.



**STACKROUTE LEARNING, INC**  
**Notes to the Special Purpose Financial Statements for the year ended March 31, 2023**

**(n) Employee Benefits**

**401 (K) Plan**

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

**Compensated absences**

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

**Provident fund**

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

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

**Superannuation fund**

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

**(o) Borrowing Costs**

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

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

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

**(p) Share Capital**

**Equity shares capital**

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

**(q) 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.

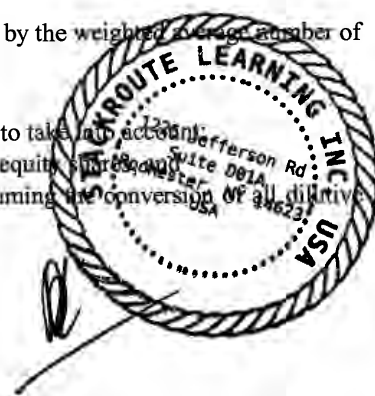
**(r) Earning Per Share**

**(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 on interest and other financing costs associated with dilutive potential equity shares;  
• the weighted average number of additional equity shares that would have been outstanding assuming the conversion of all dilutive potential equity shares.



**STACKROUTE LEARNING, INC**  
**Notes to the Special Purpose Financial Statements for the year ended March 31, 2023**

**(s) 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 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 categorization (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.

**(t) Share based payments - Employee stock option plan (ESOP)**

On April 21, 2022 the Board of the Company approved the Employee Stock Option Scheme for issue of stock options to select senior employees. The total amount to be expensed is determined by reference to the fair value of the options granted:

- 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.

**(u) Critical Accounting Estimates and Judgements**

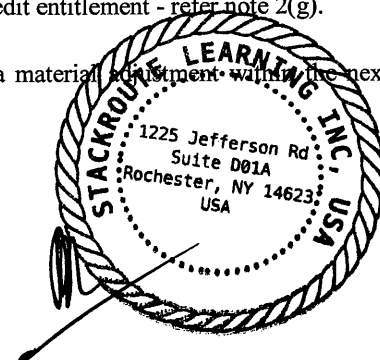
In preparing these financial statements, management has made judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

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 note 2(n).
- Fair value measurement of financial instruments - refer note 2(s).
- Judgement required to determine probability of recognition of deferred tax assets and MAT credit entitlement - refer note 2(g).

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



# STACKROUTE LEARNING, INC

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

(All amounts are in USD, unless stated otherwise)

## 3 Property, Plant and Equipment

### Particulars

### Plant and Machinery

### Total

### Year ended March 31, 2022

#### Gross carrying amount

Opening gross carrying amount

Additions

Disposals

Closing gross carrying amount (A)

#### Accumulated depreciation

Opening accumulated depreciation

Depreciation charged during the year

Disposals

Closing accumulated depreciation (B)

Net carrying amount (A-B)

### Year ended March 31, 2023

#### Grossing carrying amount

Opening gross carrying amount

Additions

Closing gross carrying amount (C)

#### Accumulated depreciation

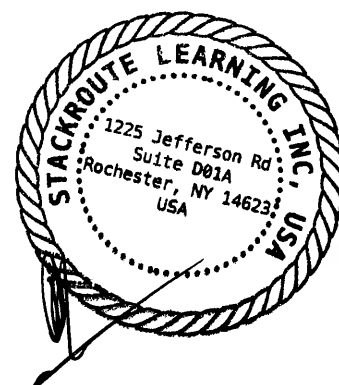
Opening accumulated depreciation

Depreciation charged during the year

Closing accumulated depreciation (D)

Net carrying amount (C-D)

(This space has been intentionally left blank)



# STACKROUTE LEARNING, INC

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

(All amounts are in USD, unless stated otherwise)

## 4 Financial Assets

### 4(i) Cash and Cash Equivalents

Balance with banks

- Current accounts

As at	
March 31, 2023	March 31, 2022
762,671	314,758
<b>762,671</b>	<b>314,758</b>

### 4(ii) Trade Receivables

Receivables from related parties (Refer Note 21)

As at	
March 31, 2023	March 31, 2022
5,053	-
<b>5,053</b>	<b>-</b>

Trade receivables are non-interest bearing and are generally on terms of 0-30 days.

Trade receivables Ageing Schedule\*

As at March 31, 2023

Particulars	Not due	Outstanding for following periods from due date of payment					Total
		Less than 6 Months	6 months – 1 year	1-2 years	2-3 years	More than 3 years	
Undisputed Trade Receivables - Considered Good	-	5,053	-	-	-	-	5,053
<b>Net Trade Receivables</b>	<b>-</b>	<b>5,053</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>5,053</b>

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	-	-	-	-	-	-	-
<b>Net Trade Receivables</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

\* There are no disputed trade receivables.

### 5(i) Deferred Tax Assets (Net)

The balance comprises temporary differences attributable to:

Defined benefit obligations

Difference between carrying amount of property, plant and equipments and intangible assets in the financial statements and as per Income Tax

As at	
March 31, 2023	March 31, 2022
9,857	11,317
(3,117)	-
<b>6,740</b>	<b>11,317</b>

Deferred tax asset (net) recognized

Deferred tax assets on timing differences have been recognized as at March 31, 2023 owing to probability of future taxable income based on business plans of the Company.

Movement in deferred tax asset

Particulars	Property, plant and equipment and Intangible Assets	Defined benefit obligations	Total
As at April 01, 2021	-	-	-
(charged)/credited:			
- to profit or loss	-	11,317	11,317
<b>As at March 31, 2022</b>	<b>-</b>	<b>11,317</b>	<b>11,317</b>
(charged)/credited:			
- to profit or loss	(3,117)	(1,460)	(4,577)
<b>As at March 31, 2023</b>	<b>(3,117)</b>	<b>9,857</b>	<b>6,740</b>

### 5(ii) Income tax assets (net)

Advance Income Tax

As at	
March 31, 2023	March 31, 2022
-	113
<b>-</b>	<b>113</b>

## 6 Other Current Assets

Advances recoverable in cash or in kind  
Unsecured, considered good

As at	
March 31, 2023	March 31, 2022
27,161	213,308
<b>27,161</b>	<b>213,308</b>



# STACKROUTE LEARNING, INC

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

(All amounts are in USD, unless stated otherwise)

## 7 Equity Share Capital

### (a) Authorised equity share capital

Particulars	Equity shares of USD 1 each	
	Number	Amount
As at April 01, 2021	-	-
Authorised during the year	10,000,000	10,000,000
As at March 31, 2022	10,000,000	10,000,000
Authorised during the year	-	-
As at March 31, 2023	10,000,000	10,000,000

### (b) Issued equity share capital

Particulars	Equity shares of USD 1 each	
	Number	Amount
As at April 01, 2021	500,000	500,000
Issued during the year	1,000,000	1,000,000
As at March 31, 2022	1,500,000	1,500,000
Issued during the year	2,750,000	2,750,000
As at March 31, 2023	4,250,000	4,250,000

### (c) Detail of class of Equity Shares held by the Holding Company

Particulars	As at			
	March 31, 2023		March 31, 2022	
	No. of shares	Amount in USD	No. of shares	Amount in USD
NIIT (USA), Inc	4,250,000	4,250,000	1,500,000	1,500,000

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

Particulars	As at			
	March 31, 2023		March 31, 2022	
	No. of shares	% of holding	No. of shares	% of holding
NIIT (USA), Inc	4,250,000	100%	1,500,000	100%
Total	4,250,000	100%	1,500,000	100%

### (e) Terms/ rights attached to equity shares

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

### (f) Details of shares held by promoters

As at March 31, 2023

Particulars	Promoter name	No. of shares at the beginning of the year	Change during the year	No. of shares at the end of the year	% of Total Shares	% change during the year
Equity shares of USD 1 each fully paid	NIIT (USA) Inc.	1,500,000	2,750,000	4,250,000	100.00%	183%
Total		1,500,000	2,750,000	4,250,000		

As at March 31, 2022

Particulars	Promoter name	No. of shares at the beginning of the year	Change during the year	No. of shares at the end of the year	% of Total Shares	% change during the year
Equity shares of USD 1 each fully paid	NIIT (USA) Inc.	500,000	1,000,000	1,500,000	100.00%	0%
Total		500,000	1,000,000	1,500,000		

## 8 Other Equity

Retained Earnings  
Employees Stock Option Outstanding

As at	
March 31, 2023	March 31, 2022
(8,840,511)	(3,992,052)
57,872	-
(8,782,639)	(3,992,052)

### 8(i) Retained Earnings

Balance at the beginning of the year  
Loss for the year  
Total

As at	
March 31, 2023	March 31, 2022
(3,992,052)	(235,482)
(4,848,459)	(3,756,570)
(8,840,511)	(3,992,052)

### 8(ii) Employees Stock Option Outstanding

Balance at the beginning of the year  
Share Based Payments  
Total

As at	
March 31, 2023	March 31, 2022
-	-
57,872	-
57,872	-





**STACKROUTE LEARNING, INC**  
Notes to the Special Purpose Financial Statements for the year ended March 31, 2023

(All amounts are in USD, unless stated otherwise)

**9 Financial Liabilities**

**9(i) Trade Payables**

Trade Payables  
Trade payables to related parties (Refer Note 21)

As at	
March 31, 2023	March 31, 2022
195,416	244,883
127,620	921,079
<b>323,036</b>	<b>1,165,962</b>

Trade payables are non-interest bearing and are normally settled on 30 days term.

**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 Trade Payables	23,262	157,904	-	-	-	181,166
<b>Total</b>	<b>23,262</b>	<b>157,904</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>181,166</b>
Add: Unbilled Dues						141,870
<b>Total trade payables</b>						<b>323,036</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 Trade Payables	394,676	653,424	-	-	-	1,048,100
<b>Total</b>	<b>394,676</b>	<b>653,424</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1,048,100</b>
Add: Unbilled Dues						117,862
<b>Total trade payables</b>						<b>1,165,962</b>

\*There are no disputed trade payables.

**9(ii) Other Financial Liabilities**

Payable to Employees

As at	
March 31, 2023	March 31, 2022
132,411	80,736
<b>132,411</b>	<b>80,736</b>

**9(iii) Borrowings**

Unsecured Loans  
-Loan from Holding Company\* (Refer Note 21)

As at	
March 31, 2023	March 31, 2022
4,250,000	1,500,000
<b>4,250,000</b>	<b>1,500,000</b>

\*The loan of USD 4,250,000 (Previous year USD 1,500,000) was facilitated by NIIT USA Inc. to meet cash flow requirement at the interest rate of 1.75% per annum. The Company will repay the entire outstanding loan together with the accrued interest before the expiry of the agreement.

Type of Borrowee	Amount of loan in the nature of loan outstanding		Percentage to the total Loans in the nature of loans	
	March 31, 2023	March 31, 2022	March 31, 2023	March 31, 2022
<b>Related Parties</b>				
NIIT USA Inc.	4,250,000	1,500,000	100%	100%
<b>Total</b>	<b>4,250,000</b>	<b>1,500,000</b>	<b>100%</b>	<b>100%</b>

**10 Other Current Liabilities**

**Contract Liabilities (Refer note 12.1)**

- Deferred revenue

Statutory Dues\*

As at	
March 31, 2023	March 31, 2022
603,944	237,217
-	4,306
<b>603,944</b>	<b>241,523</b>

\*Statutory dues mainly includes contribution towards 401 (K).

**11 Provisions**

**Provision for employee benefits :**

- Provision for compensated absences

As at	
March 31, 2023	March 31, 2022
36,375	43,327
<b>36,375</b>	<b>43,327</b>



# STACKROUTE LEARNING, INC

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

(All amounts are in USD, unless stated otherwise)

### 12 Revenue From Operations

Year ended	
March 31, 2023	March 31, 2022
Sale of Services [Refer Note 12.1]	
830,625	25,078
<b>830,625</b>	<b>25,078</b>

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

Year ended	
March 31, 2023	March 31, 2022
(a) Disaggregated revenue information	
(i) Type of Services	
Sale of Services	
830,625	25,078
<b>830,625</b>	<b>25,078</b>
(ii) Timing of Revenue Recognition	
Services transferred over time (Training Services)	
830,625	25,078
<b>830,625</b>	<b>25,078</b>
As at	
March 31, 2023	March 31, 2022
(b) Contract Balances	
Trade Receivables [Refer note 4(ii)]	5,053
Contract Liabilities [Refer note 10]	(237,217)

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.

Trade receivables are non-interest bearing and are generally on terms of 0- 30 days.

Contract liabilities includes deferred revenue.

### (c) Performance obligation and remaining performance obligation

The remaining performance obligation disclosure provides the aggregate amount of the transaction price yet to be recognized as at the end of the reporting period and an explanation as to when the Company expects to recognize these amounts in revenue. As on March 31, 2023, there were no remaining performance obligation as the same is satisfied upon delivery of goods/services.

### 13 Employee Benefits Expense

Year ended	
March 31, 2023	March 31, 2022
Salary, Wages and Bonus	2,343,964
Contribution to employees pension scheme (401K) (Refer note 13.1)	14,902
Share Based Payments (Refer note 22)	57,872
Staff Welfare expense	-
	1,100
<b>2,416,738</b>	<b>1,261,927</b>

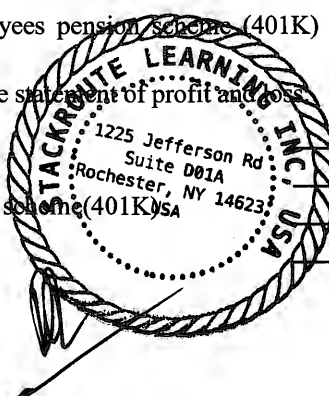
### 13.1 Employee Benefit

#### Defined contribution plans

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

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

Year ended	
March 31, 2023	March 31, 2022
Particulars	
Employers' contribution to employees pension scheme (401K)	14,902
<b>Total</b>	<b>14,902</b>



# STACKROUTE LEARNING, INC

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

(All amounts are in USD, unless stated otherwise)

### 14 Finance Cost

	Year ended	
	March 31, 2023	March 31, 2022
Interest on borrowings (Refer Note 21)	47,729	5,969
	<b>47,729</b>	<b>5,969</b>

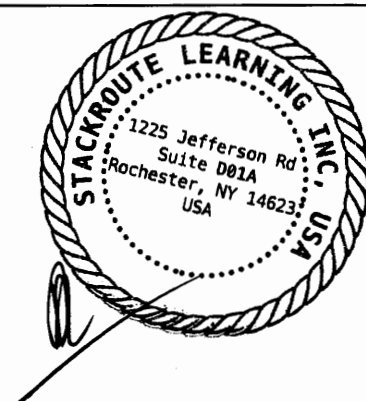
### 15 Other Expenses

	Year ended	
	March 31, 2023	March 31, 2022
Rates and Taxes	1,118	-
Communication	200	-
Legal and Professional Fees (Refer Note 15.1)	262,315	625,088
Mangement Cost Recovery by Holding Company (Refer Note 21)	22,715	623
Travelling and Conveyance	14,288	2,512
Insurance	-	117,044
Repairs and Maintenance		
- Plant and Machinery	4,959	558
- Others	-	463
Loss on foreign currency translation and transaction (Net)	727	-
Bank Charges	19,938	5,015
Marketing and Advertising Expenses	1,980,756	1,561,339
Sundry Expenses	2,800	-
	<b>2,309,816</b>	<b>2,312,642</b>

### 15.1 Details of payments to auditors (excluding taxes)

	Year ended	
	March 31, 2023	March 31, 2022
Audit fee	4,611	4,611
	<b>4,611</b>	<b>4,611</b>

(This space has been intentionally left blank)



# STACKROUTE LEARNING, INC

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

(All amounts are in USD, unless stated otherwise)

## 16 Tax Expenses

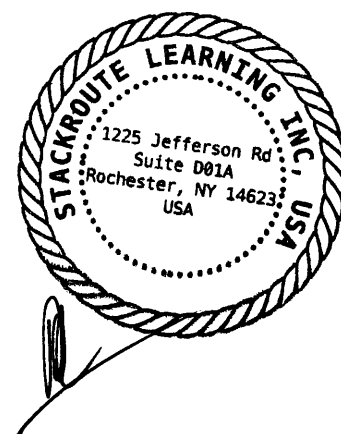
### (a) Income Tax Expense

	Year ended	
	March 31, 2023	March 31, 2022
<b>Current tax</b>		
Current tax on profits for the year	-	-
<b>Total current tax expense (A)</b>	-	-
<b>Deferred tax</b>		
Deferred tax charge / (credit)	4,577	(11,317)
<b>Total deferred tax expense (B)</b>	4,577	(11,317)
<b>Total Tax Expense (A+B)</b>	4,577	(11,317)

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

	Year ended	
	March 31, 2023	March 31, 2022
Profit before tax	(4,843,882)	(3,767,887)
Tax at the US tax rate of 21%	(1,017,215)	(791,256)
<b>Tax effect of amounts which are not deductible/ (taxable) in calculating taxable income:</b>		
- Tax impact of Unrecognized Timing Differences	1,021,792	779,939
<b>Total Tax Expense</b>	4,577	(11,317)

(This space has been intentionally left blank)



# STACKROUTE LEARNING, INC

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

(All amounts are in USD, unless stated otherwise)

### 17 Fair Value Measurements

#### (i) Fair value hierarchy

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

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

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

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

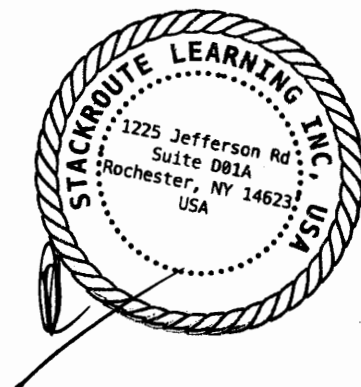
#### (ii) Fair value of financial assets and liabilities measured at amortised cost

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

	As at	
	March 31, 2023	March 31, 2022
	<b>Amortised cost</b>	
<b>Financial Assets</b>		
Trade Receivables	5,053	-
Cash and Cash Equivalents	762,671	314,758
<b>Total Financial Assets</b>	<b>767,724</b>	<b>314,758</b>
<b>Financial Liabilities</b>		
Trade Payables	323,036	1,165,962
Borrowings	4,250,000	1,500,000
Other Financial Liabilities	132,411	80,736
<b>Total Financial Liabilities</b>	<b>4,705,447</b>	<b>2,746,698</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.

(This space has been intentionally left blank)



# STACKROUTE LEARNING, INC

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

(All amounts are in USD, unless stated otherwise)

### 18 Financial Risk Management

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

The Company is exposed to market risk, credit risk and liquidity risk. The Company's senior management oversees the management of these risks. The Company's senior management is supported by a financial risk committee that advises on financial risks and the appropriate financial risk governance framework for the Company. The financial risk committee provides assurance to the Company's senior management that the Company's financial risk activities are governed by appropriate policies and procedures and that financial risks are identified, measured and managed in accordance with the Company's policies and risk objectives.

#### (i) Credit risk

Credit risk refers to the risk of default on its obligation by the counter party resulting in a financial loss. The maximum exposure to the credit risk at the reporting date is primarily from trade receivables amounting to USD 5,053 and NIL as of March 31, 2023 and March 31, 2022 respectively.

#### (ii) Liquidity risk

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

#### Maturities of financial liabilities

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

	More than 1 year	Less than 1 year	Total
<b>As at March 31, 2023</b>			
Borrowings	4,250,000	-	4,250,000
Trade Payables	-	323,036	323,036
Other Financial Liabilities	-	132,411	132,411
	<b>4,250,000</b>	<b>455,447</b>	<b>4,705,447</b>
<b>As at March 31, 2022</b>			
Borrowings	1,500,000	-	1,500,000
Trade Payables	-	1,165,962	1,165,962
Other Financial Liabilities	-	80,736	80,736
	<b>1,500,000</b>	<b>1,246,698</b>	<b>2,746,698</b>



## STACKROUTE LEARNING, INC

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

(All amounts are in USD, unless stated otherwise)

#### 19 Loss Per Share

	Year ended	
	March 31, 2023	March 31, 2022
Loss attributable to equity shareholders (A)	(4,848,459)	(3,756,570)
Weighted average number of equity shares outstanding during the year (Nos.) – (B)	2,177,397	1,258,904
Nominal value of equity shares	1	1
Basic and diluted loss per share (A/B)*	(2.23)	(2.98)

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

#### 20 Segmental Reporting

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

(This space has been intentionally left blank)



# STACKROUTE LEARNING, INC

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

## 21 Related Party Transactions

### A. Related party relationship where control exists

**Holding Company - NIIT (USA) Inc, USA**

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

### B. Fellow Subsidiaries \*

- 1 St. Charles Consulting Group, LLC (subsidiary of NIIT (USA) Inc, USA w.e.f. November 04, 2022)
- 2 NIIT Limited, UK
- 3 NIIT Malaysia Sdn. Bhd, Malaysia
- 4 NIIT (Ireland) Limited
- 5 NIIT West Africa Limited
- 6 NIIT Learning Solutions (Canada) Limited (subsidiary of entity at serial no. 4)
- 7 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)
- 8 Eagle Training Spain, S.L.U (subsidiary of entity at serial no. 7 till June 30, 2021, became subsidiary of NIIT (USA) Inc., USA w.e.f. July 1, 2021)
- 9 NIIT Mexico, S. DE R.L. DE C.V. (subsidiary of NIIT (USA) Inc., USA - incorporated on February 23, 2023)
- 10 NIIT Brazil LTDA (subsidiary of NIIT (USA) Inc., USA - incorporated on March 23, 2023)

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

### C. Entities in which Key Management Personnel of the Ultimate Holding Company and NIIT Limited are same (Refer Note 25)

- 1 NIIT Limited, India (Ultimate 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. 3)
- 7 Chengmai NIIT Information Technology Company Limited, China (Closed w.e.f. August 18, 2022, subsidiary of entity at serial no. 5)
- 8 Chongqing An Dao Education Consulting Limited, China (subsidiary of entity at serial no. 5)
- 9 NingXia NIIT Education Technology Company Limited, China (Closed w.e.f. December 6, 2022, subsidiary of entity at serial no.5)
- 10 Guizhou NIIT Information Technology Consulting Co., Limited, China (under process of closing, subsidiary of entity at serial no.5)
- 11 NIIT (Guizhou) Education Technology Co., Limited, China (subsidiary of entity at serial no. 5)
- 12 NIIT Institute of Finance Banking and Insurance Training Limited
- 13 RPS Consulting Private Limited (w.e.f. October 01, 2021)

### D. Other related parties with whom Company has transacted

#### a) Key management personnel

1. Vijay Kumar Thadani (Director)
2. Mr. Sapnesh Lalla (Director)
3. Mr. P R Subramanian (Chief Financial Officer)

### E. Terms and conditions

Transactions with related parties during the year were based on terms that would be available to third parties. All other transactions were made in ordinary course of business and at arm's length price.

All outstanding balances are unsecured and are repayable in cash.





# STACKROUTE LEARNING, INC

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

(All amounts are in USD, unless stated otherwise)

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

Nature of Transactions*	Holding Company	Ultimate Holding Company**	Fellow Subsidiaries	Total
Services Received	274,119 (287,725)	- (20,413)	- -	274,119 (308,138)
Services Rendered	24,479 -	- -	- -	24,479 -
Management Cost Recovery	- -	22,715 (623)	- -	22,715 (623)
Recovery of Expenses by	1,020,313 (769,950)	60,461 -	4,263 -	1,085,037 (769,950)
Recovery of Expenses from	10,907 -	- -	- -	10,907 -
Loan Received	2,750,000 (1,500,000)	- -	- -	2,750,000 (1,500,000)
Issuance of Equity share capital	2,750,000 (1,000,000)	- -	- -	2,750,000 (1,000,000)
Interest Paid on Loan	47,729 (5,969)	- -	- -	47,729 (5,969)

\* Excluding taxes

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

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

Figures in parenthesis represent previous year figures.

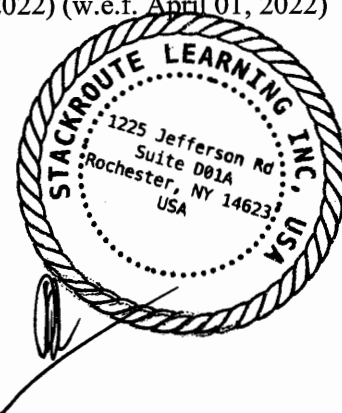
## G. Details of outstanding balances with related parties

Particulars	Holding Company	Ultimate Holding Company**	Total
<b>(i) Trade and other receivables</b>			
March 31, 2023	5,053	-	5,053
March 31, 2022	-	-	-
<b>(ii) Trade and other payables</b>			
March 31, 2023	84,465	43,154	127,619
March 31, 2022	(918,601)	(2,477)	(921,078)

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

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

Figures in parenthesis represent previous year figures.



# STACKROUTE LEARNING, INC

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

(All amounts are in USD, unless stated otherwise)

### 22 Share Based Payments

#### (a) Employee option plan

On April 21, 2022 the Board of the Company approved the Employee Stock Option Scheme for issue of stock options to select senior employees.

#### 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
Opening balance	-	-	-	-
Granted during the year	1.54	159,375	-	-
Exercised during the year	-	-	-	-
Forfeited/lapsed during the year	-	-	-	-
<b>Closing balance</b>	<b>1.54</b>	<b>159,375</b>	-	-
<b>Vested and exercisable</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 1	Vest I	21-Apr-22	01-Jul-23	21-Apr-32	1.54	4,688	-
	Vest II	21-Apr-22	01-Jul-24	21-Apr-32	1.54	4,688	-
	Vest III	21-Apr-22	01-Jul-25	21-Apr-32	1.54	9,375	-
Grant 2	Vest I	22-Apr-22	01-Jul-23	22-Apr-32	1.54	35,156	-
	Vest II	22-Apr-22	01-Jul-24	22-Apr-32	1.54	35,156	-
	Vest III	22-Apr-22	01-Jul-25	22-Apr-32	1.54	70,313	-

#### 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 current 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	Current Price*	Volatility	Average life of the option	Risk less interest rate	Dividend yield rate	Fair value
Grant 1	Vest I	1.54	59.57%	5.50	3.03%	0.00%	0.86
	Vest II	1.54	46.30%	6.00	3.03%	0.00%	0.74
	Vest III	1.54	46.30%	6.50	3.03%	0.00%	0.77
Grant 2	Vest I	1.54	59.57%	5.50	3.03%	0.00%	0.86
	Vest II	1.54	46.30%	6.00	3.03%	0.00%	0.74
	Vest III	1.54	46.30%	6.50	3.03%	0.00%	0.77

\* Current price as on date of grant



# STACKROUTE LEARNING, INC

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

(All amounts are in USD, unless stated otherwise)

### 23 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.

Particulars	March 31, 2023	March 31, 2022
Borrowings [Refer note 9(iii)]	4,250,000	1,500,000
<b>Total Debt (A)</b>	<b>4,250,000</b>	<b>1,500,000</b>
Equity share capital [Refer note 7]	4,250,000	1,500,000
Other Equity [Refer note 8]	(8,782,639)	(3,992,052)
<b>Total Equity (B)</b>	<b>(4,532,639)</b>	<b>(2,492,052)</b>
<b>Loss after Tax (C)</b>	<b>(4,848,459)</b>	<b>(3,756,570)</b>
Opening Shareholders equity	(2,492,052)	264,518
Closing Shareholders equity	(4,532,639)	(2,492,052)
<b>Average Shareholder's Equity (D)</b>	<b>(3,512,345)</b>	<b>(1,113,767)</b>
<b>Debt equity ratio (A/B)</b>	<b>-</b>	<b>-</b>
<b>Return on Equity (C/D)</b>	<b>-138.0%</b>	<b>-337.3%</b>

(This space has been intentionally left blank)



**STACKROUTE LEARNING, INC**  
**Notes to the Special Purpose Financial Statements for the year ended March 31, 2023**

**24 Additional Regulatory Information**

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

Ratio	Numerator	Denominator	March 31, 2023	March 31, 2022	% Change	Reasons for variance
Current Ratio	Current Assets	Current Liabilities	0.7	0.3	133.3%	Payment of Trade payables in Mar'23 resulting in improve current ratio.
Debt equity ratio	Total Debt	Shareholder's Equity	(0.94)	(0.60)	50%	In current year funding has been done basis Board approval, resulting in increase in debt.
Debt service coverage ratio	Earnings for debt service	Debt service	(99.30)	(628.33)	(84%)	Company has negative earnings for debt services hence adverse financial ratio.
Return on equity Ratio	Net Profits/(Loss) after taxes	Average Shareholder's Equity	138.0%	337.3%	(59%)	Decrease in Return on Equity is account of higher loss for current year.
Trade receivables turnover ratio	Total Sales	Closing balance of trade receivables	164.4	-	164%	Business transaction entered with the customer during the year resulting in increase in ratio.
Trade payables turnover ratio	Total Purchases	Closing balance of trade payables	9.9	2.2	350%	Payment of trade payables in current year resulting in increase in ratio
Net capital turnover ratio	Net Sales	Average Working Capital	(1.27)	(0.07)	1200%	Increase in revenue during the year resulting in change in net capital turnover ratio
Net profit ratio	Net Profit /(Loss)	Net Sales	(5.84)	(149.80)	(96%)	Increase in revenue during the year resulting in change in net profit ratio
Return on capital employed	Earning before interest and taxes	Capital Employed	(16.97)	(3.79)	347%	Decrease in Return on Capital Employed is due to higher loss for current year.

(This space has been intentionally left blank)



# STACKROUTE LEARNING, INC

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

## Additional Regulatory Information (Contd.)

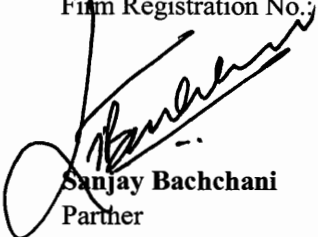
- vi) The Company has not advanced or loaned or invested funds to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding that the Intermediary shall:
- (a) Directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever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

Signatures to Notes '1' to '26' of these special purpose Financial Statements.

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

Chartered Accountants

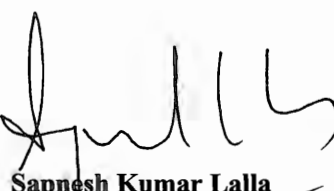
Firm Registration No.: 101049W/E300004

  
**Sanjay Bachchani**  
Partner  
Membership No. 400419




Place: Gurugram  
Date: May 26, 2023

### For and on behalf of the Board of Directors of Stackroute Learning, Inc

  
**Sapnesh Kumar Lalla**  
Director

Place: Gurugram  
Date: May 26, 2023

  
**P R Subramanian**  
Chief Financial Officer

Place: Gurugram  
Date: May 26, 2023

