

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

To the Board of Directors of NIIT Learning Systems Limited

Opinion

We have audited the accompanying Special purpose Ind AS Financial Statements of Stackroute Learning Inc. ("the Company"), which comprise the Balance sheet as at March 31 2024, the Statement of Profit and Loss, including the statement of Other Comprehensive Income, the Cash Flow Statement and the Statement of Changes in Equity for the year then ended, and notes to the Special Purpose Ind AS financial statements, including a summary of material accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Special purpose Ind AS Financial Statements give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2024, its loss including other comprehensive loss, its cash flows and the changes in equity for the year ended on that date.

Basis for Opinion

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

Responsibility of Management for the Special purpose Ind AS Financial Statements

The Company's Board of Directors is responsible for the preparation of these Special purpose Ind AS financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, specified under section 133 of the Act and as more fully explained in the Note 2.1 to these special purpose Ind AS financial statements are for its internal use in relation to preparation of consolidated financial statements of the ultimate parent company. This responsibility also includes maintenance of adequate accounting records for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Special purpose Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.



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

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

Auditor's Responsibilities for the Audit of the Special purpose Ind AS Financial Statements

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

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

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

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

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



S.R. BATLIBOI & ASSOCIATES LLP

Chartered Accountants

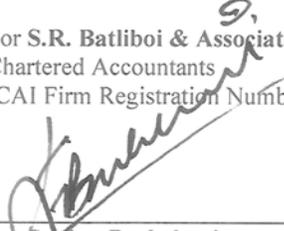
Other Matter – Restriction on Use

Our auditor's report is intended solely for the information and internal use by the management of the Company as specified above in relation to preparation of consolidated financial statements of the ultimate parent company and 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: 24400419BKFREY2562

Place of Signature: Gurugram

Date: May 17, 2024



STACKROUTE LEARNING, INC.
Special Purpose Balance Sheet as at March 31, 2024

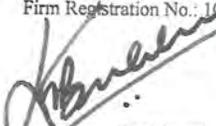
(All amounts are in USD, unless stated otherwise)

	Notes	As at	
		March 31, 2024	March 31, 2023
ASSETS			
Non-current assets			
Property, plant and equipment	3	37,530	11,502
Deferred tax assets (net)	5(i)	2,784	6,740
Total non-current assets		40,314	18,242
Current assets			
Financial assets			
Trade receivables	4(ii)	5,907	5,053
Cash and cash equivalents	4(i)	750,371	762,671
Other current assets	6	27,530	27,161
Income tax assets (net)	5(ii)	657	-
Total current assets		784,465	794,885
TOTAL ASSETS		824,779	813,127
EQUITY AND LIABILITIES			
EQUITY			
Equity share capital	7	6,250,000	4,250,000
Other equity	8	(13,061,656)	(8,782,639)
TOTAL EQUITY		(6,811,656)	(4,532,639)
LIABILITIES			
Non-current liabilities			
Financial liabilities			
Borrowings	9(iii)	-	4,250,000
Total non-current liabilities		-	4,250,000
Current liabilities			
Financial liabilities			
Borrowings	9(iii)	6,250,000	-
Trade payables	9(i)	747,427	323,036
Other financial liabilities	9(ii)	42,663	132,411
Other current liabilities	10	558,487	603,944
Provisions	11	37,858	36,375
Total current liabilities		7,636,435	1,095,766
TOTAL LIABILITIES		7,636,435	5,345,766
TOTAL EQUITY AND LIABILITIES		824,779	813,127

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

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

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


Sanjay Bachchani
Partner
Membership No. 400419




Vijay K Thadani
Director


Sapnesh Kumar Lalla
Director


P R Subramanian
Chief Financial Officer

Place: Gurugram
Date: May 17, 2024

Place: Gurugram
Date: May 17, 2024

Place: Gurugram
Date: May 17, 2024

Place: Atlanta
Date: May 17, 2024



STACKROUTE LEARNING, INC.
Special Purpose Statement of Profit and Loss for the year ended March 31, 2024

(All amounts are in USD, unless stated otherwise)

	Notes	March 31, 2024	March 31, 2023
INCOME			
Revenue from operations	12	1,594,750	830,625
Other income	13	30,365	-
Total Income		1,625,115	830,625
EXPENSES			
Employee benefit expenses	14	2,924,473	2,416,738
Professional & technical outsourcing expenses		855,479	896,957
Finance Costs	15	347,356	47,729
Depreciation and amortisation expenses	3	8,717	3,267
Other expenses	16	1,748,019	2,309,816
Total Expenses		5,884,044	5,674,507
Loss before tax		(4,258,929)	(4,843,882)
Tax expenses:	17		
- Current tax		-	-
- Deferred Tax charge		3,956	4,577
Total tax expenses		3,956	4,577
Loss for the year		(4,262,885)	(4,848,459)
Other comprehensive income		-	-
Total comprehensive loss for the year		(4,262,885)	(4,848,459)
Loss per equity share (face value USD 1 each):	20		
-Basic		(0.96)	(2.23)
-Diluted		(0.96)	(2.23)

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

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

per Sanjay Bachchani
Partner
Membership No. 400419



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

Vijay K Thadani
Director

Sapnesh Kumar Lalla
Director

P R Subramanian
Chief Financial Officer

Place: Gurugram
Date: May 17, 2024

Place: Gurugram
Date: May 17, 2024

Place: Gurugram
Date: May 17, 2024

Place: Atlanta
Date: May 17, 2024



STACKROUTE LEARNING, INC.
Special Purpose Cash Flows Statement for the year ended March 31, 2024

(All amounts are in USD, unless stated otherwise)

	Year ended	
	March 31, 2024	March 31, 2023
A. CASH FLOW FROM OPERATING ACTIVITIES :		
Loss before tax	(4,258,929)	(4,843,882)
Adjustments to reconcile profit before tax to net cash flows:		
Finance costs	347,356	47,729
Depreciation and amortisation expenses	8,717	3,267
Unrealised Foreign Exchange loss (net)	(10)	23
Share based payments	11,014	57,872
Share based liabilities written back	(27,146)	-
Operating loss before working capital changes	(3,918,998)	(4,734,991)
Changes in Assets and Liabilities :		
Increase / (Decrease) in Trade Payables	424,400	(842,949)
Increase / (Decrease) in Other Current Liabilities	(45,457)	362,421
Increase / (Decrease) in Other Current Financial Liabilities	(89,748)	51,675
Increase / (Decrease) in Short-Term Provisions	1,483	(6,952)
(Increase) / Decrease in Trade Receivables	(854)	(5,053)
(Increase) / Decrease in Other Current Assets	(369)	186,147
Cash used in operations	(3,629,542)	(4,989,702)
Tax (paid) / refund	(657)	113
Net cash flows used in operating activities (A)	(3,630,199)	(4,989,589)
B. CASH FLOW FROM INVESTING ACTIVITIES:		
Purchase of Property, plant and equipments	(34,745)	(14,769)
Net cash flows used in investing activities (B)	(34,745)	(14,769)
C. CASH FLOW FROM FINANCING ACTIVITIES:		
Proceeds from issuance of Equity Share Capital	2,000,000	2,750,000
Loan taken from the Holding Company	2,000,000	2,750,000
Interest Paid towards Loan	(347,356)	(47,729)
Net cash flows generated from financing activities (C)	3,652,644	5,452,271
Net (Decrease) / Increase in cash & cash equivalents (A) + (B) + (C)	(12,300)	447,913
Cash and cash equivalents as at the beginning of the year	762,671	314,758
Cash and cash equivalents as at the end of the year	750,371	762,671

Notes : Reconciliation of cash and cash equivalents as per the cash flows statement

1. Particulars	As at	
	March 31, 2024	March 31, 2023
Composition of Cash and cash equivalents included in the statement of cash flows comprise of the following balance sheet amounts:		
Cash and cash equivalents as per the balance sheet [Refer note 4(i)]	750,371	762,671
Cash and cash equivalents as at the end of the year	750,371	762,671

2. Figures in parenthesis indicate cash outflow.

3. The statement of cash flows has been prepared using the indirect method as set out in Ind-AS 7, "Statement of Cash Flows".

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

As per our report of even date

For S.R. Batliboi & Associates LLP

Chartered Accountants

Firm Registration No. 101049M

Vijay Bachchani

Partner

Membership No. 400419



Place: Gurugram

Date: May 17, 2024

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

Vijay K. Phadani
Director

Place: Gurugram
Date: May 17, 2024

Sagnesh Kumar Lalla
Director

Place: Gurugram
Date: May 17, 2024

P R Subramanian
Chief Financial Officer

Place: Atlanta
Date: May 17, 2024



STACKROUTE LEARNING, INC.
Special Purpose Statement of changes in equity for the year ended March 31, 2024

(All amounts are in USD, unless stated otherwise)

a) **Equity Share Capital [Refer Note 7(b)]**

Particulars	Number	Amount
Equity share of USD 1 each issued, subscribed and fully paid		
Balance as at April 01, 2022	1,500,000	1,500,000
Issued during the year	2,750,000	2,750,000
Balance as at March 31, 2023	4,250,000	4,250,000
Issued during the year	2,000,000	2,000,000
Balance as at March 31, 2024	6,250,000	6,250,000

b) **Other Equity (Refer Note 8)**

Particulars	Retained Earnings	Share Based Payment Reserve	Total
Balance as at April 01, 2022	(3,992,052)	-	(3,992,052)
Loss for the year	(4,848,459)	-	(4,848,459)
Share Based Payments(Refer Note 23)	-	57,872	57,872
Balance as at March 31, 2023	(8,840,511)	57,872	(8,782,639)
Loss for the year	(4,262,885)	-	(4,262,885)
Share Based Payments (Refer Note 23)	-	(16,132)	(16,132)
Balance as at March 31, 2024	(13,103,396)	41,740	(13,061,656)

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

For S.R. Batliboi & Associates LLP
Chartered Accountants
Firm Registration No. 10107E30000
per Sanjay Bachchani
Partner
Membership No. 400419



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

Vijay K Thadani
Director

Sapnesh Kumar Lalla
Director

P R Subramanian
Chief Financial Officer

Place: Gurugram
Date: May 17, 2024

Place: Gurugram
Date: May 17, 2024

Place: Gurugram
Date: May 17, 2024

Place: Atlanta
Date: May 17, 2024



STACKROUTE LEARNING, INC.
Notes to the Special Purpose Financial Statements for the year ended March 31, 2024

1 Company Information

Stackroute Learning, Inc. (the Company) is domiciled and 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.

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

2 Material Accounting Policies

This note provides a list of the material accounting policies adopted in the preparation of these special purpose 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 Special purpose Ind AS financial statements are for its internal use in relation to preparation of consolidated financial statements of the ultimate parent company.

The net worth of the Company is fully eroded as at March 31, 2024. 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.

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

(ii) Historical cost convention

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

- Financial assets and liabilities are measured at fair value or amortized cost.
- Share-based payments (ESOP's).

(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) Revenue Recognition

Revenue is measured at the transaction price 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.



STACKROUTE LEARNING, INC.
Notes to the Special Purpose Financial Statements for the year ended March 31, 2024

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

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

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

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

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

(d) Other Income

Other income mainly comprises interest income on bank and other deposits.

(e) 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 is income tax payable on worldwide income after taking credit for tax relief available.

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

Deferred Income Taxes

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



STACKROUTE LEARNING, INC.

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

(f) 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 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.

(g) Cash and Cash Equivalents

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.



STACKROUTE LEARNING, INC.

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

(h) Trade Receivables

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

(i) Property, plant and equipment and Depreciation

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

(j) Financial liabilities

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

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

Financial liabilities at fair value through profit or loss

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

Financial liabilities at amortized cost

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

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

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

Derecognition

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

(k) 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, 2024

(l) Cost Recognition

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

(m) 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.

Share based payments - Employee stock option plan (ESOP)

On April 21, 2022 the Board of Directors 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.

(n) Borrowing Costs

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

(o) 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.

(p) 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, and
- 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, 2024

(q) **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(l).
- Fair value measurement of financial instruments - refer note 18.
- Judgement required to determine probability of recognition of deferred tax assets - refer note 2(e).
- Measurement of useful life and residual values of property, plant and equipment- refer note 2(i).

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

(r) **Standards notified but not yet effective**

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

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STACKROUTE LEARNING, INC.

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

(All amounts are in USD, unless stated otherwise)

3 Property, Plant and Equipment

Particulars

	Plant and equipments	Total
--	----------------------	-------

Year ended March 31, 2023

Gross carrying amount as on April 01, 2022

Opening gross carrying amount	-	-
Additions	14,769	14,769
Closing gross carrying amount (A)	14,769	14,769

Accumulated depreciation

Opening accumulated depreciation	-	-
Depreciation charge during the year	3,267	3,267
Closing accumulated depreciation (B)	3,267	3,267

Net carrying amount (A-B)

	11,502	11,502
--	---------------	---------------

Year ended March 31, 2024

Gross carrying amount as on April 01, 2023

Opening gross carrying amount	14,769	14,769
Additions	34,745	34,745
Closing gross carrying amount (C)	49,514	49,514

Accumulated depreciation

Opening accumulated depreciation	3,267	3,267
Depreciation charge during the year	8,717	8,717
Closing accumulated depreciation (D)	11,984	11,984

Net carrying amount (C-D)

	37,530	37,530
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STACKROUTE LEARNING, INC.

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

(All amounts are in USD, unless stated otherwise)

- 4 Financial Assets
 4(i) Cash and Cash Equivalents
 Balance with banks
 - on Current accounts

As at	
March 31, 2024	March 31, 2023
750,371	762,671
750,371	762,671

- 4(ii) Trade Receivables
 Unsecured, considered good
 Unsecured, credit impaired
 Unsecured, which has significant increase in credit risk
 Less: Provision for expected credit loss
 Receivables from related parties (Refer Note 22)

As at	
March 31, 2024	March 31, 2023
-	-
-	-
-	-
5,907	5,053
5,907	5,053

Trade receivables are non-interest bearing and are generally on terms of 0-30 days.
 For amount due and terms and conditions of related party receivables refer note 22

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

Particulars	Not due	Outstanding for following periods from due date of payment					Total
		Less than 6 Months	6 months – 1 year	1-2 years	2-3 years	More than 3 years	
Undisputed Trade Receivables - considered good	5,907	-	-	-	-	-	5,907
Undisputed Trade Receivables – credit impaired	-	-	-	-	-	-	-
Undisputed Trade Receivables – which has significant increase in credit risk	-	-	-	-	-	-	-
Total	5,907	-	-	-	-	-	5,907
Less: Provision for expected credit loss							-
Net Trade Receivables							5,907

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
Undisputed Trade Receivables – credit impaired	-	-	-	-	-	-	-
Undisputed Trade Receivables – which has significant increase in credit risk	-	-	-	-	-	-	-
Total	5,053	-	-	-	-	-	5,053
Less: Provision for expected credit loss							-
Net Trade Receivables							5,053

* There are no disputed trade receivables.

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STACKROUTE LEARNING, INC.

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

5(i) Deferred Tax Assets (Net)

The balance comprises temporary differences attributable to:

Provision for employee benefits
 Difference between carrying amount of property, plant and equipments as per financial statements and as per Income tax
 Deferred tax asset (net) recognized

	As at	
	March 31, 2024	March 31, 2023
Provision for employee benefits	9,760	9,857
Difference between carrying amount of property, plant and equipments as per financial statements and as per Income tax	(6,976)	(3,117)
Deferred tax asset (net) recognized	2,784	6,740

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

Movement in deferred tax asset

Particulars	Property, plant and equipment	Provision for employee benefits	Total
As at April 01, 2022	-	-	-
(charged)/credited:			
- to profit or loss	(3,117)	9,857	6,740
As at March 31, 2023	(3,117)	9,857	6,740
(charged)/credited:			
- to profit or loss	(3,859)	(97)	(3,956)
As at March 31, 2024	(6,976)	9,760	2,784

5(ii) Income tax assets

Advance Income Tax

	As at	
	March 31, 2024	March 31, 2023
Advance Income Tax	657	-
	657	-

6 Other Current Assets

Advances recoverable in cash or in kind
 -Unsecured, considered good

	As at	
	March 31, 2024	March 31, 2023
Advances recoverable in cash or in kind	27,530	27,161
-Unsecured, considered good	27,530	27,161



STACKROUTE LEARNING, INC.

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

(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
Balance as at April 01, 2022	10,000,000	10,000,000
Addition during the year	-	-
Balance as at March 31, 2023	10,000,000	10,000,000
Addition during the year	-	-
Balance as at March 31, 2024	10,000,000	10,000,000

(b) Movement in issued equity share capital

Particulars	Equity shares of USD 1 each	
	Number	Amount
Balance as at April 01, 2022	1,500,000	1,500,000
Issued during the year	2,750,000	2,750,000
Balance as at March 31, 2023	4,250,000	4,250,000
Issued during the year	2,000,000	2,000,000
Balance as at March 31, 2024	6,250,000	6,250,000

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

Particulars	As at			
	March 31, 2024		March 31, 2023	
	No. of shares	Amount in USD	No. of shares	Amount in USD
NIIT (USA), Inc	6,250,000	6,250,000	4,250,000	4,250,000

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

Particulars	As at			
	March 31, 2024		March 31, 2023	
	No. of shares	% of holding	No. of shares	% of holding
NIIT (USA), Inc	6,250,000	100%	4,250,000	100%
Total	6,250,000	100%	4,250,000	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, 2024

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.	4,250,000	2,000,000	6,250,000	100.00%	47%
Total		4,250,000	2,000,000	6,250,000		

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		

8 Other Equity

	As at	
	March 31, 2024	March 31, 2023
Retained Earnings	(13,073,160)	(8,840,511)
Share Based Payment Reserve [Refer footnote (ii)]	11,504	57,872
Total	(13,061,656)	(8,782,639)

8(i) Retained Earnings [Refer footnote (i)]

	As at	
	March 31, 2024	March 31, 2023
Balance at the beginning of the year	(8,840,511)	(3,992,052)
Loss for the year	(4,262,885)	(4,848,459)
Transferred from Share based payment reserve	30,236	-
Total	(13,073,160)	(8,840,511)

8(ii) Share Based Payment Reserve [Refer footnote (ii)]

	As at	
	March 31, 2024	March 31, 2023
Balance at the beginning of the year	57,872	-
Share Based Payments (Refer Note 23(b))	(16,132)	57,872
Transferred to retained earnings	(30,236)	-
Total	11,504	57,872

Nature and purpose of reserves :

(i) Retained Earnings

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

(ii) Share Based Payments Reserve

Share Based Payment Reserve is used to record the fair value of equity-settled, share-based payment transactions with employees. The amounts recorded in this reserve are transferred to securities premium, upon exercise of stock options, and transferred to retained earnings on account of stock options not exercised by employees.



STACKROUTE LEARNING, INC.
Notes to the Special Purpose Financial Statements for the year ended March 31, 2024

(All amounts are in USD, unless stated otherwise)

9 Financial Liabilities

9(i) Trade Payables

	As at	
	March 31, 2024	March 31, 2023
Trade Payables	326,049	195,416
Trade payables to related parties (Refer Note 22)	421,378	127,620
	747,427	323,036

Trade payables are non-interest bearing and are normally settled on 45 days term.
For amount due and terms and conditions of related party payables refer note 22.

Ageing of trade payables as at March 31, 2024*

Particulars	Not due	Outstanding for following periods from due date of payment				Total
		Less than 1 year	1-2 years	2-3 years	More than 3 years	
Undisputed Trade Payables	481,282	30,364	14,301	-	-	525,947
Total	481,282	30,364	14,301	-	-	525,947
Add: Unbilled Dues						221,480
Total trade payables						747,427

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
Total	23,262	157,904	-	-	-	181,166
Add: Unbilled Dues						141,870
Total trade payables						323,036

*There are no disputed trade payables.

9(ii) Other Financial Liabilities

	As at	
	March 31, 2024	March 31, 2023
Payable to Employees	Current	
	42,663	132,411
	42,663	132,411

9(iii) Borrowings

	As at			
	March 31, 2024	March 31, 2023	March 31, 2024	March 31, 2023
	Non Current		Current	
Unsecured Loans				
-Loan from Holding Company* (Refer Note 22)	-	4,250,000	6,250,000	-
	-	4,250,000	6,250,000	-

*The loan of USD 6,250,000 (Previous year USD 4,250,000) was facilitated by NIIT USA Inc. to meet cash flow requirement at the interest rate of 7.09% (previous year 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, 2024	March 31, 2023	March 31, 2024	March 31, 2023
Related Parties				
NIIT USA Inc.	6,250,000	4,250,000	100%	100%
Total	6,250,000	4,250,000	100%	100%

10 Other Current Liabilities

	As at	
	March 31, 2024	March 31, 2023
Contract Liabilities (Refer note 12.1)		
- Deferred revenue	558,487	603,944
	558,487	603,944

11 Provisions

	As at	
	March 31, 2024	March 31, 2023
Provision for employee benefits :		
- Provision for compensated absences	37,858	36,375
	37,858	36,375



STACKROUTE LEARNING, INC.

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

(All amounts are in USD, unless stated otherwise)

12 Revenue From Operations

Sale of Services (Refer Note 12.1)

Year ended	
March 31, 2024	March 31, 2023
1,594,750	830,625
1,594,750	830,625

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

(a) Disaggregated revenue information

(i) Type of Services

Sale of Services

Year ended	
March 31, 2024	March 31, 2023
1,594,750	830,625
1,594,750	830,625

(ii) Timing of Revenue Recognition

Services transferred over time (Training Services)

1,594,750	830,625
1,594,750	830,625

(b) Contract Balances

Trade Receivables (Refer note 4(ii))

Contract Liabilities (Refer note 10)

As at	
March 31, 2024	March 31, 2023
5,907	5,053
(558,487)	(603,944)

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.

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

Contract liabilities includes deferred revenue.

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

(c) Reconciliation of revenue recognised in the statement of profit and loss with the revenue from contract with customers

Revenue as per contracted prices

Year ended	
March 31, 2024	March 31, 2023
1,594,750	830,625
1,594,750	830,625

(d) Performance obligation and remaining performance obligation

The remaining performance obligation disclosure provides the aggregate amount of the transaction price yet to be recognized as at the end of the reporting period and an explanation as to when the Company expects to recognize these amounts in revenue. As on March 31, 2024, there were no remaining performance obligation as the same is satisfied upon delivery of services.

13 Other Income

Share Based Payments (Refer note 23)

Liability written back

Year ended	
March 31, 2024	March 31, 2023
27,146	-
3,219	-
30,365	-

14 Employee Benefits Expenses

Salary, Wages and Bonus

Contribution to employees pension scheme (401K) (Refer note 14.1)

Share Based Payments (Refer note 23)

Staff Welfare expense

Year ended	
March 31, 2024	March 31, 2023
2,885,899	2,343,964
23,110	14,902
11,014	57,872
4,450	-
2,924,473	2,416,738

14.1 Employee Benefit

Defined contribution plans

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

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

Particulars

Employers' contribution to employees pension scheme(401K)

Total

Year ended	
March 31, 2024	March 31, 2023
23,110	14,902
23,110	14,902



STACKROUTE LEARNING, INC.

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

(All amounts are in USD, unless stated otherwise)

15 Finance Cost	Year ended	
	March 31, 2024	March 31, 2023
Interest on borrowings (Refer Note 22)	347,356	47,729
	<u>347,356</u>	<u>47,729</u>

16 Other Expenses	Year ended	
	March 31, 2024	March 31, 2023
Rates and Taxes	-	1,118
Communication	441	200
Legal and Professional Fees (Refer Note 16.1)	54,728	262,315
Management Cost Recovery by Holding Company (Refer Note 22)	39,042	22,715
Travelling and Conveyance	369	14,288
Insurance	11,004	-
Repairs and Maintenance		
- Plant and Machinery	19,018	4,959
Loss on foreign currency translation and transactions (net)	696	727
Bank Charges	31,227	19,938
Marketing and Advertising Expenses	1,581,813	1,980,756
Sundry Expenses	9,681	2,800
	<u>1,748,019</u>	<u>2,309,816</u>

16.1 Details of payments to auditors (excluding taxes)	Year ended	
	March 31, 2024	March 31, 2023
Audit fee	4,188	4,281
Reimbursement of expenses	322	330
	<u>4,510</u>	<u>4,611</u>

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STACKROUTE LEARNING, INC.

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

(All amounts are in USD, unless stated otherwise)

17 Tax Expenses

(a) Income Tax Expense

	Year ended	
	March 31, 2024	March 31, 2023
Current tax		
Current tax on profits for the year	-	-
Total current tax expense (A)	-	-
Deferred tax		
Deferred tax charge	3,956	4,577
Total deferred tax expense (B)	3,956	4,577
Total Tax Expense (A+B)	3,956	4,577

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

Particulars	Year ended	
	March 31, 2024	March 31, 2023
Loss before tax	(4,258,929)	(4,843,882)
Tax at the US tax rate of 21%	(894,375)	(1,017,215)
Adjustments for :		
- Tax impact of unrecognized timing differences on losses	898,331	1,021,792
Total Tax Expense	3,956	4,577

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STACKROUTE LEARNING, INC.

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

(All amounts are in USD, unless stated otherwise)

18 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, 2024	March 31, 2023
	Amortised cost	
Financial Assets		
Trade Receivables	5,907	5,053
Cash and Cash Equivalents	750,371	762,671
Total Financial Assets	756,278	767,724
Financial Liabilities		
Trade Payables	747,427	323,036
Borrowings	6,250,000	4,250,000
Other Financial Liabilities	42,663	132,411
Total Financial Liabilities	7,040,090	4,705,447

As of March 31, 2024 and March 31, 2023, the fair value of cash and bank balances, trade receivables, other financial liabilities, borrowings and trade payables approximate their carrying amount largely due to the nature of these instruments.

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STACKROUTE LEARNING, INC.

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

(All amounts are in USD, unless stated otherwise)

19 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 5,907 and USD 5,053 as of March 31, 2024 and March 31, 2023 respectively. Trade receivables are typically unsecured and are derived from revenue earned through individual subsidiaries and corporate customers.

(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
As at March 31, 2024			
Borrowings	-	6,250,000	6,250,000
Trade Payables	-	747,427	747,427
Other Financial Liabilities	-	42,663	42,663
	-	7,040,090	7,040,090
As at March 31, 2023			
Borrowings	4,250,000	-	4,250,000
Trade Payables	-	323,036	323,036
Other Financial Liabilities	-	132,411	132,411
	4,250,000	455,447	4,705,447



STACKROUTE LEARNING, INC.

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

(All amounts are in USD, unless stated otherwise)

20 Loss Per Share

	Year ended	
	March 31, 2024	March 31, 2023
Loss attributable to equity shareholders (A)	(4,262,885)	(4,848,459)
Weighted average number of equity shares outstanding during the year (Nos.) – (B)	4,456,164	2,177,397
Nominal value of equity shares	1	1
Basic loss per share (A/B)*	(0.96)	(2.23)
Diluted loss per share (A/B)*	(0.96)	(2.23)

21 Segmental Reporting

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 Vice Chairman & Managing Director and Chief Financial Officer of the Company are considered as Chief Operating Decision Makers (CODM) who 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.

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STACKROUTE LEARNING, INC.

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

22 Related Party Transactions

A. Related party relationship where control exists

Holding Company - NIIT (USA) Inc, USA

Ultimate Holding Company - NIIT Learning Systems Limited, India (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 Training Spain, S.L.U (subsidiary of NIIT (USA) Inc., USA)
- 8 NIIT Mexico, S. DE R.L. DE C.V. (subsidiary of NIIT (USA) Inc., USA - incorporated on February 23, 2023)
- 9 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 26)

- 1 NIIT Limited, India (Erstwhile Ultimate Holding Company till March 31, 2022)
- 2 NIIT Yuva Jyoti Limited (Liquidated on February 25, 2022)
- 3 NIIT Institute of Process Excellence Limited (Liquidated on August 11, 2023)
- 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 NIIT Business 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)

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, 2024

(All amounts are in USD, unless stated otherwise)

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

Particulars	Year ended	
	March 31, 2024	March 31, 2023
Purchase of services		
- NIIT (USA), Inc.	218,521	274,119
- NIIT Learning Systems Limited	117,025	-
Sale of Services		
- NIIT (USA), Inc.	34,414	24,479
Management cost Recovery		
- NIIT Learning Systems Limited	39,042	22,715
Recovery of expense from- Employee		
- NIIT (USA), Inc.	3,348	10,907
Recovery of Expenses by- Employee		
- NIIT (USA), Inc.	12,718	-
Recovery of Expenses by- Others		
- NIIT (USA), Inc.	1,270,669	1,020,313
- NIIT Learning Systems Limited	-	60,461
- NIIT Learning Solutions (Canada) Limited	-	4,263
Issuance of Equity share capital		
- NIIT (USA), Inc.	2,000,000	2,750,000
Loan received		
- NIIT (USA), Inc.	2,000,000	2,750,000
Interest paid on Loan		
- NIIT (USA), Inc.	347,356	47,729

G. Details of outstanding balances with related parties

Particulars	As at	
	March 31, 2024	March 31, 2023
Trade and other receivables		
- NIIT (USA), Inc.	5,907	5,053
Trade and other payables		
- NIIT (USA), Inc.	379,520	84,465
- NIIT Learning Systems Limited	41,858	43,154
Total	421,378	127,619
Loan Outstanding		
- NIIT (USA), Inc.	6,250,000	4,250,000



STACKROUTE LEARNING, INC.
Notes to the Special Purpose Financial Statements for the year ended March 31, 2024

(All amounts are in USD, unless stated otherwise)

23 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, 2024		March 31, 2023	
	Avg exercise price per share option	Number of options	Avg exercise price per share option	Number of options
Opening balance	1.54	159,375	-	-
Granted during the year	-	-	1.54	159,375
Exercised during the year	-	-	-	-
Forfeited/lapsed during the year	1.54	140,625	-	-
Closing balance	1.54	18,750	1.54	159,375
Vested and exercisable	-	-	-	-

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, 2024	March 31, 2023
Grant 1	Vest I	21-Apr-22	01-Jul-23	21-Apr-32	1.54	4,688	4,688
	Vest II	21-Apr-22	01-Jul-24	21-Apr-32	1.54	4,688	4,688
	Vest III	21-Apr-22	01-Jul-25	21-Apr-32	1.54	9,375	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 ^a	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

^a Current price as on date of grant

(b) Expense arising from share-based payment transactions

Particulars	Year ended	
	March 31, 2024	March 31, 2023
Expenses accounted for during the year based on fair value of options	11,014	57,872
Income accounted for during the year based on fair value of options (Reversal of ESOP expenses)	(27,146)	-
Total	(16,132)	57,872



STACKROUTE LEARNING, INC.

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

(All amounts are in USD, unless stated otherwise)

24 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, all other reserves and debt.

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

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

Particulars	March 31, 2024	March 31, 2023
Borrowings [Refer note 9(iii)]	6,250,000	4,250,000
Total Debt (A)	6,250,000	4,250,000
Equity share capital [Refer note 7]	6,250,000	4,250,000
Other Equity [Refer note 8]	(13,061,656)	(8,782,639)
Total Equity (B)	(6,811,656)	(4,532,639)
Loss after Tax (C)	(4,262,885)	(4,848,459)
Opening Shareholders equity	(4,532,639)	(2,492,052)
Closing Shareholders equity	(6,811,656)	(4,532,639)
Average Shareholder's Equity (D)	(5,672,147)	(3,512,345)
Debt equity ratio (A/B)	(0.92)	(0.94)
Return on Equity (C/D)	(75.15)%	(138.04)%

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STACKROUTE LEARNING, INC.

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

25 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 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, 2024.
- 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, 2024	March 31, 2023	% Change	Reasons for variance
Current Ratio	Current Assets	Current Liabilities	0.10	0.73	(86%)	Decrease due to reclassification of borrowings from Non current to Current at the year end.
Debt equity ratio	Total Debt = Borrowings	Shareholder's Equity	(0.92)	(0.94)	0% NA	
Debt service coverage ratio	Earnings available for debt service=Net Profit after taxes + Non-cash operating expenses + Interest + Other non-cash adjustments	Debt service = Interest Payments	(11.22)	(99.30)	89%	Revenue growth has resulted in improvement in the ratio.
Return on equity Ratio	Net Profits/(Loss) after taxes	Average Shareholder's Equity	(75.15)%	(138.04)%	43%	Decrease in Return on Equity is on account of loss for current year.
Trade receivables turonver ratio	Total Sales	Closing balance of trade receivables	269.98	164.38	64%	Business transaction entered with the customer during the year resulting in increase in ratio.
Trade payables turonver ratio	Total Purchases	Closing balance of trade payables	3.48	9.93	(65%)	Payment of trade payables in current year resulting in decrease in ratio
Net capital turnover ratio	Net Sales	Average Working Capital	(0.45)	(1.27)	69%	Reclassification of borrowings from non-current to current results in change in ratio
Net profit ratio	Net Profit /(Loss)	Net Sales	(2.67)	(5.84)	53%	Increase in revenue during the year resulting in improvement in net profit ratio
Return on capital employed	Earning before interest and taxes	Capital employed = Tangible Net worth + Borrowings	(6.96)	(16.97)	59%	Improvement in ratio is due to growth in Revenue & Lower operational cost during the year.

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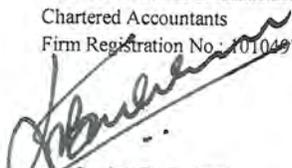
STACKROUTE LEARNING, INC.

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

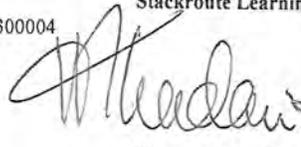
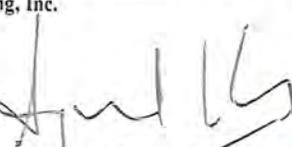
Additional Regulatory Information (Contd.)

- 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
- 26 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.

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


per Sanjay Bachchani
Partner
Membership No. 400419

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

  
Vijay K Thadani Sapnesh Kumar Lalla P R Subramanian
Director Director Chief Financial Officer

Place: Gurugram
Date: May 17, 2024

Place: Gurugram
Date: May 17, 2024

Place: Gurugram
Date: May 17, 2024

Place: Atlanta
Date: May 17, 2024

