

# **FAIRNESS OPINION REPORT**

**ON THE SHARE ENTITLEMENT RATIO**

**FOR THE PROPOSED TRANSFER OF**

**CORPORATE LEARNING GROUP(CLG) BUSINESS UNDERTAKING**

**OF**

**NIIT LIMITED  
(TRANSFEROR COMPANY)**

**INTO**

**NIIT LEARNING SYSTEMS LIMITED  
(TRANSFeree COMPANY)**

**UNDER THE PROPOSED COMPOSITE SCHEME OF ARRANGEMENT  
UNDER SECTION 230 - 232 OF THE COMPANIES ACT, 2013**

 **Corporate  
Professionals**

**28<sup>th</sup> January, 2022**

**Strictly Private & Confidential**

**For NIIT LIMITED**

  
Deepak Bansal  
Company Secretary



Ref. No: CPC/MB/141/2021-22  
SEBI Reg. No: INM000011435

To  
The Board of Directors  
NIIT Limited  
Plot No. 85, Sector-32,  
Institutional Area Gurgaon 122001  
Haryana

**SUB: FAIRNESS OPINION ON REPORT ON RECOMMENDATION OF SHARE ENTITLEMENT RATIO FOR THE PROPOSED TRANSFER OF CORPORATE LEARNING GROUP (CLG) BUSINESS UNDERTAKING OF NIIT LIMITED INTO NIIT LEARNING SYSTEMS LIMITED**

Dear Sir,

There is a proposal before the Boards of Directors of NIIT Limited ("NIIT" or "the Transferor Company") and NIIT Learning Systems Limited (formerly known as Mindchampion Learning Systems Limited), wholly owned subsidiary of NIIT ("NLSL" or "the Transferee Company") to consider restructuring proposal pursuant to the composite scheme of arrangement under section 230-232 of Companies Act, 2013, including rules and regulations made thereunder (hereinafter referred to as "the Scheme").



We refer to our discussion wherein management of NIIT Limited has appointed Corporate Professionals Capital Private Limited (SEBI registered category I Merchant Banker) to provide a Fairness Opinion on the share exchange ratio by Ms. Drushti R. Desai, Bansi S. Mehta & Co. (Independent Registered Valuer) in connection with the transfer of the Corporate Learning Group ("CLG") Business Undertaking of NIIT Limited into the NIIT Learning Systems Limited through a Composite Scheme of Arrangement (hereinafter referred to as "Proposed Scheme/Scheme/Scheme of Arrangement").

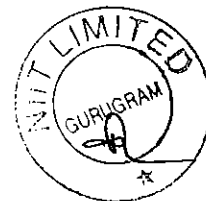
In terms of our engagement, we are enclosing our opinion along with this letter. All comments as contained herein must be read in conjunction with the caveats to this opinion. The opinion is confidential and has been made in accordance with SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (hereinafter referred to as "Listing Regulations") read with SEBI Master Circular no. SEBI/HO/CFD/DIL1/CIR/P/2021/0000000665 dated November 23, 2021 for the purpose of Proposed Scheme and should not be used, reproduced or circulated to any other person, in whole or in part, without the prior consent of **Corporate Professionals Capital Private Limited** for any other purpose, such consent will only be given after full consideration of the circumstances at the time which shall not be unreasonably withheld. We are however aware that the conclusion in this report may be used for the purpose of disclosure to be made to the stock exchanges, Hon'ble National company Law Tribunal ("NCLT") and notices to be dispatched to the shareholders and creditors for convening the meeting pursuant to the directions of Hon'ble NCLT, or to any other authority as may be required for the purpose of the Scheme and we provide consent for the same

Please feel free to contact us in case you require any additional information or clarifications.

Yours Faithfully,

For Corporate Professionals Capital Private Limited

  
[Authorized Signatory]  






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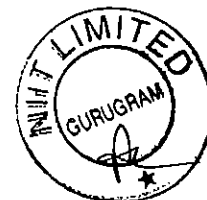
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## Context and Background

We understand that there is a proposal before the Boards of Directors of NIIT Limited ("NIIT" or "the Transferor Company") and NIIT Learning Systems Limited ("NLSL" or "the Transferee Company") to consider, inter alia, the following restructuring proposal pursuant to the composite scheme of arrangement under section 230-232 of Companies Act, 2013, including rules and regulations made thereunder (hereinafter referred to as "the Scheme"):

The Scheme provides for:

- Reduction of the existing paid up share capital and the securities premium against the accumulated losses of the Transferee Company without any further act and deed, with the approval of the NCLT in terms of Section 66 of the Act as elaborated in Part III of the Scheme;
- the transfer and vesting of the CLG Business Undertaking of the Transferor Company to the Transferee Company and the consequent issue of equity shares by the Transferee Company to the shareholders of the Transferor Company pursuant to Sections 230 to 232 and other relevant provisions of the Act in the manner provided for in the Scheme and in compliance with Section 2(19AA) of IT Act as elaborated in Part IV of the Scheme;
- re-organization of the authorized share capital of the Transferee Company as elaborated in Part V of the Scheme; and
- listing of the share capital of the Transferee Company, consisting of the fully paid-up equity shares of the Transferee Company issued as consideration in terms of Clause 7 of the Scheme to the shareholders of the Transferor Company, on the National Stock Exchange of India Limited and the BSE Limited (Stock Exchanges) after the effectiveness of the Scheme in accordance with the provisions of the SEBI Circular, as elaborated in Part VI of the Scheme; and
- various other matters consequential or otherwise integrally connected therewith.



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**BRIEF ABOUT COMPANIES**

1. **NIIT Limited** (hereinafter referred to as “NIIT” or “Transferor Company”) is a public company incorporated under the Companies Act, 1956 on December 2, 1981. The registered office of the Transferor Company is at Plot no.85, Sector-32, Institutional Area, Gurugram 122001 (Haryana). The shares of the Transferor Company are, at present, listed on National Stock Exchange of India Limited and BSE Limited.

The Transferor Company is a leading global talent development corporation that is engaged in building skilled human capital and enhancing workforce talent worldwide. The Transferor Company which helped the nascent IT industry overcome its human resource challenges, today ranks among the world’s leading training companies. With a footprint in over 30 countries, the Transferor Company offers training and development solutions to enterprises and individuals through its two businesses – Corporate Learning Group (“CLG”) and Skills & Careers Group (“SNC”). Through this Composite scheme of arrangement, it is proposed to transfer the CLG Business Undertaking of the Transferor Company (all business, activities and operations pertaining to the CLG Business, and all the assets and liabilities thereto, as described in the Scheme) to the Transferee Company.

**Profile of Corporate Learning Group (CLG) Business of NIIT**

The Corporate Learning Group (CLG) business of NIIT (hereinafter referred to as “CLG Business”) offers Managed Training Services (“MTS”) which includes outsourcing of Learning & Development (“L&D”) and Talent Transformation Services to market-leading companies and institutions in North America, Europe, Asia, and Oceania. The comprehensive suite of MTS includes custom curriculum design and content development, learning administration, learning delivery, strategic sourcing, learning technology, and advisory services. L&D Transformation Services include augmented reality/ virtual reality based learning solutions, curriculum transformation, and portfolio optimization. With a team of some of the world’s finest learning professionals, CLG helps customers run training like a business by improving the efficiency and effectiveness of their L&D and Talent Management functions. This is further explained in the Scheme.

The Authorized, issued, subscribed and paid-up share capital of NIIT as at the date of the Report based on the publicly available information is as follows:

| Particulars  | Amount (INR Lakhs) |
|--|--------------------|
| <b>Authorised:</b>   |                    |
| 41,10,00,000 Equity Shares of Rs.2 each                          | 82,20.00           |
| 25,00,000 redeemable preference shares of INR. 100/-             | 25,00.00           |
| 35,00,00,000 cumulative redeemable preference shares of INR. 1/- | 35,00.00           |
| <b>Total</b>   | <b>142,20.00</b>   |
| <b>Issued, Subscribed and Paid-up Share Capital</b>              |                    |
| 13,37,39,381 equity shares of INR.2/- each                       | 26,74.79           |
| <b>Total</b>   | <b>26,74.79</b>    |



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The foregoing share capital is held as follows

| Particulars      | Number of Shares Held | Percentage of Shareholding |
|------------------|-----------------------|----------------------------|
| Promoter & Group | 4,68,93,777           | 35.06%                     |
| Public           | 8,68,45,604           | 64.94%                     |
| <b>Total</b>     | <b>13,37,39,381</b>   | <b>100.00%</b>             |

2. **NIIT Learning Systems Limited** (hereinafter referred to as “Transferee Company” or “NLSL”) is a public company incorporated under the Companies Act, 1956 on July 16, 2001. The registered office of the Transferee Company is at Plot No.85, Sector-32, Institutional Area, Gurugram - 122001 (Haryana). The Transferee Company is engaged in providing managed training solutions which predominantly include technology-based solutions for learning and education management to improve efficiency and effectiveness to customers in the education sector in India and international markets. The Transferee Company also offers a comprehensive suite of solutions including content, learning delivery, assessments and technology for students and teachers, as well as solutions for institution administration and management. This is further explained in the Scheme.

The Transferee Company is a wholly owned subsidiary of Transferor Company.

The Authorized, issued, subscribed and paid-up share capital of NIIT Learning Systems Limited as at the date of this Report based on the information provided by the Management is as follows.

| Particulars  | Amount (INR Lakhs) |
|--|--------------------|
| <b>Authorized Share Capital</b><br>12,00,00,000 equity shares of INR. 10/-                     | 120,00.00          |
| <b>Issued, Subscribed and Paid-up Share Capital</b><br>11,55,64,072 equity shares of INR. 10/- | 115,56.41          |
| <b>Total</b>   | <b>115,56.41</b>   |

After the proposed cancellation of the equity share capital pursuant to the Scheme, the Authorised share capital of the Transferee Company shall be reclassified to 60,00,00,000 Equity Shares of INR 2 each.

The foregoing share capital is held as follows:

| Particulars   | Number of Shares Held | Percentage of Shareholding |
|---------------|-----------------------|----------------------------|
| NIIT Limited* | 11,55,64,072          | 100%                       |

\* including its nominees



## SHARE ENTITLEMENT RATIO

The assets and liabilities identified as pertaining to or in relation to the CLG Business Undertaking would be transferred to the Transferee Company at values as appearing in the books of the Transferor Company as on the day immediately preceding the Appointed Date, pursuant to the Composite Scheme of Arrangement between the Transferor Company and the Transferee Company.

As can be observed from the shareholding pattern of the Transferor Company and the Transferee Company mentioned earlier, that the Transferee Company is a wholly owned subsidiary of the Transferor Company. It is further understood that upon the scheme being effective, the entire existing issued share capital of the Transferee Company (currently held by the Transferor Company) shall stand cancelled and new equity shares shall be issued and allotted to the shareholders of the Transferor Company holding shares therein on the record date as defined in the Para 7 of Part VI of the Scheme. Therefore, only the shareholders of the Transferor Company shall hold shares of the Transferee Company. Thus, effectively the shareholding in the Transferee Company would be a mirror image of the shareholding of the Transferor Company.

From the foregoing, it is evident that the question or aspect of adjusting the equities between two or more disparate groups of shareholders (which is ordinarily at the root of fixing such ratio of entitlement) is not relevant in this case due to mirroring of the shareholding in case of the Transferor Company and the Transferee Company.

The Share entitlement ratio for Transfer of CLG Business Undertaking of the Transferor Company into the Transferee Company is as follows:

**For every 1 (One) Equity share of face and paid-up value of Rs 2/- (Two) held in the Transferor Company, 1 (One) Equity share of face and paid-up value of Rs. 2/- (Two) in the Transferee Company to be issued to the equity shareholders of the Transferor Company.**

**Based on above and after considering that the Transferee Company involved in the Scheme of Arrangement is wholly owned subsidiary of Transferor Company and the shareholding pattern of the companies shall be same and mirroring each other, we certify the share entitlement ratio is reasonable and fair.**

Further, BSE Circular No. LIST/COMP/02/2017-18 dated May 29, 2017 (referred to as "Stock Exchange Circular") require the valuation report for a scheme of arrangement to provide certain requisite information in a specified format. The current transaction does not trigger the requirement for valuation under SEBI Circular No. SEBI/HO/CFD/DIL1/CIR/P/2021/000000065 dated November 23, 2021, since there is no change in shareholding. The disclosure required under the circular issued by SEBI and stock exchanges is provided in Appendix B.

Hence, as stated above, no relative valuation of these companies is required to be undertaken. Accordingly, we have not carried out valuation of these companies under generally accepted valuation principle of valuation.



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The disclosure required under "Stock Exchange Circulars" is given below:

| Valuation Approach                      | CLG Business Undertaking of Transferor Company (A)         |        | Transferee Company (B)        |        |
|---|--|--------|-------------------------------|--------|
|   | Value per Share of NIIT for CLG Business Undertaking (INR) | Weight | Value per Share of NLSL (INR) | Weight |
| Market Price method                     | NA   | NA     | NA                            | NA     |
| Earnings based Method                   | NA   | NA     | NA                            | NA     |
| Cost based approach                     | NA   | NA     | NA                            | NA     |
| Relative Value per Share                | NA   |        | NA                            |        |
| Share Entitlement Ratio (A/B) (Rounded) | NA   |        |                               |        |

NA - Not adopted/ Not Applicable



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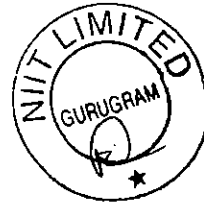


**CONCLUSION & OPINION**

*We as a Merchant Banker hereby certify that pursuant to SEBI Circular No. SEBI/HO/CFD/DIL1/CIR/P/2021/000000065 dated November 23, 2021, we have reviewed the proposed Scheme of Arrangement for Transfer and the Share Entitlement Report.*

Based on the foregoing data, and subject to caveats herein below, in our opinion the ratio of entitlement for equity shares as below is fair and reasonable:

**"For every 1 (One) Equity share of face and paid-up value of Rs 2/- (Two) held in the Transferor Company, 1 (One) Equity share of face and paid-up value of Rs. 2/- (Two) in the Transferee Company to be issued to the equity shareholders of the Transferor Company.**



*[Handwritten signature]*  
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**DISCLAIMER**

We, Corporate Professionals Capital Private Limited ("CPCPL"), SEBI Registered Category -I, Merchant Banker have been engaged to provide fairness opinion on share exchange ratio report by Ms. Drushti R. Desai, Banshi S. Mehta & Co. (Independent Registered Valuer) in connection with the Transfer of the CLG business undertaking by NIIT Limited ("NIIT") into the NIIT Learning Systems Limited through a Composite Scheme of Arrangement.

Ms. Drushti R. Desai, Banshi S. Mehta & Co. (Independent Registered Valuer) has provided the report on share entitlement ratio Arrangement vide their report dated January 28, 2022.

In terms of SEBI Master Circular dated November 23, 2021 ("SEBI Circular") a valuation report is to be issued by registered valuer and a fairness opinion is to be issued by SEBI Registered, Merchant Banker on valuation report issued by the Independent Registered Valuer.

In the capacity of merchant banker, we have issued a fairness opinion on report issued by independent registered valuer in compliance of SEBI Circular.

We confirm that there is no conflict of interest between companies involved in the Proposed Scheme and Corporate Professionals Capital Private Limited, a SEBI Registered Category-I Merchant Banker for issuing fairness opinion on the Report on the Share Entitlement Ratio issued by the Registered Valuer. We also confirm that Ms. Drushti R. Desai, Banshi S. Mehta & Co. (Independent Registered Valuer) is acting in an independent capacity and therefore is no conflict of interest between NIIT and Drushti R. Desai, Banshi S. Mehta & Co.

We also confirm that there is no conflict of interest between Ms. Drushti R. Desai, Banshi S. Mehta & Co. (Independent Registered Valuer) who is entrusted with the responsibility of issuing report on share entitlement and Corporate Professionals Capital Private Limited ("CPCPL"), SEBI Registered Category -I, Merchant Banker who has issued a fairness opinion on valuation report issued by the Independent Registered Valuer.



**CAVEATS**

- We wish to emphasize that, we have relied on explanations and information provided by the respective management and other publicly available information. Although, we have reviewed such data for consistency and reasonableness, we have not independently investigated or otherwise verified the data provided.
- We have not made an appraisal or independent valuation of any of the assets or liabilities of the companies and have not conducted an audit or due diligence or reviewed / validated the financial data except what is provided to us by the Transferor Company & Transferee Company.
- The scope of our work has been limited both in terms of the areas of the business and operations which we have reviewed and the extent to which we have reviewed them. There may be matters, other than those noted in the Scheme, which might be relevant in the context of the transaction and which a wider scope might uncover.
- We have no present or planned future interest in the Transferor Company & Transferee Company and the fee payable for this opinion is not contingent upon the opinion reported herein.
- Our Fairness Opinion should not be construed as investment advice; specifically, we do not express any opinion on the suitability or otherwise of entering into the proposed transaction.
- The Opinion contained herein is not intended to represent at any time other than the date that is specifically stated in this Fairness Opinion Report. This opinion is issued on the understanding that the Management of the Restructured Companies under the Scheme have drawn our attention to all matters of which they are aware, which may have an impact on our opinion up to the date of signature. We have no responsibility to update this report for events and circumstances occurring after the date of this Fairness Opinion.

