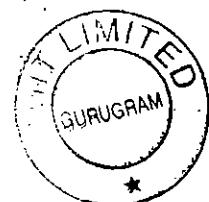


REPORT ON  
RECOMMENDATION OF SHARE ENTITLEMENT RATIO  
FOR THE PROPOSED TRANSFER OF  
CORPORATE LEARNING GROUP(CLG) BUSINESS UNDERTAKING  
OF  
NIIT LIMITED  
INTO  
NIIT LEARNING SYSTEMS LIMITED  
UNDER THE PROPOSED COMPOSITE SCHEME OF ARRANGEMENT

Drushti R. Desai  
Bansi S. Mehta & Co.  
Chartered Accountants  
Metro House, 3<sup>rd</sup> Floor  
M. G. Road, Dhobi Talao,  
Mumbai - 400 020.

For NIIT LIMITED

  
Deepak Bansal  
Company Secretary



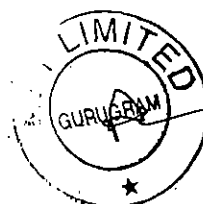
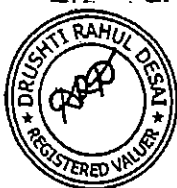
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## 1. Glossary

Abbreviation	Definition
NIIT	NIIT Limited
Transferor Company	NIIT Limited
NLSL	NIIT Learning Systems Limited
Transferee Company	NIIT Learning Systems Limited
IVS	ICAI Valuation Standards
ICAI	Institute of Chartered Accountants of India
CLG	Corporate Learning Group
the Company	NIIT Limited
the Management	Management of NIIT and NLSL
SEBI Master Circular	SEBI Circular No. SEBI/HO/CFD/DIL1/CIR/P/2021/000000065 dated November 23, 2021
SNC	Skills and Career Group
Scheme	Draft Composite Scheme of Arrangement between NIIT, NLSL and their respective shareholders and creditors under Section 230-232 of Companies Act, 2013. including rules and regulations made thereunder



## 2. Introduction

2.1 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 ("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"):

- Reduction of the existing equity share capital and the securities premium against the accumulated losses of the Transferee Company in terms of Section 66 of the Companies Act, 2013.
- Transfer of the Corporate Learning Group ("CLG") Business Undertaking (as defined in detail in the Scheme) of the Transferor Company into the Transferee Company on going concern basis. Upon the said transfer, equity shares of the Transferor Company would be issued to the shareholders of the Transferee Company. This step is hereinafter referred to as the Proposed Transfer. It is understood that this is a demerger in accordance with Section 2(19AA) of the Income Tax Act, 1961.

2.2 In light of the above, I have been engaged by Management of NIIT ("the Management") vide engagement letter dated December 30, 2021 to recommend, the fair ratio of allotment to the shareholders of the Transferor Company on the Proposed Transfer. This report ("Report") sets out the findings of my exercise.

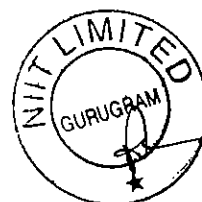
2.3 Brief Profile of the Companies:

### 2.3.1 Profile of NIIT Limited

NIIT is a public company incorporated under the Companies Act, 1956 on December 2, 1981. The registered office of the Transferor Company is situated at Plot No.85, Sector-32, Institutional Area, Gurugram 122001 (Haryana).

The Transferor Company is a leading global talent development corporation that is engaged in building skilled human capital and enhancing workforce talent worldwide. 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"). A brief on the activities being carried out by the two businesses is provided hereunder:

- CLG: This 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.
- SNC: This business offers a diverse range of training programs, certifications and solutions to career seekers and working professionals. Its offerings include software and product engineering, data sciences & analytics, cloud computing, cybersecurity, banking, insurance & finance, digital marketing, content design, UI/UX, project/product/program management, sales & service excellence, professional life skills, business process



excellence, and multi-sectoral vocational & professional skills. SNC offers these programs predominantly in India and emerging economies. The programs are delivered through robust digital and hybrid learning models which connect corporate and individual learners seamlessly. With its comprehensive set of offerings, SNC helps in building multi-skilled full stack professionals at scale.

### 2.3.2 Profile of Corporate Learning Group (CLG) Business Undertaking of NIIT

As mentioned above, this 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.

### 2.3.3 Profile of NIIT Learning Systems Limited

NIIT Learning Systems Limited (hereinafter referred to as "Transferee Company") is a public company incorporated under the Companies Act, 1956 on July 16, 2001. The registered office of the Transferee Company is situated 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.

NIIT Learning Systems Limited is a wholly owned subsidiary of NIIT Limited.

### 2.3.4 Shareholding pattern of the companies

- NIIT

The Authorised, issued, subscribed and paid-up share capital of NIIT as at the Report Date is as follows:

SHARE CAPITAL	AMOUNT (Rs. in lakhs)
<b>Authorised:</b>	
41,10,00,000 Equity Shares of Rs.2 each	8220.00
25,00,000 redeemable preference shares of INR. 100/-	2500.00
35,00,00,000 cumulative redeemable preference shares of INR. 1/-	3500.00
<b>Total</b>	<b>14220.00</b>
<b>Issued, Subscribed and fully paid up:</b>	
13,37,39,381 Equity Shares of Rs. 2 each	2,674.79



Source: Management

The foregoing share capital was 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 %
Total	13,37,39,381	100.00%

- NIIT Learning Systems Limited

The Authorised, issued, subscribed and paid-up share capital of NIT Learning Systems Limited as at the Valuation Date based on the information provided by the Management is as follows.

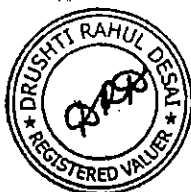
SHARE CAPITAL	AMOUNT (Rs. in lakhs)
Authorised: 12,00,00,000 Equity Shares of INR 10 each	12,000.00
Issued, Subscribed and fully paid up: 11,55,64.072 Equity Shares of INR 10 each	11,556.41

After the proposed cancellation of the equity share capital pursuant to the Scheme, the Authorised share capital of the 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



3. Data obtained

3.1 I have called for and obtained such data, information, etc. as were necessary for the purpose of this assignment, which have been, as far as possible, made available to me by the Management. Appendix A hereto broadly summarizes the data obtained.

3.2 For the purpose of this assignment, I have relied on such data summarized in the said Appendix and other related information and explanations provided to me in this regard.



**4. Consideration of Factors for Determination of Share Entitlement Ratio**

For the purpose of arriving at a fair ratio of entitlement for the Proposed Transfer, I have examined, considered and placed reliance on various details, data, documents, accounts, statements furnished and explanations and information given to me and have proceeded to find out the ratio on a consideration of the following factors :

- 4.1 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 Scheme.
- 4.2 As can be observed from the shareholding pattern of the Transferor Company and the Transferee Company, Transferee Company is a wholly owned subsidiary of Transferor Company. It is further understood that upon the scheme being effective, the entire existing share capital of NLSL (currently held by NIIT and its nominees) shall stand cancelled and new shares shall be allotted to the shareholders of NIIT holding shares therein on the record date as defined in the Scheme. Therefore, only the shareholders of NIIT shall hold shares of NLSL. Thus, effectively the shareholding in NLSL would continue to mirror the shareholding of NIIT.
- 4.3 Further, I have also given due consideration to the twin factors of the level of paid-up Equity Share Capital that is considered reasonable for servicing the CLG Business Undertaking proposed to be transferred in to NLSL and of avoiding fraction and disturbance in the holdings of shareholders.
- 4.4 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 NIIT and NLSL.
- 4.5 It may be noted that the Institute of Chartered Accountants of India (ICAI) on June 10, 2018 has issued the ICAI Valuation Standards ("IVS") effective for all the valuation reports issued on or after July 1, 2018. The IVS is mandatory for the valuation done under the Companies Act, 2013, and recommendatory for valuation carried out under other statutes/ requirements. However, as the current exercise does not entail valuation, the question of following the Valuation Standards does not arise.





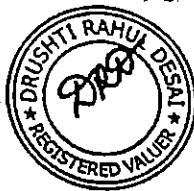
5. Conclusion

Based on the foregoing data, considerations and steps followed, in my opinion the fair ratio of entitlement for equity shares would be 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.

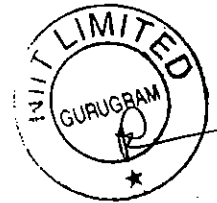
Specific Consideration:

The SEBI Master Circular requires 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 Master Circular, since there is no change in shareholding. However, I have given in Appendix B the disclosure required under the specified format.



**6. Limitations and Disclaimers**

- 6.1 This Report is subject to the scope of limitations detailed hereinafter. As such the Report is to be read in totality and not in parts.
- 6.2 My conclusion is based on the information furnished to me being complete and accurate in all material respects.
- 6.3 This Report is meant for the specific purpose mentioned herein and should not be used for any purpose other than the purpose mentioned herein. The Report should not be copied or reproduced without obtaining prior written approval for any purpose other than the purpose for which it is prepared.
- 6.4 Any person/ party intending to provide finance / deal in the shares / business of the Company shall do so after seeking their own professional advice and after carrying out their own due diligence procedures to ensure that they are making an informed decision.
- 6.5 I have no obligation to update this Report because of events or transactions occurring subsequent to the date of this Report.



7. Gratitude

I am grateful to the Management for making information and particulars available to me, often at a short notice, without which this assignment would not have been concluded in a time-bound manner.



*Drushti R. Desai*

DRUSHTI R. DESAI

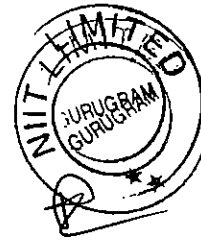
Registered Valuer

Registration Number: IBBI/RV/06/2019/10666

Place: Mumbai

Date: January 28, 2021

UDIN: 22102062-AAAAA-K9679



**Appendix A: Broad Summary Of Data Obtained**

**From the Management:**

1. Audited financial results of NIIT and NLSL for year ended March 31, 2021.
2. Provisional financials of NLSL for the period ended September 30, 2021.
3. Limited reviewed financials of NIIT for the period ended September 30, 2021.
4. Carved out financials of CLG Business Undertaking of NIIT for the six months period ended September 30, 2021.
5. Provisional Balance Sheet of NIIT and NLSL for the period ended December 31, 2021.
6. Draft Composite Scheme of Arrangement between NIIT and NLSL and their shareholders.
7. Other relevant information.
8. Answers to specific questions and issues raised by me after examining the foregoing data.

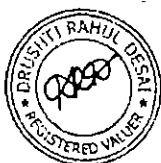


**Appendix B: Information required pursuant to SEBI Master Circular**

As mentioned earlier, upon implementation of the Scheme, all the shareholders of NIIT would become shareholders of NLSL resulting in a mirror image shareholding of NIIT and NLSL. Therefore, there is no change in shareholding as illustrated in Para 4(d) SEBI Circular No. SEBI/HO/CFD/DIL1/CIR/P/2021/000000065 dated November 23, 2021. Therefore, I have not carried out a valuation of these entities under the generally accepted principles of valuation.

Valuation Approach	CLG Business Undertaking of NIIT(A)		NLSL (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	
<b>Share Entitlement Ratio (A/B) (Rounded)</b>			<b>NA</b>	

NA stands for Not Applicable / Not Adopted



**NIIT Limited**

Registered Office:  
Plot No 85, Sector 32,  
Institutional Area,  
Gurugram 122 001,  
(Haryana) India  
Tel: +91 (124) 4293000  
Fax: +91 (124) 4293333  
Email: info@niit.com

CIN: L74899DL1981PLC015865

www.niit.com

To,  
The General Manager,  
Department of Corporate Services,  
BSE Limited,  
P.J. Towers, Dalal Street,  
Mumbai – 400 001.

Dear Sir,

**Sub: Application under Regulation 37 of the SEBI (Listing Obligations and Disclosure Requirements), Regulations, 2015 for the proposed Composite Scheme of Arrangement between NIIT Limited and NIIT Learning Systems Limited and their respective shareholders and creditors ("the Scheme")**

In connection with Valuation Report containing the Share Entitlement Ratio dated January 28, 2022 from Ms. Drushti R. Desai, Bansi S. Mehta & Co, Registered Valuer having Registration Number: IBBI/RV/06/2019/10666 ("Valuation Report") in connection with the proposed Scheme, as applicable, as per Para (A)(4) of Part I of SEBI Master Circular no. SEBI/HO/CFD/DIL1/CIR/P/2021/0000000665 dated November 23, 2021, we hereby confirm that:

- a) No material event impacting the valuation has occurred during the intervening period of filing the scheme documents with stock exchange and period under consideration for valuation.
- b) There is no past default of any listed debt obligations by the Transferor Company i.e NIIT Limited (being the listed entity) forming part of the Scheme

**For NIIT Limited**

  
Deepak Bansal  
Company Secretary



Date : February 4, 2022