

MINDCHAMPION LEARNING SYSTEMS LIMITED
CIN: U72200DL2001PLC111674
Balance Sheet as at March 31, 2021

(All amounts in Rs., unless stated otherwise)

		As at	
	Notes	March 31, 2021	March 31, 2020
ASSETS			
Non-current assets			
Property, plant and equipment	3	321,828	1,467,075
Intangible assets	4	38	20,019,628
Intangible assets under development	6	-	9,334,806
Right-of-use assets	5(ii)	177,529	515,201
Financial assets			
Trade receivables	7(ii)	68,750	1,035,224
Other financial assets	7(iii)	30,000	269,663
Income Tax Assets (net)	9	20,898,552	43,962,756
Other non-current assets	11	-	37,315
Total non-current assets		21,496,697	76,641,668
Current assets			
Inventories	10	17,195,132	41,257,059
Financial assets			
Investments	7(i)	46,929,054	-
Trade receivables	7(ii)	59,214,124	146,214,144
Cash and cash equivalents	7(iv)	16,451,260	19,360,789
Bank balances other than above	7(v)	7,000,000	-
Other financial assets	7(iii)	1,562,279	1,955,185
Other current assets	11	10,331,339	16,196,502
Total current assets		158,683,188	224,983,679
TOTAL ASSETS		180,179,885	301,625,347
EQUITY AND LIABILITIES			
EQUITY			
Equity share capital	12	1,155,640,720	690,640,720
Other equity	13		
Reserves and surplus		(1,270,654,208)	(1,115,163,446)
Other reserves		142,717,181	146,317,181
TOTAL EQUITY		27,703,693	(278,205,545)
LIABILITIES			
Non-current liabilities			
Financial liabilities			
Borrowings	14(i)	-	250,000,000
Lease Liabilities	5(ii)	-	229,143
Other financial liabilities	14(iii)	-	100,000
Other non-current liabilities	16	5,206	30,079
Total non-current liabilities		5,206	250,359,222
Current liabilities			
Financial liabilities			
Borrowings	14(i)	-	50,000,000
Lease Liabilities	5(ii)	183,690	307,142
Trade payables	14(ii)		
(a) Total outstanding dues of micro enterprises and small enterprises		-	3,301,257
(b) Total outstanding dues of Creditors other than Micro enterprises & small enterprises		108,641,511	192,777,158
Other financial liabilities	14(iii)	11,624,298	26,602,785
Provisions	15	10,135,710	17,404,299
Other current liabilities	16	21,885,777	39,079,029
Total current liabilities		152,470,986	329,471,670
TOTAL LIABILITIES		152,476,192	579,830,892
TOTAL EQUITY AND LIABILITIES		180,179,885	301,625,347

The accompanying notes form an integral part of these 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
Mindchampion Learning Systems Limited

Sanjay Bachchani
Partner
Membership No. 400419

P Rajendran
Director
DIN - 00042531

Vijay K Thadani
Director
DIN - 00042527

Umesh Kumar Gola
Chief Financial Officer

Siddharth Nath
Company Secretary

Place: Gurugram
Date: June 03, 2021

Place: Gurugram
Date: June 03, 2021

MINDCHAMPION LEARNING SYSTEMS LIMITED

CIN: U72200DL2001PLC111674

Statement of Profit and Loss for the year ended March 31, 2021

(All amounts in Rs., unless stated otherwise)

	Notes	Year ended	
		March 31, 2021	March 31, 2020
Income			
Revenue from operations	17	130,245,371	245,478,212
Other income	18	15,564,620	7,940,935
Total Income		145,809,991	253,419,147
Expenses			
Purchase of stock-in-trade		7,552,843	60,614,521
Changes in inventories of stock-in-trade	10	9,110,051	(1,468,881)
Professional & technical outsourcing expenses		19,504,300	15,855,809
Employee benefits expenses	19	145,467,184	196,822,196
Finance costs	20	17,913,644	33,745,240
Depreciation and amortisation expense	3, 4 & 5 (ii)	8,105,617	35,025,455
Other expenses	21	56,861,228	86,768,552
Total Expenses		264,514,867	427,362,892
Loss before exceptional items and tax		(118,704,876)	(173,943,745)
Exceptional items (net)	23	(41,764,943)	(73,760,863)
Loss before Tax		(160,469,819)	(247,704,608)
Income tax expense:	24		
Current tax		774,943	-
Deferred tax		-	18,689,797
Total Tax Expenses		774,943	18,689,797
Loss for the year		(161,244,762)	(266,394,405)
Other comprehensive income			
Items that will not be reclassified subsequently to profit or loss			
a) Remeasurement of the defined benefit obligation	27	5,754,000	2,969,000
b) Income tax effect		-	-
Total other comprehensive loss for the year, net of tax		5,754,000	2,969,000
Total comprehensive loss for the year		(155,490,762)	(263,425,405)
(Loss) per equity share	28		
(Face Value Rs. 10/- each):			
-Basic		(1.40)	(3.86)
-Diluted		(1.40)	(3.86)

The accompanying notes form an integral part of these financial statements.
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Place: Gurugram
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MINDCHAMPION LEARNING SYSTEMS LIMITED

CIN: U72200DL2001PLC111674

Statement of changes in equity for the year ended March 31, 2021

(All amounts in Rs., unless stated otherwise)

a) Equity Share Capital

Particulars

Equity share of Rs. 10 each issued, subscribed and fully paid

	Numbers	Amount
Balance as at April 1, 2019	69,064,072	690,640,720
Issue of equity share capital	-	-
Balance as at March 31, 2020	69,064,072	690,640,720
Issue of equity share capital	46,500,000	465,000,000
Balance as at March 31, 2021	115,564,072	1,155,640,720

b) Other Equity

	Reserves and surplus		Other reserves	
	Securities premium	Retained earnings	Other equity	Total
Balance as at April 1, 2019	20,000,000	(871,738,041)	146,317,181	(705,420,860)
Loss for the year	-	(266,394,405)	-	(266,394,405)
Other comprehensive loss (net of tax)	-	2,969,000	-	2,969,000
Total Comprehensive loss for the year	-	(263,425,405)	-	(263,425,405)
Balance as at March 31, 2020	20,000,000	(1,135,163,446)	146,317,181	(968,846,265)
Balance as at April 1, 2020	20,000,000	(1,135,163,446)	146,317,181	(968,846,265)
Loss for the year	-	(161,244,762)	-	(161,244,762)
Other comprehensive loss (net of tax)	-	5,754,000	-	5,754,000
Expenses for issue of equity share capital	-	-	(3,600,000)	(3,600,000)
Total Comprehensive loss for the year	-	(155,490,762)	(3,600,000)	(159,090,762)
Balance as at March 31, 2021	20,000,000	(1,290,654,208)	142,717,181	(1,127,937,027)

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

As per our report of even date.

For S.R. Batliboi & Associates LLP

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Company Secretary

Place: Gurugram

Date: June 03, 2021

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Date: June 03, 2021

MINDCHAMPION LEARNING SYSTEMS LIMITED
CIN: U72200DL2001PLC111674
Statement of Cash Flow for the year ended March 31, 2021

(All amounts in Rs., unless stated otherwise)

	Year ended	
	March 31, 2021	March 31, 2020
A. Cash Flow From Operating Activities:		
Loss before exceptional items and tax	(118,704,876)	(173,943,745)
Adjustments to reconcile (loss) before tax to net cash flows:		
Depreciation and amortisation	8,105,617	35,025,455
Allowance for doubtful debts	24,121,891	11,193,272
Allowance for doubtful advances and deposits	27,195	31,450
Provision for slow/Non- moving Inventory (Net)	2,227,100	(509,540)
Unrealised foreign exchange (gain)/ loss	246,570	(344,686)
Finance cost	17,913,644	33,745,240
Interest income	(5,591,632)	(1,037,119)
Gain on termination of Leases (Net)	(18,609)	-
Profit on sale of property, plant and equipment	(664,214)	(244,202)
Net gain on Investment carried at fair value through profit and loss	(431,829)	(633,542)
Operating profit before working capital changes	(72,769,143)	(96,717,417)
Working Capital Adjustments:		
(Decrease)/Increase in trade payables	(87,474,708)	8,403,115
(Decrease)/Increase in short term provisions	(1,514,589)	2,135,028
(Decrease) in long term provisions	-	(76,000)
(Decrease)/Increase in other current liabilities	(17,193,252)	6,774,460
(Decrease) in other non-current financial liabilities	(100,000)	-
(Decrease) in other non-current liabilities	(24,873)	(2,269,420)
(Decrease) in other current financial liabilities	(14,660,524)	(169,937)
Decrease in current trade receivables	59,191,439	57,949,902
Decrease in non current trade receivables	966,474	533,366
Decrease/(Increase) in inventories	6,882,951	(959,341)
Decrease/(Increase) in other current financial assets	727,984	(351,640)
Decrease in other non-current assets	37,315	72,922
Decrease in other current assets	5,865,163	3,409,000
Net Cash used in operations before tax	(120,065,763)	(21,265,962)
Direct Tax- (paid including TDS) / refund received (Net)	22,289,261	532,887
Net Cash flow used in operating activities (A)	(97,776,502)	(20,733,075)
B. Cash Flow From Investing Activities:		
Purchase of property, plant and equipment (including capital work-in-progress, internally generated intangibles and capital advances)	(686,589)	(10,310,058)
Proceeds from sale of Property, Plant and Equipment	891,303	296,398
Interest received	5,496,217	1,055,078
Encashment of bank deposits (net of placement)	(7,000,000)	13,653
Purchase of Mutual Funds	(55,497,225)	(99,500,000)
Proceeds from sale of Mutual Funds	9,000,000	112,363,467
Net cash flow generated/ (used in) from investing activities (B)	(47,796,294)	3,918,538

MINDCHAMPION LEARNING SYSTEMS LIMITED
CIN: U72200DL2001PLC111674
Statement of Cash Flow for the year ended March 31, 2021

(All amounts in Rs., unless stated otherwise)

	Year ended	
	March 31, 2021	March 31, 2020
C. Cash Flow From Financing Activities:		
Loan taken from Holding Company	50,000,000	50,000,000
Repayments of borrowings	(350,000,000)	-
Interest paid on cash credit, borrowings and others	-18,190,486	(33,345,955)
Payment of Lease Liabilities	-546,247	(826,932)
Issue of equity share capital	465,000,000	-
Expense for issue of equity share capital	(3,600,000)	-
Net Cash flow generated from financing activities (C)	142,663,267	15,827,113
Net (Decrease) in Cash & Cash Equivalents (A) + (B) + (C)	(2,909,529)	(987,424)
Cash and Cash Equivalents at the beginning of the financial year	19,360,789	20,348,213
Cash and Cash Equivalents as at the end of the financial year	16,451,260	19,360,789

Reconciliation of cash and cash equivalents as per the cash flow statement

	As at	
1 Particulars	March 31, 2021	March 31, 2020
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 7(iv))	16,451,260	19,360,789
Total	16,451,260	19,360,789

2 Figures in parenthesis indicate cash outflow.

3 The cash flow statement has been prepared using the indirect method as set out in Ind-AS 7.

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

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
Mindchampion Learning Systems Limited**

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Place: Gurugram
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MINDCHAMPION LEARNING SYSTEMS LIMITED

CIN: U72200DL2001PLC111674

Notes to the Financial Statements for the year ended March 31, 2021

1 Company Information

Mindchampion Learning Systems Limited (Formerly known as Hole-in-the-Wall Education Ltd), ('the Company') was set up in 2001 and was involved in the research and development activities for the purpose of discovering the extent to which poor children in rural and slum areas in India can access and learn from web based curriculum using a purpose built 'Internet Kiosk'. Pursuant to a Scheme of Arrangement, the School Business Undertaking (SLS) of NIIT Limited was transferred to the Company w.e.f. May 23, 2015 from appointed date of April 1, 2014. Presently, the Company is primarily in the business of providing education services and other related solutions to schools across India. The registered place of business of the Company is: 8, Balaji Estate, First Floor, Guru Ravi Das Marg, Kalkaji, New Delhi - 110019.

2 Significant Accounting Policies

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

a) Basis of preparation

(i) Compliance with Ind AS

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

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

The financial statements were authorized for issue by the Board of Directors of the Company on June 03, 2021.

(ii) Basis of measurement

The financial statements have been prepared on a historical cost basis, except for the following:

- Financial assets and liabilities (including derivative instruments) that are measured at fair value or amortised cost
- Defined benefit plans – plan assets measured at fair value
- Share-based payments (ESOP's)

b) Foreign currency translation

i. Functional and presentation currency

Items included in the financial statements are measured using the currency of the primary economic environment in which the entity operates ('the functional currency'). The financial statements are presented in Indian rupee (Rs.), which is the Company's functional and presentation currency.

ii. Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at year end exchange rates are generally recognised in the statement of profit and loss.

c) Current - non-current classification

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

Assets

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

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

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

MINDCHAMPION LEARNING SYSTEMS LIMITED

CIN: U72200DL2001PLC111674

Notes to the Financial Statements for the year ended March 31, 2021

Liabilities

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

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

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

Operating cycle

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

d) Revenue recognition

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

When two or more revenue generating activities or deliverables are provided under a single arrangement, each deliverable that is considered to be a separate deliverable is accounted separately. Where the contracts include multiple performance obligations, the transaction price is allocated to each performance obligation based on the standalone selling prices 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.

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. (i) 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. (ii) Revenue from the training services is recognised over the period of the course programs as the case may be. For fixed-price contracts, revenue is recognised based on the actual service provided to the end of the reporting period as a proportion of the total services to be provided (percentage of completion method). Revenue from time and material contracts is recognised as the related services are performed.

Revenue in respect of sale of courseware and other physical deliverables is recognised at a point in time when these are delivered, the legal title is passed and the customer has accepted the courseware and other physical deliverables.

In other cases, where courseware is not considered a separate component under a contract, revenue from the composite course is recognised over the period of the training or the contract period, depending upon the terms and conditions.

e) Other Income

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

f) Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the Chief Operating Decision Maker (CODM). The CEO & CFO of the Company are considered as chief operating decision makers who assess the financial performance and position of the Company, and make strategic decisions.

MINDCHAMPION LEARNING SYSTEMS LIMITED

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Notes to the Financial Statements for the year ended March 31, 2021

g) Income taxes

Income tax expense comprises current tax expense and the net change in the deferred tax asset or liability during the year. Current and deferred taxes are recognised in statement of profit and loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognised in other comprehensive income or directly in equity, respectively.

Current income taxes

The current income tax expense includes income taxes payable by the Company. The current tax payable by the Company in India is Indian income tax payable on worldwide income after taking credit for tax relief available.

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

Deferred income taxes

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities and when the deferred tax balances relate to the same taxation authority. Current tax assets and tax liabilities are offset where the entity has a legally enforceable right to offset and intends either to settle on a net basis, or to realize the asset and settle the liability simultaneously.

Minimum Alternative Tax ('MAT') credit entitlement under the provisions of the Income-tax Act, 1961 is recognised as a deferred tax asset when it is probable that future economic benefit associated with it in the form of adjustment of future income tax liability, will flow to the Company and the asset can be measured reliably. MAT credit entitlement is set off to the extent allowed in the year in which the Company becomes liable to pay income taxes at the enacted tax rates. MAT credit entitlement is reviewed at each reporting date and is recognised to the extent that is probable that future taxable profits will be available against which they can be used. MAT credit entitlement has been presented as deferred tax asset in Balance Sheet. Significant management judgement is required to determine the probability of recognition of MAT credit entitlement and deferred tax.

h) Leases

A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

(a) Company as a lessee

The Company accounts for each lease component within the contract as a lease separately from non-lease components of the contract and allocates the consideration in the contract to each lease component on the basis of the relative standalone price of the lease component and the aggregate standalone price of the non-lease components.

The Company recognises right-of-use asset representing its right to use the underlying asset for the lease term at the lease commencement date. The cost of the right-of-use asset measured at inception shall comprise of the amount of the initial measurement of the lease liability adjusted for any lease payments made at or before the commencement date less any lease incentives received, plus any initial direct costs incurred and an estimate of costs to be incurred by the lessee in dismantling and removing the underlying asset or restoring the underlying asset or site on which it is located. The right-of-use assets is subsequently measured at cost less any accumulated depreciation, accumulated impairment losses, if any and adjusted for any remeasurement of the lease liability. The right-of-use assets is depreciated using the straight-line method from the commencement date over the shorter of lease term or useful life of right-of-use asset. The estimated useful lives of right-of use assets are determined on the same basis as those of property, plant and equipment. Right-of-use assets are tested for impairment whenever there is any indication that their carrying amounts may not be recoverable. Impairment loss, if any, is recognised in the statement of profit and loss.

The Company has adopted the amendments to Ind AS 116 for the first time in the current year. The amendments provide practical relief to lessees in accounting for rent concessions occurring as a direct consequence of COVID-19, by introducing a practical expedient to Ind AS 116. The practical expedient permits a lessee to elect not to assess whether a COVID-19-related rent concession is a lease modification. A lessee that makes this election shall account for any change in lease payments resulting from the COVID-19-related rent concession the same way it would account for the change applying Ind AS 116 if the change were not a lease modification.

The practical expedient applies only to rent concessions occurring as a direct consequence of COVID-19 and only if all of the following conditions are met:

- (a) The change in lease payments results in revised consideration for the lease that is substantially the same as, or less than, the consideration for the lease immediately preceding the change;
- (b) Any reduction in lease payments affects only payments originally due on or before June 30, 2021 (a rent concession meets this condition if it results in reduced lease payments on or before June 30, 2021 and increased lease payments that extend beyond June 30, 2021); and
- (c) There is no substantive change to other terms and conditions of the lease.

MINDCHAMPION LEARNING SYSTEMS LIMITED

CIN: U72200DL2001PLC111674

Notes to the Financial Statements for the year ended March 31, 2021

b) Company as a lessor

At the inception of the lease the Company classifies each of its leases as either an operating lease or a finance lease. The Company recognises lease payments received under operating leases as income on a straight-line basis over the lease term. In case of a finance lease, finance income is recognised over the lease term based on a pattern reflecting a constant periodic rate of return on the lessor's net investment in the lease. When the Company is an intermediate lessor it accounts for its interests in the head lease and the sub-lease separately. It assesses the lease classification of a sub-lease with reference to the right-of-use asset arising from the head lease, not with reference to the underlying asset. If a head lease is a short term lease to which the Company applies the exemption described above, then it classifies the sub-lease as an operating lease.

If an arrangement contains lease and non-lease components, the Company applies Ind AS 115 Revenue from contracts with customers to allocate the consideration in the contract.

i) 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.

ii) Measurement

At initial recognition, the Company measures a financial asset at its fair value. Any subsequent change in the fair value is charged to profit and loss.

iii) Impairment of financial assets

The Company recognises a loss allowance for expected credit losses on investments in debt instruments that are measured at amortised cost or at FVOCI, trade receivables and contract assets, financial guarantee contracts, and certain other financial assets measured at amortised cost such as deferred consideration receivable on disposal of subsidiaries. The amount of expected credit losses is updated at each reporting date to reflect changes in credit risk since initial recognition of the respective financial instrument.

The Company recognises lifetime expected credit losses (ECL) for trade receivables and contract assets. The expected credit losses on these financial assets are estimated using a provision matrix based on the Company's historical credit loss experience, adjusted for factors that are specific to the debtors, general economic conditions and an assessment of both the current as well as the forecast direction of conditions at the reporting date, including time value of money where appropriate.

For all other financial instruments, the Company recognises lifetime ECL when there has been a significant increase in credit risk since initial recognition. However, if the credit risk on the financial instrument has not increased significantly since initial recognition, the Company measures the loss allowance for that financial instrument at an amount equal to 12-month ECL.

Lifetime ECL represents the expected credit losses that will result from all possible default events over the expected life of a financial instrument. In contrast, 12-month ECL represents the portion of lifetime ECL that is expected to result from default events on a financial instrument that are possible within 12 months after the reporting date.

j) Cash and cash equivalents

For the purpose of presentation in the statement of cash flows, cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value. Bank overdraft are shown as borrowings in current financial liabilities in the balance sheet.

k) Trade receivables

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

l) Inventories: Traded goods

Traded goods are stated at the lower of cost or net realisable value. Cost of traded goods comprises cost of purchases and all other costs incurred in bringing the inventories to their present location and condition. Costs are assigned to individual items of inventory on the basis of weighted average method. Costs of purchased inventory are determined after deducting rebates and discounts. Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale.

MINDCHAMPION LEARNING SYSTEMS LIMITED**CIN: U72200DL2001PLC111674****Notes to the Financial Statements for the year ended March 31, 2021****m) Property, plant and equipment**

The Company had applied for the one-time transition exemption of considering the carrying cost on the transition date i.e. April 01, 2016 as the deemed cost under Ind AS, regarded thereafter as historical cost. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. The carrying amount of any component accounted for as a separate asset is de-recognised when replaced. All other repairs and maintenance are charged to profit or loss during the reporting period in which they are incurred.

Depreciation methods, estimated useful lives and residual value

Depreciation is calculated using the straight-line method to allocate their cost, net of their residual values, over their estimated useful lives as follows:

Description of Assets	Useful life
Plant and Equipment including:	
- Computers, Printers and related Accessories	3 Years
- Computer Servers and Networks	5 Years
- Electronic Equipments	8 years
- Air Conditioners	10 years
Office Equipments	5 years
Furniture & Fixtures	7 years
Leasehold Improvements	3-5 years or lease period, whichever is lower
All other assets	Life prescribed under Schedule II to the Companies Act, 2013

Depreciation is provided on pro-rata basis on the straight line method over the useful lives of the assets. The depreciation charge for each period is recognised in the statement of profit and loss. The residual values is considered as nil.

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Gains and losses on disposals are determined by comparing proceeds with carrying amount. These are included in profit or loss within other income/ (expenses).

n) Intangible assets**Computer software, Educational content/products - Acquired**

These Intangible assets are carried at cost less accumulated amortisation and accumulated impairment losses.

Education content / products - Internally generated

Expenditure on research activities is recognised as an expense in the period in which it is incurred. Development costs that are directly attributable to the design, development and testing of identifiable and unique educational content / products controlled by the Company are recognised as intangible assets when the following criteria are met:

- it is technically feasible to complete the development so that it will be available for use;
- management intends to complete the content / product and use;
- there is an ability to use or sell the content / product;
- it can be demonstrated how the content / product will generate probable future economic benefits;
- adequate technical, financial and other resources to complete the development and to use or sell the content / product are available, and
- the expenditure attributable to the content / product during its development can be reliably measured.

Directly attributable costs that are capitalised as part of the intangibles include employee costs and an appropriate portion of relevant overheads.

Capitalised development costs are recorded as intangible assets and amortised from the point at which the asset is available for use.

Amortisation methods and periods

Intangible assets are amortised on a straight line basis over their estimated useful lives which are as follows:

Particulars	Useful lives
Internally generated (Content and products)	
- School based non-IT content	10 years
- Others	3-5 years
Acquired (Software, content and products)	3-5 years

MINDCHAMPION LEARNING SYSTEMS LIMITED

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Notes to the Financial Statements for the year ended March 31, 2021

o) Impairment of assets

Assets are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs of disposal and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash inflows which are largely independent of the cash inflows from other assets or Companies of assets (cash-generating units). Non-financial assets that suffered an impairment are reviewed for possible reversal of the impairment at the end of each reporting period.

An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. Such a reversal is made only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

p) Trade and other payables

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

q) Borrowings

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

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

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

r) 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 recognised as interest expense.

s) Employee benefits

i) Short-term obligations

Liabilities for wages and salaries, including non-monetary benefits that are expected to be settled wholly within 12 months after the end of the period in which the employees render the related service are recognised in respect of employees' services up to the end of the reporting period and are measured at the amounts expected to be paid when the liabilities are settled. The liabilities are presented as current employee benefit obligations in the balance sheet.

ii) Other long-term employee benefit obligations

The liabilities for earned leave and sick leave are not expected to be settled wholly within 12 months after the end of the period in which the employees render the related service. They are therefore measured as the present value of expected future payments to be made in respect of services provided by employees up to the end of the reporting period using the projected unit credit method. The benefits are discounted using the market yields at the end of the reporting period that have terms approximating to the terms of the related obligation. Remeasurements as a result of experience adjustments and changes in actuarial assumptions are recognised in profit or loss.

The obligations are presented as current liabilities in the balance sheet if the entity does not have an unconditional right to defer settlement for at least twelve months after the reporting period, regardless of when the actual settlement is expected to occur.

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Notes to the Financial Statements for the year ended March 31, 2021

iii) Post-employment obligations

The Company operates the following post-employment schemes:

- Defined benefit plans such as Gratuity and Compensated absence.
- Defined contribution plans such as Provident fund, Superannuation fund, Pension fund and National Pension system.

Gratuity

The liability or asset recognised in the balance sheet in respect of defined benefit gratuity plans is the present value of the defined benefit obligation at the end of the reporting period less the fair value of plan assets. The defined benefit obligation is calculated annually by actuaries using the projected unit credit method.

The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows by reference to market yields at the end of the reporting period on government bonds that have terms approximating to the terms of the related obligation.

The net interest cost is calculated by applying the discount rate to the net balance of the defined benefit obligation and the fair value of plan assets. This cost is included in employee benefit expense in the statement of profit and loss.

Remeasurement gains and losses arising from experience adjustments and changes in actuarial assumptions are recognised in the period in which they occur, directly in other comprehensive income. They are included in retained earnings in the statement of changes in equity and in the balance sheet.

Changes in the present value of the defined benefit obligation are recognised immediately in profit or loss as past service cost.

Compensated absences

Liability in respect of compensated absences is provided for both encashable leave and those expected to be availed. The Company has defined benefit plans for compensated absences for employees, the liability for which is determined on the basis of an actuarial valuation at the end of the year using projected unit credit method. Any gain or loss arising out of such valuation is recognised in the Statement of profit and loss as income or expense as the case may be.

Accumulated compensated absences, which are expected to be availed within twelve months from the end of the year are treated as short term employee benefits. The obligation towards the same is measured at the expected undiscounted cost of accumulated compensated absences expected to be availed based on the unutilized entitlement at the year end.

Provident fund

The Company makes contribution to the “NIIT LIMITED EMPLOYEES’ PROVIDENT FUND TRUST” for certain entities in India, which is a defined benefit plan to the extent that the Company has an obligation to make good the shortfall, if any, between the return from the investments of the trust and the notified interest rate. The Company’s obligation in this regard is actuarially determined using projected unit credit method and provided for if the circumstances indicate that the Trust may not be able to generate adequate returns to cover the interest rates notified by the Government.

The Company’s contribution towards Provident Fund is charged to Statement of Profit and Loss.

Superannuation

The Company makes defined contribution, to the Trust established for the purpose by the company towards superannuation fund maintained with Life Insurance Corporation of India. The Company has no further obligations beyond its monthly contributions. Contribution made during the year is charged to Statement of Profit and Loss.

Pension Fund

The Company makes defined contribution to a government administered pension fund towards its pension plan on behalf of its employees. The Company has no further obligations beyond its monthly contributions. The contribution towards Employee Pension Scheme is charged to Statement of Profit and Loss.

National Pension System

The Company makes defined contribution towards National Pension System for certain employees for which Company has no further obligation. Contributions made during the year are charged to Statement of Profit and Loss.

MINDCHAMPION LEARNING SYSTEMS LIMITED

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Notes to the Financial Statements for the year ended March 31, 2021

t) Share based payments

Employee stock option plan (ESOP)

The fair value of options granted under the 'NIIT Employee Stock Option Plan 2005' is recognized as an employee benefits expense with a corresponding no increase in equity during the year/ previous year. The total amount to be expensed is determined by reference to the fair value of the options granted:

- including any market performance conditions (e.g., the entity's share price)
- excluding the impact of any service and non-market performance vesting conditions (e.g. profitability, sales growth targets and remaining an employee of the entity over a specified time period), and
- including the impact of any non-vesting conditions (e.g. the requirement for employees to save or holdings shares for a specific period of time).

The total expense is recognized 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 recognizes the impact of the revision to original estimates, if any, in profit or loss, with a corresponding adjustment to equity.

u) Share capital

Equity share capital

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

v) Earnings per share

i) Basic earnings per share

Basic earnings per share is calculated by dividing the profit attributable to owners of the Company by the weighted average number of equity shares outstanding during the financial year.

ii) Diluted earnings per share

Diluted earnings per share adjusts the figures used in the determination of basic earnings per share to take into account:

- the after income tax effect of interest and other financing costs associated with dilutive potential equity shares, and
- the weighted average number of additional equity shares that would have been outstanding assuming the conversion of all dilutive potential equity shares.

w) Fair value measurement

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability, or
- In the absence of a principal market, In the most advantageous market for the asset or liability

The principal or the most advantageous market must be accessible to/ by the Company.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

Level 1: Level 1 hierarchy includes financial instruments measured using quoted prices. This includes listed equity instruments, traded bonds and mutual funds that have quoted price. The fair value of all equity instruments (including bonds) which are traded in the stock exchanges is valued using the closing price as at the reporting period. The mutual funds are valued using the closing net asset value.

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

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

For assets and liabilities that are recognised in the financial statements on a recurring basis, the Company determines whether transfers have occurred between levels in the hierarchy by reassessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

For the purpose of fair value disclosures, the Company has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above.

The Company measures financial instruments, such as, investments (other than investment in subsidiaries), at fair value at each reporting date.

MINDCHAMPION LEARNING SYSTEMS LIMITED

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Notes to the Financial Statements for the year ended March 31, 2021

x) Exceptional items

Exceptional items refer to items of income or expense within the income statement that are of such size, nature or incidence that their separate disclosure is considered necessary to explain the performance for the period.

Materiality threshold can be used to select items to be disclosed as exceptional on case to case basis. This threshold would be applied separately for standalone as well as consolidated financial statements. However, in case an item qualifies for disclosure in standalone financial statements but not in consolidated financial statements or vice versa, this would need to be evaluated on case to case basis.

Basis the above analysis, mainly following items would be evaluated for disclosure as exceptional items:

- a) **Business Combination:** Impact of one-time accounting policy alignment / unusual write off / impairment of assets arising as a result of business combination, including transaction cost.
- b) **Fair valuation gains on business combination.**
- c) **Reassessment / Change in life of asset** (in case of re-evaluation of business/product, impact of all assets specific to that business/product to be considered for applying the threshold).
- d) **Disputed regulatory / tax levies including tax rate change having retrospective impact** (other than impact on account of restatement of deferred tax asset / liability for tax rate change) – only impact for the past periods to be disclosed as exceptional.
- e) Provision for other than temporary diminution in the value of non-current investment.
- f) **Shareholders' dispute settlement arising out of merger / acquisition transactions.**
- g) Write-downs of inventories to net realisable value or of property, plant and equipment to recoverable amount, as well as reversals of such write-downs.

In case of **other significant item** of income or expense, not covered above, the same would be **evaluated on a case to case** basis for disclosure under exceptional items.

y) 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 (s).

Measurement of useful life and residual values of property, plant and equipment - refer note 2 (m) & 2 (n).

Fair value measurement of financial instruments - refer note 2 (v)

Judgement required to determine probability of recognition of deferred tax assets and MAT credit entitlement - refer note 2 (g).

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

z) Amendments to Division I, II and III of Schedule III

On March 24, 2021, the Ministry of Corporate Affairs ("MCA") through a notification, amended Schedule III of the Companies Act, 2013. The amendments revise Division I, II and III of Schedule III and are applicable from April 1, 2021. The amendments require extensive disclosures / reclassifications. The Company will evaluate the same to give effect to the changes as required by law from Financial Year 2021-22 and onwards.

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MINDCHAMPION LEARNING SYSTEMS LIMITED

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Notes to the Financial Statements for the year ended March 31, 2021

(All amounts in Rs., unless stated otherwise)

3 Property, Plant and Equipment

Particulars	Plant & Equipments	Leasehold Improvements	Furniture & Fixtures	Office Equipments	Total tangible assets
Year end March 31, 2020					
Gross carrying amount					
Gross carrying amount as on April 01, 2019	19,230,715	520,493	786,045	15,837	20,553,090
Additions	631,775	-	-	-	631,775
Disposals/Sale	3,613,912	-	7,867	2,642	3,624,421
Closing Gross Carrying Amount (A)	16,248,578	520,493	778,178	13,195	17,560,444
Accumulated Depreciation					
Accumulated depreciation as on April 01, 2019	16,640,793	359,076	628,739	15,822	17,644,430
Depreciation charged during the year	1,893,369	11,881	115,920	-	2,021,170
Disposals/Sale	3,561,724	-	7,866	2,641	3,572,231
Closing accumulated depreciation (B)	14,972,438	370,957	736,793	13,181	16,093,369
Net Carrying Amount (A-B)	1,276,140	149,536	41,385	14	1,467,075
Year end March 31, 2021					
Grossing Carrying amount					
Gross carrying amount as on April 01, 2020	16,248,578	520,493	778,178	13,195	17,560,444
Additions	5,070	-	-	-	5,070
Disposals/Sale	10,423,691	272,409	520,862	13,195	11,230,157
Closing Gross Carrying Amount (C)	5,829,957	248,084	257,316	-	6,335,357
Accumulated Depreciation					
Accumulated depreciation as on April 01, 2020	14,972,438	370,957	736,793	13,181	16,093,369
Transfer	-	82,695	(82,695)	-	-
Depreciation charged during the year	826,417	66,833	30,251	-	923,501
Disposals/Sale	10,225,624	272,402	492,134	13,181	11,003,341
Closing accumulated depreciation (D)	5,573,231	248,083	192,215	-	6,013,529
Net Carrying Amount (C-D)	256,726	1	65,101	-	321,828

4 Intangible assets and intangible assets under development

Particulars	Internally Generated (footnote i)	Software acquired	Total Intangibles assets other than assets under Development	Intangible Assets under Development (footnote i)	Total intangible assets
Year end March 31, 2020					
Gross carrying amount					
Gross carrying amount as on April 01, 2019	123,591,712	3,627,495	127,219,207	25,024,150	152,243,357
Additions	25,024,150	-	25,024,150	9,334,806	34,358,956
Transfer	-	-	-	(25,024,150)	(25,024,150)
Disposals	-	276,659	276,659	-	276,659
Closing gross carrying amount (A)	148,615,862	3,350,836	151,966,698	9,334,806	161,301,503
Accumulated Amortisation and Impairment					
Accumulated amortization as on April 01, 2019	65,226,686	3,627,209	68,853,895	-	68,853,895
Amortisation charge for the year	32,237,591	-	32,237,591	-	32,237,591
Disposals	-	276,653	276,653	-	276,653
Amortisation charged in exceptional items (Refer note 23)	31,132,237	-	31,132,237	-	31,132,237
Closing accumulated amortisation (B)	128,596,514	3,350,556	132,500,376	-	132,500,376
Net carrying amount (A-B)	20,019,348	280	20,019,628	9,334,806	29,354,434
Year end March 31, 2021					
Gross carrying amount					
Gross carrying amount as on April 01, 2020	148,615,862	3,350,836	151,966,698	9,334,806	161,301,504
Additions	10,016,325	-	10,016,325	681,519	10,697,844
Transfer	-	-	-	(10,016,325)	(10,016,325)
Disposals	-	592,259	592,259	-	592,259
Closing gross carrying amount (C)	158,632,187	2,758,577	161,390,764	-	161,390,764
Accumulated Amortisation and Impairment					
Accumulated amortization as on April 01, 2020	128,596,514	3,350,556	131,947,070	-	131,947,070
Amortisation charge for the year	6,673,304	-	6,673,304	-	6,673,304
Disposals	-	591,986	591,986	-	591,986
Amortisation charged in exceptional items (Refer note 23)	23,362,338	-	23,362,338	-	23,362,338
Closing accumulated amortisation (D)	158,632,156	2,758,570	161,390,726	-	161,390,726
Net carrying amount (C-D)	31	7	38	-	38

Footnote:

(i) Refer note 6 for cost incurred during the year on internally generated intangible assets.

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Notes to the Financial Statements for the year ended March 31, 2021

(All amounts in Rs., unless stated otherwise)

5 Leases

(i) The following are the amounts recognised in the statement of profit and loss for short term leases:

The Company has entered into leases for office premises, employee accommodations, equipments and vehicles which are cancelable at the option of the Company by giving the requisite notice. Aggregate payments during the year under short term leases are as shown hereunder:

Particulars	Year ended	
	March 31, 2021	March 31, 2020
In respect of premises*	6,255,647	8,898,767
In respect of equipments**	86,891	375,029
Total	6,342,538	9,273,796

* includes payment in respect of premises for office and employee accommodation.

** includes payment in respect of computers, printers and other equipments.

(ii) The following are the carrying amount of right-of-use assets recognised and movement:-

Particulars	Vehicle	Total
As at April 1, 2019	1,209,419	1,209,419
Additions	72,476	72,476
Depreciation	(766,694)	(766,694)
As at March 31, 2020	515,201	515,201
Additions/Modification	443,830	443,830
Deletion	(272,690)	(272,690)
Depreciation	(508,812)	(508,812)
As at March 31, 2021	177,529	177,529

The following are the carrying amount of Lease liabilities and movement:-

Particulars	Vehicle	Total
As at April 1, 2019	1,209,419	1,209,419
Additions	72,476	72,476
Accretion of interest (Refer note 20)	81,322	81,322
Payments	(826,932)	(826,932)
As at March 31, 2020	536,285	536,285
Additions	443,830	443,830
Deletion	(291,299)	(291,299)
Accretion of interest (Refer note 20)	41,121	41,121
Payments	(546,247)	(546,247)
As at March 31, 2021	183,690	183,690

The following is the break-up of current and non-current lease liabilities

Particulars	March 31, 2021	March 31, 2020
Current Lease liabilities	183,690	307,142
Non-Current Lease liabilities	-	229,143
Total	183,690	536,285

The following are the amounts recognised in the statement of profit and loss:

Particulars	March 31, 2021	March 31, 2020
Depreciation expense of right of use assets	508,812	766,694
Interest expense on Lease liabilities (Refer note 20)	41,121	81,322
Gain on termination of Leases (Net) (Refer note 18)	-18,609	-
Total	531,324	848,016

The table below provides details regarding the contractual maturities of lease liabilities

Particulars	March 31, 2021	March 31, 2020
Less than one year	183,690	307,142
One to Two years	-	133,243
More than Two years	-	95,900
Total	183,690	536,285

6 Intangible assets under development

The Company internally develops software tools, platforms and content/courseware. The management estimates that this would result in enhanced productivity and offer more technology based learning products/ solutions to the customers in future. The Company is confident of its ability to generate future economic benefits out of the abovementioned assets. The costs incurred during the year towards the development are as follows:

Description	Year ended	
	March 31, 2021	March 31, 2020
Opening Intangible assets under development	9,334,806	25,024,150
Add:-Expenditure during the year		
Salary and other Employee Benefits	681,339	3,814,434
Professional & Technical Outsourcing Expenses	-	5,453,437
Other expenses	180	66,935
Less:-Intangible assets capitalised during the year	(10,016,325)	(25,024,150)
Closing Balance at the end of the year	-	9,334,806

MINDCHAMPION LEARNING SYSTEMS LIMITED

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Notes to the Financial Statements for the year ended March 31, 2021

7 Financial Assets

(All amounts in Rs., unless stated otherwise)

7(i) Current Investment carried at Fair Value through profit or loss

		As at	
		March 31, 2021	March 31, 2020
Investment [Quoted]			
Mutual Funds		46,929,054	-
Total		46,929,054	-
Aggregate value of Quoted investments		46,929,054	-
Market value of Quoted investments		46,929,054	-

7(ii) Trade Receivables

		As at	
		March 31, 2021	March 31, 2020
		Non-Current	Current
Unsecured, considered good*			
Trade Receivables	68,750	1,035,224	59,214,124
Trade Receivables - credit impaired	-	-	201,196,548
Less: Allowance for expected credit loss (Refer note 26)	-	-	(201,196,548)
Total	68,750	1,035,224	59,214,124

Trade receivables are non-interest bearing and are generally on terms of 60 to 90 days.

* Trade Receivables includes receivables from Related Parties amounting to Rs. 10,859,447 (Previous year Rs. 440,436)-(Refer note 29).

7(iii) Other Financial Assets

a) Security Deposits

Unsecured, considered good

		As at	
		March 31, 2021	March 31, 2020
		Non-Current	Current
(A)	30,000	30,000	145,000

b) Contract Assets

Unbilled Revenue (Refer note 32)

(B)	-	-	1,082,201
	-	-	1,082,201

c) Interest Accrued on bank deposits

(C)	-	9,623	105,038
	-	9,623	105,038

d) Bank deposits

With remaining maturity of more than 12 months*

With remaining maturity of less than 12 months*

(D)	-	230,040	-
	-	-	230,040
	-	230,040	230,040

Total (A+B+C+D)	30,000	269,663	1,562,279
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*Deposit of Rs. 230,040 (Previous year Rs. 230,040) pledged as margin money with bank for issuance of bank guarantees.

7(iv) Cash and Cash Equivalents

		As at	
		March 31, 2021	March 31, 2020
Balance with banks			
-Current accounts		2,588,558	18,740,829
-Deposits with original maturity of less than 3 months*		13,000,000	-
Cheques and drafts on hand		862,702	619,960
Total		16,451,260	19,360,789

*Short term Deposits are made with banks for varying periods of up to three months depending on the immediate cash requirements of the Company and to earn interest at the respective short term deposit rates.

7(v) Bank balances other than above

		As at	
		March 31, 2021	March 31, 2020
Bank deposits			
-With original maturity of more than 3 months and upto 12 months		7,000,000	-
Total		7,000,000	-

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(All amounts in Rs., unless stated otherwise)

8 Deferred tax assets (Net)

The balance comprises temporary differences attributable to:

Minimum alternate tax credit entitlement

Net Deferred tax assets

As at	
March 31, 2021	March 31, 2020
-	-
-	-

Reconciliation of deferred tax assets

Minimum alternate tax credit entitlement

Opening balance as at April 01, 2019

Minimum alternate tax written off in the statement of profit and loss

Closing balance as at March 31, 2020

Tax expense recognised during the year

Closing balance as at March 31, 2021

18,689,797
(18,689,797)
-
-
-

Notes :

a) Deferred tax assets on brought forward losses has not been recognised in absence of availability of taxable income to set off the losses.
Deferred tax assets on timing differences has not been recognised on account of prudence.

9 Income tax assets / (liabilities) (Net)

Advance Income Tax

Less : Provision for Income Tax

As at	
March 31, 2021	March 31, 2020
27,036,015	50,100,219
(6,137,463)	(6,137,463)
20,898,552	43,962,756

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MINDCHAMPION LEARNING SYSTEMS LIMITED
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(All amounts in Rs., unless stated otherwise)

	As at	
	March 31, 2021	March 31, 2020
10 Inventories (Valued at lower of cost or net realisable value)		
As at the end of the year		
Traded Goods		
a) Education and Training Material	12,230,176	36,117,621
b) Software	4,964,956	5,139,438
	17,195,132	41,257,059
As at the beginning of the year		
Traded Goods		
a) Education and Training Material	36,117,621	35,938,932
b) Software	5,139,438	3,849,246
	41,257,059	39,788,178
Decrease/(Increase) in Inventory*	24,061,927	(1,468,881)

* Net of provision for non-moving inventories of Rs. 20,074,465 (Previous year Rs. 2,895,489).

During the year, the Company has recognised inventory provision amounting to Rs. 14,951,876 (Previous year Rs. Nil) as a exceptional item (Refer note 23).

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MINDCHAMPION LEARNING SYSTEMS LIMITED

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Notes to the Financial Statements for the year ended March 31, 2021

(All amounts in Rs., unless stated otherwise)

11 Other Assets

		As at			
		March 31, 2021	March 31, 2020	March 31, 2021	March 31, 2020
		Non-current		Current	
i) Advances to Suppliers in cash or in kind					
Unsecured, considered good		-	-	5,441,174	5,939,471
(A)		-	-	5,441,174	5,939,471
ii) Prepaid Expenses					
		-	-	1,442,523	3,180,719
(B)		-	-	1,442,523	3,180,719
iii) Other Advances recoverable in cash or in kind					
Unsecured, considered good		-	37,315	3,447,642	5,653,033
Unsecured, considered impaired		-	-	30,000	30,000
Less: Allowance for doubtful advances		-	-	(30,000)	(30,000)
(C)		-	37,315	3,447,642	5,653,033
iv) Balance with government authorities					
		-	-	-	1,423,279
(D)		-	-	-	1,423,279
Total other assets (A+B+C+D)		-	37,315	10,331,339	16,196,502

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MINDCHAMPION LEARNING SYSTEMS LIMITED
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(All amounts in Rs., unless stated otherwise)

12 Share capital

a) Authorised share capital

Particulars	Equity shares of Rs. 10 each		Redeemable preference shares of Rs. 10 each	
	Number of shares	Amount	Number of shares	Amount
As at April 01, 2019	70,000,000	700,000,000	10,000,000	100,000,000
Increase during the year	-	-	-	-
As at March 31, 2020	70,000,000	700,000,000	10,000,000	100,000,000
Increase during the year	40,000,000	400,000,000	-	-
Conversion during the year	10,000,000	100,000,000	(10,000,000)	(100,000,000)
As at March 31, 2021	120,000,000	1,200,000,000	-	-

Note:

- i) During the year, the Authorized Equity Share Capital of the Company has been increased from 700,000,000 (divided into 70,000,000 equity shares of Rs. 10 each) to 1,200,000,000 (divided into 120,000,000 equity shares of Rs. 10 each) by converting existing 10,000,000 Authorised Preference Shares of Rs. 10 each into 10,000,000 Authorised Equity Shares of Rs. 10 each and by adding 40,000,000 Equity Shares of Rs. 10 each.

b) Movement in equity share capital

Particulars	Equity shares	
	Number of shares	Amount
As at April 01, 2019	69,064,072	690,640,720
Issued during the year	-	-
As at March 31, 2020	69,064,072	690,640,720
Issued during the year	46,500,000	465,000,000
As at March 31, 2021	115,564,072	1,155,640,720

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

Particulars	March 31, 2021		March 31, 2020	
	No. of shares	Amount in Rs.	No. of shares	Amount in Rs.
NIIT Limited	115,564,072	1,155,640,720	69,064,072	690,640,720

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

Particulars	March 31, 2021		March 31, 2020	
	No. of shares	Amount in Rs.	No. of shares	Amount in Rs.
NIIT Limited	115,564,072	100%	69,064,072	100%
Total	115,564,072	100%	69,064,072	100%

Out of the above, 6 Equity Shares are registered in the names of individuals, the beneficial interest of which lies with the Holding Company.

e) Terms/ rights attached to equity shares

The Company has one class of equity shares having a par value of Rs. 10 per share. Each shareholder is eligible for one vote per share held. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting, except in case of interim dividend. In the event of liquidation, 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) Other details of equity shares for a period of five years immediately preceding March 31, 2021

- i) 50,000,000 equity shares of Rs. 10 each were allotted on August 4, 2017 to NIIT Limited by conversion of earlier issued Optionally Convertible Debentures.

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MINDCHAMPION LEARNING SYSTEMS LIMITED

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Notes to the Financial Statements for the year ended March 31, 2021

(All amounts in Rs., unless stated otherwise)

13 Other Equity

Reserves and Surplus [Refer note 13(i)]

Securities Premium

Retained Earnings

Other Reserves [Refer note 13(ii)]

Total reserves and surplus

As at	
March 31, 2021	March 31, 2020
20,000,000	20,000,000
(1,290,654,208)	(1,135,163,446)
142,717,181	146,317,181
(1,127,937,027)	(968,846,265)

13(i) Reserves and Surplus

a) Securities Premium

Balance at the beginning of the year

Balance at the end of the year (A)

b) Retained Earnings

Balance at the beginning of the year

Loss for the year

Other comprehensive loss

Balance at the end of the year (B)

Total Reserves and Surplus (C) = (A+B)

As at	
March 31, 2021	March 31, 2020
20,000,000	20,000,000
20,000,000	20,000,000
(1,135,163,446)	(871,738,041)
(161,244,762)	(266,394,405)
5,754,000	2,969,000
(1,290,654,208)	(1,135,163,446)
(1,270,654,208)	(1,115,163,446)

13(ii) Other Reserves

a) Other equity

Balance at the beginning of the year

Expenses on issue of equity share capital

Balance at the end of the year (D)

Total Other Equity (C+D)

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As at	
March 31, 2021	March 31, 2020
146,317,181	146,317,181
(3,600,000)	-
142,717,181	146,317,181
(1,127,937,027)	(968,846,265)

MINDCHAMPION LEARNING SYSTEMS LIMITED

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Notes to the Financial Statements for the year ended March 31, 2021

(All amounts in Rs., unless stated otherwise)

14 Financial Liabilities	As at			
14(i) Borrowings	March 31, 2021	March 31, 2020	March 31, 2021	March 31, 2020
From related parties				
Loans from Holding Company *	-	250,000,000	-	50,000,000
Sub Total (A)	-	250,000,000	-	50,000,000
Total	-	250,000,000	-	50,000,000

* During the year, the Company has taken loan amounting to Rs. 50,000,000 (Previous year Rs. 50,000,000) from NIIT Limited (Holding Company) for meeting its working capital requirement and the entire loan of Rs. 350,000,000 (Previous year Rs. Nil) was repaid back to the NIIT Limited (Holding Company) (Refer note 29).

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MINDCHAMPION LEARNING SYSTEMS LIMITED

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Notes to the Financial Statements for the year ended March 31, 2021

(All amounts in Rs., unless stated otherwise)

14(ii) Trade Payables

Total outstanding dues of Creditors other than Micro enterprises & small enterprises
Total outstanding dues of micro enterprises and small enterprises
Trade payables to related parties (Refer note 29)
Total trade payables

As at	
March 31, 2021	March 31, 2020
104,377,556	143,932,069
-	3,301,257
4,263,955	48,845,089
108,641,511	196,078,415

Trade payables are non-interest bearing and are normally settled on 45 days term.

Parties covered under Micro, Small and Medium-Enterprises Development Act, 2006 (MSMED Act) for the year ended March 31, 2021 have been identified on the basis of information available with the Company. Disclosures as per Section 22 of the Micro, Small and Medium Enterprises Development (MSMED) Act, 2006 are as follows:

Particulars	March 31, 2021	March 31, 2020
a) the principal amount and the interest due thereon remaining unpaid to any supplier		
i) Principal amount	-	3,301,208
ii) Interest thereon	-	49
b) the amount of payment made to the supplier beyond the appointed day and the interest thereon, during an accounting year		
i) Principal amount	520,707	473,505
ii) Interest thereon	2,995	3,118
c) the amount of interest due and payable for the year of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under this Act	-	-
d) the amount of interest accrued and remaining unpaid at the end of each accounting year	-	49
e) amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues above are actually paid to the small investor	-	-

14(iii) Other Financial Liabilities

Interest accrued but not due on borrowings
Security Deposits
Other Payables *
Total other financial liabilities

As at			
March 31, 2021	March 31, 2020	March 31, 2021	March 31, 2020
Non-current		Current	
-	-	-	317,963
-	100,000	-	-
-	-	11,624,298	26,284,822
-	100,000	11,624,298	26,602,785

* Includes Payable to Employees amounting to Rs. 11,043,523 (Previous year Rs. 24,707,314) out of which Payables to Key Managerial Person amounting to Rs. 153,206 (Previous year Rs. 625,684).

15 Provisions

Provision for Employee Benefits :
Provision for Gratuity (Refer note 27)
Provision for Compensated Absences
Total Provision

As at	
March 31, 2021	March 31, 2020
Current	
6,948,710	11,258,299
3,187,000	6,146,000
10,135,710	17,404,299

16 Other Liabilities

Contract Liabilities (Refer note 32)
-Deferred Revenue
-Advances from Customers
Statutory Dues*
Total other liabilities

As at			
March 31, 2021	March 31, 2020	March 31, 2021	March 31, 2020
Non-current		Current	
5,206	30,079	3,744,186	8,264,432
-	-	9,546,412	18,759,604
-	-	8,595,179	12,054,993
5,206	30,079	21,885,777	39,079,029

* Statutory Dues mainly includes withholding tax, Goods and service tax and Contribution to Provident fund etc.

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Notes to the Financial Statements for the year ended March 31, 2021

(All amounts in Rs., unless stated otherwise)

	Year ended	
	March 31, 2021	March 31, 2020
17 Revenue From Operations (Refer note 32)		
Sale of Products :		
-Courseware and Training Material	42,678,072	100,843,032
-Hardware & Accessories	6,802,632	32,855,923
Sale of Services	80,764,667	111,786,817
- Discounts & Rebates	-	(7,560)
	130,245,371	245,478,212

	Year ended	
	March 31, 2021	March 31, 2020
18 Other Income		
Interest Income on Bank Deposits carried at amortized cost	181,161	55,675
Interest income on income tax refund received	5,410,471	981,444
Net gain on Investment carried at fair value through profit or loss	431,829	633,542
Gain on sale / disposal of Property, Plant and Equipment and Intangible assets (Net)	664,214	244,202
Gain on foreign currency translation and transaction (net)	-	307,593
Gain on termination of Leases (Net) (Refer note 5(ii))	18,609	-
Other Non-Operating Income	8,858,336	5,718,479
	15,564,620	7,940,935

	Year ended	
	March 31, 2021	March 31, 2020
19 Employee Benefits Expenses#		
Salary, Wages and Bonus	134,500,651	181,319,568
Contribution to Provident and other Funds (Refer note 27)	9,102,946	11,936,367
Share Based Payments*	273,717	216,970
Staff Welfare expense	1,589,870	3,349,291
	145,467,184	196,822,196

Net of Rs. 681,339 (Previous year Rs. 3,814,434) capitalized in intangible assets (Refer note 6).

*Share Based Payments Expenses are payable to the Holding Company.

MINDCHAMPION LEARNING SYSTEMS LIMITED

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Notes to the Financial Statements for the year ended March 31, 2021

(All amounts in Rs., unless stated otherwise)

20 Finance Costs	Year ended	
	March 31, 2021	March 31, 2020
Interest Expense	17,721,839	32,372,934
Interest on lease liabilities [Refer note 5(ii)]	41,121	81,322
Other Borrowing Costs (Refer note 29)	150,684	1,290,984
	17,913,644	33,745,240

21 Other Expenses*	Year ended	
	March 31, 2021	March 31, 2020
Equipment Hiring [Refer note 5(i)]	86,891	375,029
Freight and Cartage	3,631,496	6,170,319
Rent [Refer note 5(i)]	6,255,647	8,898,767
Rates and Taxes	65,114	-
Power & Fuel	698,148	1,951,996
Communication	1,678,099	2,695,307
Legal and Professional (Refer note 22)	10,228,408	9,950,922
Management Cost Recovery by Holding Company	4,670,453	8,049,546
Travelling and Conveyance	1,492,970	26,986,734
Allowance for Doubtful Debts (Refer note 26)	24,121,891	11,193,272
Allowance for Doubtful Advances and Deposits	27,195	31,450
Insurance	5,026	6,628
Repairs and Maintenance		
- Plant and Machinery	855,343	455,518
- Buildings	47,168	133,389
- Others	1,077,157	2,051,221
Consumables	199,350	3,263,878
Loss on Foreign Currency Translation and Transaction (net)	193,557	-
Security and Administration Services	894,330	1,462,794
Bank Charges	64,973	81,890
Marketing & Advertising Expenses	175,987	2,102,273
Sundry Expenses	392,025	907,619
	56,861,228	86,768,552

* Net of Rs. 180 (Previous year Rs. 66,935) capitalized in intangible assets (Refer note 6).

22 Payment To Auditors (included in legal and professional fees)	Year ended	
	March 31, 2021	March 31, 2020
As Auditor		
- Audit Fee	523,800	523,800
- Certification Fee	-	50,000
- Reimbursement of expenses	40,333	44,183
	564,133	617,983

23 Exceptional Items	Year ended	
	March 31, 2021	March 31, 2020
Provision for Doubtful recoverable in government projects [Refer note-(i) below]	-	(31,790,845)
Provision for Impairment on Intangible assets [Refer note-(ii) below]	(23,362,338)	(31,132,237)
Provision for Doubtful debts [Refer note-(ii) below]	(3,450,729)	(10,837,781)
Provision for Inventory [Refer note-(ii) below]	(14,951,876)	-
Total	(41,764,943)	(73,760,863)

- (i) During the previous year, the Company had discontinued Government and strategic alliances operations and made a provision for Doubtful debts related to the business.
- (ii) The Company has assessed the possible effects that may result from COVID-19 on the carrying value of assets and created an additional provision for doubtful debts, inventories and intangible assets of Rs. 41,764,943 (Previous year Rs. 41,970,018).

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Notes to the Financial Statements for the year ended March 31, 2021

(All amounts in Rs., unless stated otherwise)

24 Income tax expense

(a) Income tax expense

Current tax

Write off Foreign tax credit

Total current tax expense

Deferred tax

Write off minimum alternate tax credit

Total deferred tax expense

Income tax expense

Year ended	
March 31, 2021	March 31, 2020
774,943	-
774,943	-
-	18,689,797
-	18,689,797
774,943	18,689,797

(b) Reconciliation of tax expense and the accounting profit multiplied by India's tax rate:

Loss before Tax

Write off minimum alternate tax credit

Write off Foreign tax credit

Total tax expenses

* Since there is loss, therefore no tax is computed.

Year ended	
March 31, 2021	March 31, 2020
(160,469,819)	(247,704,608)
-	18,689,797
774,943	-
774,943	18,689,797

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MINDCHAMPION LEARNING SYSTEMS LIMITED
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Notes to the Financial Statements for the year ended March 31, 2021

(All amounts in Rs., unless stated otherwise)

25 Fair value measurements

(i) Fair value hierarchy

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

Level 1: Level 1 hierarchy includes financial instruments measured using quoted prices. This includes listed equity instruments, traded bonds and mutual funds that have quoted price. The fair value of all equity instruments (including bonds) which are traded in the stock exchanges is valued using the closing price as at the reporting period. The mutual funds are valued using the closing net asset value.

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

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

The Company's policy is to recognize transfers into and transfers out of fair value hierarchy levels at the end of reporting period.

(ii) Valuation technique used to determine fair value

Specific valuation techniques used to value financial instruments include:

- The use of quoted market prices for similar instruments.
- The fair value of forward foreign exchange contracts is determined using Mark to Market Valuation by the respective bank at the balance sheet date.
- The fair value of the remaining financial instruments is determined using discounted cash flow analysis.

Financial instruments by category and hierarchy of measurement

	As at			
	March 31, 2021		March 31, 2020	
	FVTPL	Amortised cost	FVTPL	Amortised cost
Financial assets				
Investments	46,929,054	-	-	-
Trade receivables	-	59,282,874	-	147,249,368
Cash and bank balances	-	16,451,260	-	19,360,789
Bank balances other than above	-	7,000,000	-	-
Other financial assets	-	1,592,279	-	2,224,848
Total financial assets	46,929,054	84,326,413	-	168,835,005
Financial liabilities				
Borrowings	-	-	-	300,000,000
Trade payables	-	108,641,511	-	196,078,415
Lease liabilities	-	183,690	-	536,285
Other financial liabilities	-	11,624,298	-	26,702,785
Total financial liabilities	-	120,449,499	-	523,317,485

As of March 31, 2021 and March 31, 2020, the fair value of cash and bank balances, trade receivables, other financial assets and liabilities, borrowings, trade payables approximate their carrying amount largely due to nature of these instruments.

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Notes to the Financial Statements for the year ended March 31, 2021

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26 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, 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. It is the Company's policy that no trading in derivatives for speculative purposes may be undertaken. The Board of Directors reviews and agrees policies for managing each of these risks, which are summarised below:

(A) Credit risk

Credit risk refers to the risk of default on its obligation by the counter party resulting in a financial loss. The maximum exposure to the credit risk at the reporting date is primarily from trade receivables amounting to Rs. 59,282,874 and Rs. 147,249,368 as of March 31, 2021 and March 31, 2020, respectively and unbilled revenue amounting to Rs. 1,082,201 and Rs. 1,742,185 as of March 31, 2021 and March 31, 2020, respectively. Trade receivables and unbilled revenue are typically unsecured and are derived from revenue earned through government customers and other corporate customers. The Company has used the expected credit loss model to assess the impairment loss or gain on trade receivables and unbilled revenue, and has provided it wherever appropriate. The following table gives the movement in allowance for expected credit loss:

Reconciliation of loss allowance provision – Trade receivables

Particulars	Amount in Rs.
Loss allowance as on April 01, 2019	119,802,030
Add: Provision for Expected credit loss (Refer note 21)	11,193,272
Add: Additional provisional created through exceptional (Refer note 23)	42,628,626
Loss allowance as on March 31, 2020	173,623,928
Add: Provision for Expected credit loss (Refer note 21)	24,121,891
Add: Additional provisional created through exceptional (Refer note 23)	3,450,729
Loss allowance as on March 31, 2021	201,196,548

(B) Liquidity risk

The Company's principal sources of liquidity are cash and cash equivalents and the cash flow that is generated from operations. The Company has no outstanding borrowings except term loans and working capital limits from banks. Working capital limit is secured by a first charge on the book debts of the Company and by a second charge on movable assets of the Company. However, the Company believes that the working capital is sufficient to meet its current requirements. Accordingly, no liquidity risk is perceived.

(i) Maturities of financial liabilities

The table below provides details regarding the contractual maturities of significant financial liabilities as at March 31, 2021:

Particulars	Less than 1 year	Between 1 and 2 years	Between 2 and 5 years	Total
Trade payables	108,641,511	-	-	108,641,511
Lease liabilities	183,690	-	-	183,690
Other financial liabilities	11,624,298	-	-	11,624,298
Total non-derivative liabilities	120,449,499	-	-	120,449,499

The table below provides details regarding the contractual maturities of significant financial liabilities as at March 31, 2020:

Particulars	Less than 1 year	Between 1 and 2 years	Between 2 and 5 years	Total
Borrowings	50,000,000	250,000,000	-	300,000,000
Lease liabilities	307,142	133,243	95,900	536,285
Trade payables	196,078,415	-	-	196,078,415
Other financial liabilities	26,602,785	-	100,000	26,702,785
Total non-derivative liabilities	272,988,342	250,133,243	195,900	523,317,485

(C) Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: interest rate risk, currency risk and other price risk, such as equity price risk and commodity risk. Financial instruments affected by market risk include loans and borrowings, deposits, investments measured at FVTPL and derivative financial instruments.

(i) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. There are no significant borrowings on the financial statements. Hence, there is no significant concentration of interest rate risk.

(ii) Foreign currency risk

The Company operates internationally and is exposed to foreign exchange risk arising from foreign currency transactions, primarily with respect to the USD. Foreign exchange risk arises from future commercial transactions and recognised assets and liabilities denominated in a currency that is not the Company's functional currency (INR). The Company evaluates its exchange rate exposure arising from these transactions and enters into foreign exchange forward contracts to hedge forecasted cash flows denominated in foreign currency and mitigate such exposure.

The Company's exposure to foreign currency risk at the end of the reporting year expressed in INR, are as follows

	As at March 31, 2021		As at March 31, 2020	
	USD	SGD	USD	SGD
Financial assets				
Trade receivables	1,320,704	-	2,106,810	106,023
Financial liabilities				
Trade payables	-	-	965,083	-

Sensitivity

The sensitivity of profit or loss to changes in the exchange rates arises mainly from foreign currency denominated financial instruments.

Particulars	Impact on Profit and Loss		Impact on Profit and Loss	
	Gain / (Loss) on Appreciation	Gain / (Loss) on Depreciation	Gain / (Loss) on Appreciation	Gain / (Loss) on Depreciation
1% appreciation / depreciation in Indian Rupees against following foreign currencies *:				
USD	13,207	(13,207)	11,417	(11,417)
SGD	-	-	1,060	(1,060)
	13,207	(13,207)	12,478	(12,478)

* Holding all other variables constant

USD: United States Dollar, SGD: Singapore Dollar

MINDCHAMPION LEARNING SYSTEMS LIMITED

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Notes to the Financial Statements for the year ended March 31, 2021

(All amounts in Rs., unless stated otherwise)

27 Employee Benefits

A) Defined Contribution Plans

The Company makes contribution towards Provident Fund, Superannuation Fund and Pension Scheme to the defined contribution plans for eligible employees.

The Company has charged the following costs in Contribution to Provident and Other Funds in the Statement of Profit and Loss:-

Particulars	Year ended	
	March 31, 2021	March 31, 2020
Employers' Contribution to Provident Fund	2,454,899	3,705,352
Employers' Contribution to Superannuation Fund	573,250	731,363
Employers' Contribution to Employees Pension Scheme	2,954,881	4,335,838
Employers' Contribution to Employee National Pension System	175,505	224,814
Total	6,158,535	8,997,367

The Company has charged the following costs in Contribution to Provident and Other Funds in the Statement of Profit and Loss for Key Management Personnel:

	Year ended	
	March 31, 2021	March 31, 2020
Employers' Contribution to Provident Fund	250,752	251,088
Employers' Contribution to Superannuation Fund	278,583	274,527
Employers' Contribution to Employees Pension Scheme	30,000	30,000
Employers' Contribution to Employee National Pension System	144,990	138,450
Total	704,325	694,065

B) Defined Benefit Plans

1. Provident Fund

The Company makes contributions to the "NIIT LIMITED EMPLOYEES' PROVIDENT FUND TRUST" ("the Trust"), in respect of employees deputed from the Holding Company. The plan has been classified as a Defined Benefit plan in accordance with Ind AS-19 'Employee Benefits'. During the year the Company contributed Rs. 2,454,899/- (Previous year Rs. 3,705,352/-) to the Trust. The Company has an obligation to make good the shortfall, if any, between the return from the investments of the Trust and the notified interest rate. The Company's obligation in this regard is actuarially determined and provided for if the circumstances indicate that the Trust may not be able to generate adequate returns to cover the interest rates notified by the Government. Based on actuarial valuation carried out, there is no shortfall to be provided by the Company.

2. Gratuity Fund - Funded

Particulars

i) Change in Present value of Obligation:-

	As at	
	March 31, 2021	March 31, 2020
Present value of obligation as at beginning of the year	12,371,000	12,568,000
Interest cost	747,411	903,000
Current service cost	2,262,000	2,119,000
Acquisition (credit) / cost	(313,000)	(25,000)
Benefits paid from plan assets	(1,724,000)	(230,000)
Actuarial (gain)/ loss - experience	(6,438,000)	(3,191,000)
Actuarial (gain)/ loss - financial assumptions	681,000	227,000
Present value of obligation as at the year end	7,586,411	12,371,000

ii) Change in value of Plan Assets

	As at	
	March 31, 2021	March 31, 2020
Fair value of Plan Assets as at the beginning of the year	1,112,701	1,231,729
Acquisition adjustment	(313,000)	(25,000)
Expected return on Plan Assets	65,000	83,000
Contributions	1,500,000	47,972
Benefits Paid	(1,724,000)	(230,000)
Return on plan assets (greater) / less than discount rate	(3,000)	5,000
Fair value of Plan Assets as at the end of the year	637,701	1,112,701

iii) Amount of Asset/ (Liability) recognised in the Balance Sheet:-

	Fair value of Plan Assets as at the end of the year	Present value of obligation as at the end of the year	Liability recognised in Balance Sheet
As at March 31, 2021	637,701	7,586,411	(6,948,710)
As at March 31, 2020	1,112,701	12,371,000	(11,258,299)

iv) Gratuity Cost recognised in the Statement of Profit and Loss:-

Particulars	Year ended	
	March 31, 2021	March 31, 2020
Current service cost	2,262,000	2,119,000
Interest cost	682,411	820,000
Expense recognised in the Statement of Profit and Loss	2,944,411	2,939,000

Estimated contributions for the year ended on March 31, 2022 is Rs. 6,948,710 (Previous year Rs. 11,258,299).

MINDCHAMPION LEARNING SYSTEMS LIMITED

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Notes to the Financial Statements for the year ended March 31, 2021

(All amounts in Rs., unless stated otherwise)

v) Gratuity Cost recognised through Other Comprehensive Income:-

Particulars	Year ended	
	March 31, 2021	March 31, 2020
Actuarial loss - experience	(6,438,000)	(3,191,000)
Actuarial loss - financial assumptions	681,000	227,000
Return on plan assets (greater) / less than discount rate	3,000	(5,000)
Expense recognised through other comprehensive loss	(5,754,000)	(2,969,000)

vi) Assumptions used in accounting for gratuity plan:-

	As at	
	March 31, 2021	March 31, 2020
Discount Rate (Per Annum)	6.25%	6.50%
Future Salary Increase	12% for FY 2021-22 & FY 2022-23 & 8% thereafter	2% for FY 2020-21, 8% thereafter
Expected Rate of return on plan assets	7.05%	7.85%

Estimates of future salary increase considered in actuarial valuation, takes into account inflation, seniority, promotion and other relevant factors such as supply and demand in the employment market.

vii) Investment details of Plan Assets:-

The plan assets are maintained with Life Insurance Corporation of India Gratuity Scheme. The details of investment maintained by Life Insurance Corporation are not available with the Company and have not been disclosed.

The expected return on plan assets is determined considering several applicable factors mainly the compensation of plan assets held, assessed risk of asset management, historical result of the return on plan assets.

viii) Sensitivity analysis

The sensitivity of the defined benefit obligation to changes in the weighted principal assumptions is:

	Impact on defined benefit obligation		
	Change in assumption	Increase in assumption	Decrease in assumption
	March 31, 2021	March 31, 2021	March 31, 2021
Discount rate	0.50%	(380,000)	411,000
Salary growth rate	0.50%	400,000	(374,000)
Withdrawal rate	5.00%	(459,000)	472,000

	Impact on defined benefit obligation		
	Change in assumption	Increase in assumption	Decrease in assumption
	March 31, 2020	March 31, 2020	March 31, 2020
Discount rate	0.50%	(599,000)	647,000
Salary growth rate	0.50%	638,000	(598,000)
Withdrawal rate	5.00%	(739,000)	782,000

The above sensitivity analyses are based on a change in an assumption while holding all other assumptions constant. In practice, this is unlikely to occur, and changes in some of the assumptions may be correlated. When calculating the sensitivity of the defined benefit obligation to significant actuarial assumptions the same method (present value of the defined benefit obligation calculated with the projected unit credit method at the end of the reporting period) has been applied as and when calculating the defined benefit liability recognised in the balance sheet.

ix) The major categories of plan assets are as follows:

	March 31, 2021	March 31, 2020
Scheme of insurance - conventional products	100%	100%

Risk exposure

Through its defined benefit plans, the Company is exposed to a number of risks, the most significant of which are market volatility, changes in inflation, changes in interest rates, rising longevity, changing economic environment, regulatory changes etc. The Company ensures that the investment positions are managed within an asset and liability matching framework that has been developed to achieve investments which are in line with the obligations under the employee benefit plans. Within this framework, the Company's asset-liability matching objective is to match assets to the obligations by investing in securities to match the benefit payments as they fall due.

The Company actively monitors how the duration and the expected yield of the investments are matching the expected cash outflows arising from employee benefit obligations. The Company has not changed the processes used to manage its risks from previous periods. Investments are well diversified, such that failure of any single investment should not have a material impact on the overall level of assets.

MINDCHAMPION LEARNING SYSTEMS LIMITED
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Notes to the Financial Statements for the year ended March 31, 2021

(All amounts in Rs., unless stated otherwise)

28 Loss Per Share

	Year ended	
	March 31, 2021	March 31, 2020
Loss attributable to Equity Shareholders (A)	(161,244,762)	(266,394,405)
Weighted average number of Equity Shares outstanding during the year (Nos.) – (B)	115,564,072	69,064,072
Nominal Value of Equity Shares (Rs.)	10	10
Basic loss per Share (Rs.) (A/B)	(1.40)	(3.86)
Diluted loss per Share (Rs.) (A/B)	(1.40)	(3.86)

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

29 Related Party Transactions

A. Related party relationship where control exists:

Holding Company - NIIT Limited

B. Fellow Subsidiaries

- 1 NIIT Institute of Finance Banking and Insurance Training Limited
- 2 NIIT Institute of Process Excellence Limited (Under Voluntary Liquidation w.e.f. February 19, 2020)
- 3 NIIT Yuva Jyoti Limited (Under Voluntary Liquidation w.e.f. February 19, 2020)
- 4 NIIT USA Inc, USA
- 5 Stackroute Learning Inc, USA (subsidiary of entity at serial no. 4- incorporated on December 29, 2020)
- 6 NIIT Limited, UK
- 7 NIIT Malaysia Sdn. Bhd, Malaysia
- 8 NIIT West Africa Limited
- 9 NIIT GC Limited, Mauritius
- 10 NIIT (Ireland) Limited
- 11 NIIT Learning Solutions (Canada) Limited (subsidiary of entity at serial no. 10)
- 12 Eagle international Institute Inc. USA (subsidiary of entity at serial no.4)
- 13 Eagle Training Spain, S.L.U (subsidiary of entity at serial no. 12)
- 14 PT NIIT Indonesia, Indonesia (under liquidation)
- 15 NIIT China (Shanghai) Limited, Shanghai (subsidiary of entity at serial no. 9)
- 16 NIIT Wuxi Service Outsourcing Training School, China (Deregistered on June 24, 2020) (subsidiary of entity at serial no. 15)
- 17 Wuxi NIIT Information Technology Consulting Limited, China (entity closed on October 30, 2020) (subsidiary of entity at serial no. 15)
- 18 Su Zhou NIIT Information Technology Consulting Limited, China (subsidiary of entity at serial no. 17)
- 19 Changzhou NIIT Information Technology Consulting Limited, China (subsidiary of entity at serial no. 17)
- 20 Zhangjiagang NIIT Information Services Limited, China (Closed on August 12, 2019) (subsidiary of entity at serial no. 15)
- 21 Chengmai NIIT Information Technology Company Limited, China (Under process of closing) (subsidiary of entity at serial no. 15)
- 22 Chongqing An Dao Education Consulting Limited, China (subsidiary of entity at serial no. 15)
- 23 Chongqing NIIT Education Consulting Limited, China (Closed on January 20, 2021) (subsidiary of entity at serial no. 15)
- 24 NingXia NIIT Education Technology Company Limited, China (subsidiary of entity at serial no. 15)
- 25 Guizhou NIIT information technology consulting Co., Limited, China (subsidiary of entity at serial no. 15)
- 26 NIIT (Guizhou) Education Technology Co., Limited, China (subsidiary of entity at serial no. 15)

C. Other related parties with whom the Company has transacted

a) Key Management Personnel

- 1 Mr. Umesh Kumar Gola (Chief Financial Officer)
- 2 Ms. Leena Khokha (Manager)
- 3 Mr. Vijay K Thadani (Non Executive Director)
- 4 Mr. P Rajendran (Non Executive Director)
- 5 Mr. Sapnesh Kumar Lalla (Non Executive Director)
- 6 Mr. Amit Roy (Non Executive Director) (resigned w.e.f. March 31, 2021)
- 7 Mr. Anand Sudarshan (Non Executive Independent Director) (tenure completed on March 13, 2021)
- 8 Ms. Lata Vaidyanathan (Non Executive Independent Director)

b) Parties in which the Key Managerial Personnel are interested

- 1 NIIT Foundation (formerly known as NIIT Education Society)

D. Key Management Personnel compensation

	Year ended	
	March 31, 2021	March 31, 2020
Short-term employee benefits	7,101,110	6,592,725
Post-employment benefits	2,680,649	1,011,875
Share based payments	1,499,812	445,800
Sitting Fees paid to Non Executive Directors	400,000	400,000
Total compensation	11,681,571	8,450,400

E. Terms and conditions

Transactions with related parties during the year were based on terms that would be available to third parties. All transactions were made on normal commercial terms and conditions and at market rates.

All outstanding balances are unsecured and are repayable in cash..

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Notes to the Financial Statements for the year ended March 31, 2021

29 Related Party Transactions (Contd.)

F. Details of significant transactions with the Related Parties carried out in ordinary course of business:-

(All amounts in Rs., unless stated otherwise)

Nature of Transactions	Holding Company	Parties in which Key Management Personnel of the Company are interested	Total
Sale of Goods- Revenue	140,890 (836,888)	2,085,563 (2,415,987)	2,226,453 (3,252,875)
Sale of services- Revenue	28,407,489 -	- -	28,407,489 -
Sale of fixed assets	720,254 -	- -	720,254 -
Recovery of Expenses From	- (244,444)	- -	- (244,444)
Purchase of Services-Professional Technical & Outsourcing expenses and others	1,732,131 -	- -	1,732,131 -
Management Cost Recovery- Other Expenses	4,670,453 (8,049,546)	- -	4,670,453 (8,049,546)
Corporate Guarantee Charges- Other Borrowing Costs	150,684 (1,290,984)	- -	150,684 (1,290,984)
Recovery of Employee Benefits expenses by	273,717 (216,970)	- -	273,717 (216,970)
Recovery of Expenses By	8,406,381 (14,449,048)	- -	8,406,381 (14,449,048)
Interest Expense- Finance Cost	17,718,219 (32,214,972)	- -	17,718,219 (32,214,972)
Issuance of Equity share capital	465,000,000 -	- -	465,000,000 -
Loan Taken	50,000,000 (50,000,000)	- -	50,000,000 (50,000,000)
Loan Repaid	350,000,000 -	- -	350,000,000 -

G. Details of outstanding balances with related parties:

Particulars	Holding Company	Parties in which Key Management Personnel are interested	Key Management Personnel	Total
i) Trade Payables				
March 31, 2021	4,263,955	-	-	4,263,955
March 31, 2020	(48,845,089)	-	-	(48,845,089)
ii) Trade Receivables				
March 31, 2021	9,649,534	1,209,913	-	10,859,447
March 31, 2020	-	(440,236)	-	(440,236)
iii) Other Payables				
March 31, 2021	-	-	153,206	153,206
March 31, 2020	(3,615,077)	-	(625,684)	(4,240,761)
iv) Loan payables				
March 31, 2021	-	-	-	-
March 31, 2020	(300,000,000)	-	-	(300,000,000)

Previous year figures are given in parenthesis.

H. The Company has availed corporate guarantee issued by Holding Company of Rs. Nil (Previous year Rs. 50,000,000) for working capital limits.

I. The Holding company has committed operational and financial supports to the Company.

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Notes to the Financial Statements for the year ended March 31, 2021

(All amounts in Rs., unless stated otherwise)

30 Contingent Liabilities and Commitments

A. Contingent Liabilities

a) Claims against the Company not acknowledged as debts:-

	As at	
	March 31, 2021	March 31, 2020
Customers	354,000	-
Total	354,000	-

b) Guarantees

i. Bank Guarantees issued by Bankers outstanding at the end of the year Rs. 230,040 (Previous year Rs. 230,040).

c) Other money for which the Company is contingently liable

i) Corporate Guarantee issued by NIIT Limited to Banks on behalf of the Company for Rs. Nil (Previous year Rs. 50,000,000).

B. Capital and other commitments - Nil (Previous year Nil)

31 Segment Information

The Company is engaged in providing Education & Training Services in a single geography. Based on "Management Approach", as defined in Ind AS 108 –Operating Segments, the Chief Operating Decision Maker (CODM) evaluates the performance and allocates resources based on the analysis of performance of the Company as a whole. Its operations are, therefore, considered to constitute a single segment in the context of Ind AS 108 – Operating Segments.

The Company operates in a single geography (India) and accordingly, secondary segment reporting is not applicable.

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

a. Disaggregated revenue information

Type of Services

	Year ended	
	March 31, 2021	March 31, 2020
Sale of Courseware and Training Material	42,678,072	100,835,472
Sale of Hardware & Accessories	6,802,632	32,855,923
Sale of Services	80,764,667	111,786,817
	130,245,371	245,478,212

Timing of Revenue Recognition

	Year ended	
	March 31, 2021	March 31, 2020
Goods (Courseware, Training Material, Hardware & Accessories) transferred at a point in time	49,480,704	133,691,395
Services transferred over time (Training Services)	80,764,667	111,786,817
	130,245,371	245,478,212

b. Trade receivables and Contract Balances

Trade Receivables [Refer note 7(ii)]	59,282,874	147,249,368
Contract Assets [Refer note 7(iii)]	1,082,201	1,742,185
Contract Liabilities [Refer note 16]	-13,295,804	-27,054,115
	47,069,271	121,937,438

Trade receivables are non-interest bearing and are generally on terms of 60 - 90 days. A sum of Rs. 27,572,620 (Previous year Rs.53,821,898) is recognised as provision for expected credit losses on trade receivables during the year.

The Company classifies the right to consideration in exchange for deliverables as either a receivable or as unbilled revenue.

A receivables is right to consideration that is unconditional upon passage of time.

Revenue for ongoing services at the reporting date yet to be invoiced is recorded as unbilled revenue.

c. Reconciliation of revenue recognised in the statement of profit and loss with the contracted price

	Year ended	
	March 31, 2021	March 31, 2020
Revenue as per contracted price	126,942,064	249,682,879
Adjustments		
(Reversal of sales return)/ Sales Return (net)	-3,303,307	4,197,107
Discount	-	7,560
	130,245,371	245,478,212

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, 2021, there were no remaining performance obligation as the same is satisfied upon delivery of goods/services.

MINDCHAMPION LEARNING SYSTEMS LIMITED**CIN: U72200DL2001PLC111674****Notes to the Financial Statements for the year ended March 31, 2021**

(All amounts in Rs., unless stated otherwise)

33 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.

There is no borrowings outstanding as at March 31, 2021.

Particulars	March 31, 2021	March 31, 2020
Borrowings [Refer note 14(i)]	-	300,000,000
Total Debt (A)	-	300,000,000
Equity Share Capital (Refer note 12)	1,155,640,720	690,640,720
Other Equity (Refer note 13)	(1,127,937,027)	(968,846,265)
Total Equity (B)	27,703,693	(278,205,545)
Profit after Tax (C)	(161,244,762)	(266,394,405)
Debt equity ratio (A/B)	-	(1.08)
Return on equity Ratio (%) (C/B)	(582.03)%	(95.75)%

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MINDCHAMPION LEARNING SYSTEMS LIMITED

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Notes to the Financial Statements for the year ended March 31, 2021

- 34** COVID 19 pandemic has severely impacted businesses around the world and is causing a slowdown of economic activity. In preparation of these financial statements, the Company has performed sensitivity analysis on the assumptions used and considered all the possible impacts of COVID-19 on the carrying value of its assets. Based on current estimates the Company expects that the carrying value of these assets will be recovered. The Company has carried out this assessment based on available internal and external sources of information up to the date of approval of these financial statements.
The Company will continue to monitor any material changes to the operations based on future economic conditions owing to the nature and duration of COVID-19. The impact of COVID-19 on the Company's financial statements may differ from that estimated as at the date of approval of these financial statements.
- 35** The Code on Social Security, 2020 ('Code') relating to employee benefits during employment and post-employment benefits received Presidential assent in September 2020. However, the date on which the Code will come into effect has not been notified. The Company will assess the impact of the Code when it comes into effect and will record any related impact in the period when the Code becomes effective.
- 36** The net worth of the Company is substantially eroded as at March 31, 2021. The holding company NIIT Limited 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.
- 37** Previous year figures have been regrouped / reclassified to conform the current year classification.

Signatures to Notes '1' to '37' of these Financial Statements.

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

**For and on behalf of the Board of Directors of
Mindchampion Learning Systems Limited**

Sanjay Bachchani
Partner
Membership No. 400419

P Rajendran
Director
DIN - 00042531

Vijay K Thadani
Director
DIN - 00042527

Umesh Kumar Gola
Chief Financial Officer

Siddharth Nath
Company Secretary

Place: Gurugram
Date: June 03, 2021

Place: Gurugram
Date: June 03, 2021