ANNUAL REPORT

2017-18

MINDCHAMPION LEARNING SYSTEMS LIMITED

CORPORATE INFORMATION
CIN: U72200DL2001PLC111674

BOARD OF DIRECTORS
P Rajendran, Chairman
Vijay K Thadani, Director
Sapnesh Kumar Lalla, Director
Amit Roy, Director
Anand Sudarshan, Independent Director
Lata Vaidyanathan, Independent Director

AUDIT COMMITTEE
Anand Sudarshan
Lata Vaidyanathan
Vijay K Thadani

NOMINATION & REMUNERATION COMMITTEE
Anand Sudarshan
Lata Vaidyanathan
P Rajendran
Sapnesh Kumar Lalla

CHIEF FINANCIAL OFFICER
Umesh Kumar Gola

CHIEF EXECUTIVE OFFICER
Gavin Francis Dabreo

AUDITORS
S R Batliboi LLP

BANKS
Yes Bank
Indian Overseas Bank
ICICI Bank Limited
RBL Bank

NIIT nguru

REGISTERED OFFICE
8, Balaji Estate, First Floor
Guru Ravi Das Marg, Kalkaji
New Delhi 110 019, India
Tel No.: +91 11 4167 5000
Fax: + 91 11 41407 120

CORPORATE OFFICE
85, Sector 32, Institutional Area,
Gurugram 122 001, India
Tel No.:+91 124 429 3000
Fax: +91 124 429 3333

WEBSITE: www.niitnguru.com

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NOTICE

Notice is hereby given that 16th Annual General Meeting ("AGM") of the Members of MindChampion Learning Systems Limited will be held on Wednesday, 11th day of July 2018, at 9:30 A.M. at the registered office at 8, Balaji Estate, First Floor, Guru Ravi Das Marg, Kalkaji, New Delhi-110019 to transact the following business:

ORDINARY BUSINESS

1. To receive, consider and adopt the Audited Financial Statement of the Company for the Financial Year ended March 31, 2018, together with the Reports of the Auditors and the Directors thereon.

2. To appoint a Director in place of Mr. Vijay K Thadani (DIN:00042527), who retires by rotation and being eligible, offers himself for re-appointment.

3. To appoint a Director in place of Mr. P Rajendran (DIN:00042531), who retires by rotation and being eligible, offers himself for re-appointment.

SPECIAL BUSINESS:

4. **Ratification of Remuneration of Cost Auditor**

To Consider and it thought fit, to pass, with and without modification(s), the following resolution as an Ordinary Resolution.

"RESOLVED THAT pursuant to the provisions of Section 148 and other applicable provisions, if any, of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014 (including any statutory modification(s) or re-enactment(s) thereof for the time being in force), the remuneration, as approved by the Board of Directors and set out in the Statement annexed to the Notice convening this meeting, to be paid to the Cost Auditors appointed by the Board of Directors of the Company, to conduct the audit of cost records of the Company for the financial year ending March 31, 2018, be and is hereby ratified.

RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorised to do all such acts, deeds, matters and things as may be considered necessary, proper or expedient in order to give effect to the above resolution and for matters connected therewith or incidental thereto."

By Order of the Board
For **MindChampion Learning Systems Limited**

Sd/-

Date : May 11, 2018
Place : Gurugram

P Rajendran
Chairman
DIN: 00042531

NOTES:

1. **A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF/HERSELF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY.**

   PROXY FORM DULY FILLED IN AND COMPLETED IN ALL RESPECT IN ORDER TO BE EFFECTIVE MUST BE LODGED WITH THE COMPANY AT ITS REGISTERED OFFICE NOT LESS THAN FORTY-EIGHT HOURS BEFORE THE TIME FIXED FOR THE MEETING.

2. Register of Directors' Shareholding shall be open for inspection at the Registered Office of the Company during normal business hours except Saturday's and Sunday's up to and including the date of AGM.

3. Statement pursuant to the provisions of Section 102 of the Companies Act, 2013 is annexed herewith.

Statement pursuant to the provision of Section 102 of the Companies Act, 2013

The Board at its meeting held on July 12, 2017, on the recommendation of the Audit Committee, has appointed Ramanath Iyer & Co., Cost Accountant as the Cost Auditor of the Company for the Financial Year 2017-18 at the remuneration of Rs.1,37,500/- plus taxes and out of pocket expenses.

In accordance with the provisions of Section 148 of the Companies Act, 2013 read with the Companies (Audit and Accounts) Rules, 2014 or any statutory modification or re-enactment thereof, the remuneration as mentioned above, payable to the cost auditor is required to be ratified by the Shareholders of the Company.

None of the Directors, Key Managerial Personnel of the Company or their relative are concerned or interested, financially or otherwise in the resolution set out in item no. 4.

The Board recommends the resolution for your approval.

By Order of the Board
For **MindChampion Learning Systems Limited**

Sd/-
P Rajendran
Chairman
DIN: 00042531

Date : May 11, 2018
Place : Gurugram

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BOARD'S REPORT

To
The Members,

Your Directors take pleasure in presenting the 16th Annual Report of your Company along with the Audited Financial Statement for the financial year ended March 31, 2018.

Financial Highlights

The Company has adopted Indian Accounting Standards (Ind AS) from April 1, 2017 with a transition date of April 1, 2016. The financial statements has been prepared in accordance with Ind AS as prescribed under section 133 of the Companies Act 2013 read with rule 3 of the Companies (Indian Accounting Standards) Rules 2015, as amended.

During the year under review, your Company has recorded a total income of Rs. 618.34 million and incurred a loss of Rs. (47.29) million. The summarized financial results are as under:

(Amounts in Rs. Million)

Particulars	For the year ended March 31, 2018	For the year ended March 31, 2017
Revenue from Operations	592.67	868.86
Other Income	25.67	13.95
Total Income	618.34	882.81
Profit / (Loss) before tax	(47.29)	(19.92)
Tax Expense	0.08	0
Net Profit / (Loss)	**(47.37)**	**(19.92)**

Dividend and Transfer to Reserves

The Directors have not recommended any dividend for the year under review. Your Company has not transferred any sum to the general reserve.

State of the Company's Affairs

The Company provides education services in line with the curriculum to government schools. It also provides curriculum based products and services to private schools across India under nGuru brand. The portfolio of products has been expanded in the last two years to include curriculum and assessment solutions for IT, Maths, Science and English. This is apart from the MathLab, ERP and digital classrooms products it already had developed. The focus of the Company has been to help children improve their academic outcomes through a suite of offerings which includes subject courseware, digital content, assessment platform and learning aids.

Future Plans

The Company shall continue to focus on improving the academic outcomes for children, while being asset light and IP driven. Through technology interventions, the products will be updated and become adaptive to the learning needs of students. Your Company shall deliver higher sales efficiencies, improved service and support, and improved internal processes to tap the opportunity available in the market. This can help the company play a larger role in improving learning outcomes for school children, and expand the network of schools it works with.

Directors

In accordance with the provisions of the Section 152 of the Companies Act, 2013 ("the Act") Mr. Vijay K Thadani and Mr. P Rajendran, Directors retires by rotation at the forthcoming Annual General Meeting and being eligible, have offered themselves for re-appointment as Directors of the Company.

During the year under review, Mr. Rahul K Patwardhan resigned from the directorship of the Company with effect from the close of business hours on July 12, 2017. Further Mr. Sapnesh Kumar Lalla and Mr. Amit Roy were appointed as Additional Directors of the Company by the Board of Directors at its meeting held on May 10, 2017 and appointments were regularised by the Shareholders at the Annual General Meeting held on July 11, 2017.

All Independent Directors have given confirmation that they meet the criteria of Independence as laid down under Section 149(6) of the Act.

Key Managerial Personnel (KMP)

As on date of the report, following officials are KMPs of the Company:

- Mr. Gavin DA'breo, Chief Executive Officer
- Mr. Umesh Kumar Gola, Chief Financial Officer

During the year under review, Ms. Neha Gandhi resigned as Company Secretary of the Company w.e.f. January 05, 2018.

Meetings of the Board

The Board of Directors met Five (5) times in the financial year 2017-18, i.e. on May 10, 2017, July 12, 2017, October 10, 2017, January 11, 2018 and March 23, 2018. The intervening gap between the Meetings was within the period prescribed under the Act.

Audit Committee (AC)

In line with the statutory provisions of the Act and as a measure of good Corporate Governance with a view to provide assistance to the Board in fulfilling its oversight responsibilities, an Audit Committee of the Directors was constituted. More than two-third of the members of the Committee are Independent Directors and every Member has rich experience in the financial sector. The Company Secretary acts as Secretary to the Committee. Statutory Auditors and Senior Management Personnel of the Company also attend the meetings by invitation. The recommendations of the Audit Committee are placed before the Board for its consideration and approval.

Currently, the Audit Committee comprises the following members:

- Mr. Anand Sudarshan
- Ms. Lata Vaidyanathan
- Mr. Vijay Kumar Thadani

Nomination and Remuneration Committee (NRC)

The Nomination and Remuneration Committee of the Company is constituted to identify persons who are qualified to become directors and who may be appointed in senior management, to formulate the criteria for determining qualification, positive attributes and independence of a director and recommend to the board a policy, relating to the remuneration for the directors, key managerial personnel and other employees, to carry out evaluation of other director's performance. The Nomination and Remuneration Committee of the Company is also entrusted to frame policies and system for employee stock option plans and to formulate and administer the company's Employee stock option plans from time to time. The remuneration policy of the

Company is aimed to reward performance, based on review of achievements on a regular basis.

Mr. Sapnesh Kumar Lalla was inducted as a member of NRC w.e.f July 12, 2017 and Mr. Rahul K Patwardhan ceased to be member of NRC consequent to his resignation. Currently, the Nomination and Remuneration Committee comprises the following members:

- Mr. Anand Sudarshan
- Ms. Lata Vaidyanathan
- Mr. P Rajendran
- Mr. Sapnesh Kumar Lalla

Remuneration Policy

The remuneration policy of the Company is aimed at rewarding performance, based on review of achievements on a regular basis. The objective and broad framework of the Remuneration Policy is to consider and determine the remuneration, based on the fundamental principles of payment for performance, for potential, and for growth. The Remuneration Policy reflects on certain guiding principles of the Company such as aligning remuneration with the longer term interests of the Company and its shareholders, promoting a culture of meritocracy and creating a linkage to corporate and individual performance, and emphasizing on line expertise and market competitiveness so as to attract the best talent.

Annual Evaluation by the Board

Pursuant to the provisions of the Companies Act, 2013 the Board has carried out the annual performance evaluation of its own performance, the Directors individually as well as the evaluation of the working of its Audit and Nomination & Remuneration Committees. A separate exercise was carried out to evaluate the performance of individual Directors including the Chairman of the Board, who were evaluated on parameters such as level of engagement and contribution, effective participation in Board/Committee Meetings, independence of judgement, safeguarding the interest of the Company providing expert advice to Board, deliberations on approving related party transactions etc.

Meeting of Independent Director

During the year under review, a meeting of Independent Directors was held on March 23, 2018 in accordance to the provisions of Section 149 of the Act and rules thereto.

Auditors

Pursuant to the provisions of Section 139 and other applicable provisions of the Act (as amended from time to time), M/s S R Batliboi & Associates LLP, Chartered Accountants, Gurgaon (FRN 101049W/E300004). were appointed by the members of the Company as Statutory Auditors of the Company from the conclusion of 15th AGM untill the conclusion of 20th AGM, subject to ratification by members at each AGM of the Company. Pursuant to an amendment in Section 139 of the Companies Act, 2013, ratification of the such appointment of Statutory Auditors is no more required at each Annual General Meeting. Accordingly, the same is not been taken up at this Annual General Meeting.

Auditors' Report

The Report of the Auditors on the Annual Financial Statement of your Company for the Financial Year 2017-18 forms part of the Annual Financial Statement and the same is self explanatory.

Internal Control Systems and their Adequacy

The Company has adequate system of internal control for planning, review, revenue recognition, expenses authorization, capital expenditure approval, risk management, investments etc. The Company is following all the applicable Accounting Standards for properly maintaining the books of accounts and reporting of financial statement.

Deposits

In terms of the provisions of section 73 to 76 of the Act read with the relevant rules made thereunder your Company has not accepted any fixed deposit from public.

Share Capital

During the year under review, the Authorised Share Capital of the Company was increased from Rs. 30 Crores to Rs. 80 Crores on August 4, 2017 held by NIIT Limited, the holding Company. 5,00,000 Unsecured Optionally Convertible Debentures ("OCD") of Rs. 50 Crores were converted into Equity shares of Rs. 50 Crores on August 4, 2017. Further 1,00,000 OCD of Rs.1000/- aggregating to Rs. 10 crores were redeemed by the Company. The Company continues to be the Wholly Owned Subsidiary of NIIT Limited.

Particulars of loans, guarantee or investment

During the year under review, the Company has not granted any loan, guarantee or made investment under section 186 of the Act.

Related Party Transactions

All related party transactions that were entered into during the financial year were on an arm's length basis and were in the ordinary course of business. There are no materially significant related party transactions made by the Company with Promoters, Directors, Key Managerial Personnel or other designated persons which may have a potential conflict with the interest of the Company at large.

Accordingly, the disclosure of related party transactions as required under Section 134(3)(h) of the Act in Form AOC-2 is attached as Annexure B. All Related Party Transactions were approved by the Audit Committee and were also approved by the Board of Directors as a good Corporate Governance.

Information relating to Conservation of Energy, Technology Absorption, Research and Development, Foreign Exchange Earnings and Outgo and other information forming part of the Board's Report in terms of Section 134(3)(m) of the Companies Act, 2013 and the Rules made thereunder:

a) **Conservation of energy**

Although the operations of the Company are not energy intensive, the management has been highly conscious of criticality of conservation of energy at all the operational levels and efforts are made in this direction on a continuous basis. Adequate measures have been taken to reduce energy consumption whenever possible by using energy efficient equipment. The requirement of disclosure of particulars with respect to conservation of energy as prescribed in Section 134(3)(m) of the Act read with rule 8 of the Companies (Account) Rules, 2014, are not applicable to the Company and hence are not provided.

b) **Technology absorption**

The Company realizes that in order to stay competitive and avoid obsolescence, it would have to invest in new technology across multiple product lines and services offered by it.

Hence the Company is conscientiously making every effort to develop methods for adapting and effectively deploying new technologies.

c) **Research and Development**

The Company believes that technological obsolescence is a reality. Only progressive research and development will help us to measure up to future challenges and opportunities. During the year, no amount has been incurred on the Research & Development.

d) **Foreign exchange earnings and outgo**

(i) **Activities relating to exports, initiatives taken to increase exports, development of new export markets for products and services and export plans**

In continuation of its efforts for exports, the Company is exploring new market in Middle East to offer the School Learning Solutions.

(ii) **Expenditure and Earnings in Foreign Currency**

During the year under review, the Company had following foreign exchange earnings and outgo:

Particulars	FY 2017-18 (In Rs.)	FY 2016-17 (In Rs.)
Foreign Exchange Earnings	7,979,253	2,307,364
Foreign Exchange Outgo	148,085	284,230

Extract of Annual Return

The details forming part of the extract of the Annual Return in form MGT-9 in term of Section 92(3) of the Act is annexed herewith as "**Annexure A**" and form part of this Report.

Directors' Responsibility Statement

As required under Section 134(3)(c) of the Act, the Directors of the Company hereby state and confirm:

- that in preparation of annual accounts for the financial year, the applicable Accounting Standards had been followed along with the proper explanations relating to material departures;
- that they had selected such accounting policies and applied them consistently and made judgment and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at March 31, 2018 and of loss of the Company for that year;
- that they had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Act, for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- that the Annual accounts had been prepared on a going concern basis.
- that they had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

Secretarial Standards

The applicable Secretarial Standards i.e. SS – 1 : Secretarial Standard on Meetings of the Board of Directors and SS – 2 : Secretarial Standard on General Meetings issued by Institute of Company Secretaries of India have been duly followed by the Company.

Acknowledgement

Your Directors take this opportunity to place on record their appreciation of the support and guidance received from valued Customers, Vendors, Bankers, Employees and the holding company, NIIT Limited.

By Order of the Board
For **MindChampion Learning Systems Limited**

Date: May 11, 2018
Place: Gurgaon

P Rajendran
Chairman
DIN: 00042531

Annexure-A

Form No. MGT-9

EXTRACT OF ANNUAL RETURN

as on the Financial Year ended on March 31, 2019

[Pursuant to section 92(3) of the Companies Act, 2013 and rule 12(1) of the Companies (Management and Administration) Rules, 2014]

I. REGISTRATION AND OTHER DETAILS:

i)	CIN	[illegible]
ii)	Registration Date	[illegible]
iii)	Name of the Company	MindChampion Learning Systems Limited
iv)	Category / Sub-Category of the Company	Company Limited by Shares
v)	Address of the Registered office and contact details	8, Balaji Estate, First Floor, Guru Ravi Das Marg, Kalkaji, New Delhi 110019
vi)	Whether listed company	No
vii)	Name, Address and Contact details of Registrar and Transfer Agent, if any	NA

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

All the business activities contributing 10% or more of the total turnover of the Company shall be stated:

Sr. No.	Name and Description of main products / Services	NIC Code of the Product/service	% to total turnover of the company
1	Sale of Product(Courseware and Training Material, Hardware & Accessories)	854	37.95
2	Sale of Services	854	62.05

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

Sr. No.	Name and Address of the Company	CIN/GLN	Holding/Subsidiary/ Associate	% of Shares held	Application Section
1	NIIT LIMITED 8, Balaji Estate, First Floor, Guru Ravi Das Marg, Kalkaji, New Delhi-110019	L74899DL1981PLC015865	Holding Company	100	Section 2(87)(ii)

IV. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)

i) Category-wise Share Holding

Category of Shareholders	No. of Shares held at the beginning of the year			No. of Shares held at the end of the year				% Change during the Year
	Demat	Physical	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoters								
(1) Indian								
a. Individual/HUF	-	-	-	-	-	-	-	-
b.Central Govt	-	-	-	-	-	-	-	-
c. State Govt.	-	-	-	-	-	-	-	-
d. Bodies Corp.	100000	1,89,64,072	100.00	100000	6,89,64,07	6,90,64,07	100.0	27.6
e. Banks/FII	-	-	-	-	-	-	-	-
f. Others	-	-	-	-	-	-	-	-
Sub-total (A) (1):-	100000	1,89,64,072	100.00	100000	6,89,64,07	6,90,64,07	100.0	27.6
(2) Foreign	-	-	-	-	-	-	-	-
a) NRIs - Individuals	-	-	-	-	-	-	-	-
b) Other - Individuals	-	-	-	-	-	-	-	-
c) Bodies Corp.	-	-	-	-	-	-	-	-
d) Banks / FIs) Any Other	-	-	-	-	-	-	-	-
Sub-total (A) (2):-	-	-	-	-	-	-	-	-
Total shareholding of Promoter (A)=(A)(1)+(A)(2)	100000	1,89,64,072	100.00	100000	6,89,64,072	6,90,64,072	100.00	27.6
	-	-	-	-	-	-	-	-
B. Public Shareholding	-	-	-	-	-	-	-	-
1. Institutions	-	-	-	-	-	-	-	-
a) Mutual Funds	-	-	-	-	-	-	-	-
b) Banks / FI	-	-	-	-	-	-	-	-
c) Central Govt.	-	-	-	-	-	-	-	-
d) State Govt(s)	-	-	-	-	-	-	-	-
e) Venture Capital Funds	-	-	-	-	-	-	-	-
f) Insurance Companies	-	-	-	-	-	-	-	-
g) FIIs	-	-	-	-	-	-	-	-
h) Foreign Venture Capital Funds	-	-	-	-	-	-	-	-
i) Others (Specify)	-	-	-	-	-	-	-	-
Sub-total (B) (1):-	-	-	-	-	-	-	-	-
2. Non-Institutions	-	-	-	-	-	-	-	-
a) Bodies Corp.	-	-	-	-	-	-	-	-
i) Indian	-	-	-	-	-	-	-	-
ii) Overseas - Foreign Portfolio	-	-	-	-	-	-	-	-
b) Individuals	-	-	-	-	-	-	-	-
i) Individual shareholders holding nominal share capital upto Rs. 1 lakh	-	-	-	-	-	-	-	-
ii) Individual shareholders holding nominal share capital in excess of Rs. 1 lakh	-	-	-	-	-	-	-	-
c) Others (specify)	-	-	-	-	-	-	-	-
Non Resident Individual	-	-	-	-	-	-	-	-
Foreign National Individual	-	-	-	-	-	-	-	-
Trust	-	-	-	-	-	-	-	-
Sub-total (B)(2):-	-	-	-	-	-	-	-	-
Total Public Shareholding	-	-	-	-	-	-	-	-
C. Shares held by Custodian for GDRs	-	-	-	-	-	-	-	-
Grand Total (A+B+C)	100000	1,89,64,072*	100.00	100000	6,89,64,07	6,90,64,07	100.0	

* 6 shares are held by individuals as nominee of Holding Company.

(ii) Shareholding of Promoters

Sr. No.	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% change in shareholding during the year
		No. of Shares	% of total Shares of the Company	% of Shares Pledged/encumbered to total shares	No. of Shares	% of total Shares of the Company	% of Shares Pledged/encumbered to total shares	
1	NIIT Limited	19,064,072*	100.00	0.00	6,89,64,072*	100.00	0.00	27.60%

(iii) Change in Promoters' Shareholding (Please specify, if there is no change)

Sr. No.		Shareholding at the beginning of the year		Cumulative Shareholding during the year	
	NIIT Limited	No. of Shares	% of total shares	No. of Shares	% of total shares of the
	At the beginning of the year	19,064,072	100.00	19,064,072	100.00
	Date wise increase ~~/ Decrease~~ in Promoters Shareholding during the year specifying the reasons for increase ~~/ decrease~~ (500,000 Unsecured Optionally Convertible Debentures of face value of Rs. 1000/- each was converted into 50,000,000 equity shares of Rs. 10 each on August 4, 2017)	50,000,000 equity shares were issued during the year under review			
	At the End of the year	6,89,64,072	100.00	6,89,64,072	100.00

(iv) Shareholding Pattern of top ten Shareholders (Other than Directors, Promoters and Holders of GDRs and ADRs):

Sr. No.		Shareholding at the beginning of the year		Cumulative Shareholding during the year	
	For Each of the Top 10 Shareholders	No. of Shares	% of total shares	No. of Shares	% of total shares of the
	At the beginning of the year	NIL			
	Date wise Increase / Decrease in Shareholding during the year specifying the reasons for increase / decrease (e.g allotment / transfer / bonus / sweat equity etc):				
	At the End of the year (or on the date of separation, if separated during the year				

(v) Shareholding of Directors and Key Managerial Personnel:

Sr.		Shareholding at the beginning of the year		Cumulative Shareholding during the year	
	For Each of the Director and KMP	No. of Shares	% of total shares of the company	No. of Shares	% of total shares of the
1	Amit Roy*				
	At the beginning of the year	1	0.00	1	0.00
	Date wise Increase / Decrease in Shareholding during the year specifying the reasons for increase / decrease (e.g allotment / transfer / bonus / sweat equity etc):	NIL			
	At the End of the year	1	0.00	1	0.00

***Holding shares on behalf/nominee shareholder of NIIT Limited**

(V) INDEBTEDNESS

Indebtedness of the Company including interest outstanding/accrued but not due for payment

	Secured	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year	-		-	
(i) Principal Amount		900,000,000		900,000,000
(ii) Interest due but not paid	-	0	-	0
(iii) Interest accrued but not due	-	0	-	0
Total (i+ii+iii)	-	**900,000,000**		**900,000,000**
Change in Indebtedness during the financial year	-		-	
- Addition				
- Reduction		650,000,000		650,000,000
Net Change	-	**650,000,000**	-	**650,000,000**
(i) Principal Amount		250,000,000	-	250,000,000
(ii) Interest due but not paid	-	19,624,192	-	19,624,192
(iii) Interest accrued but not due	-	NIL	-	NIL
Total (i+ii+iii)	-	269, 624,192	-	269, 624,192

VI I REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

A. Remuneration to Managing Director, Whole-time Directors and/or Manager:

Sr.	Particulars of Remuneration	Name of MD/WTD/ Manager	Total Amount
1	Gross Salary (a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	NA	
	(b) Value of perquisites u/s 17(2) of Income- tax Act, 1961		
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961		
2	Stock Option		
3	Sweat Equity		
4	Commission - as % of profit - others, specify...		
5	Others, please specify		
	Total (A)		
	Ceiling as per the Act		

B. Remuneration to other directors

Sr.	Particulars of Remuneration	Name of Directors		Total Amount
		Mr. Anand Sudershan	Ms. Lata Vaidyanathan	
1	Independent Directors - Fee for attending board/ committee	1,40,000	3,00,000	4,40,000
	- Commission	-	-	-
	-Others, please specify	-	-	-
	Total (1)	-	-	-
2	Other Non-Executive Directors - Fee for attending board/committee meetings	-	-	-
	- Commission	-	-	-
	-Others, pleae specify	-	-	-
	Total (2)	-	-	-
	Total (B)=(1+2)	**1,40,000**	**3,00,000**	**4,40,000**
	Total Managerial Remuneration	-	-	
	Overall Ceiling as per the Act	-	-	-

C. REMUNERATION TO KEY MANAGERIAL PERSONNEL OTHER THAN MD/MANAGER/WTD

Sr.	Particulars of Remuneration	Key Managerial Personnel			
		CEO (Mr. Gavin D'Abreo)	**CFO (Mr. Umesh Gola)**	**CS (Ms. Neha Gandhi)***	**Total**
1	Gross Salary (a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	9,101,068	3,532,535	332,153	12,965,756
	b) Value of perquisites u/s 17 (2) Income-tax	-	52,875	2,500	55,375
	c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	-	-	-	-
2	Stock Option	-	-		-
3	Sweat Equity	-	-	-	-
4	Commission - as % of profit - others, specify...	-	-	-	-
5	Others, please specify (Superannuation, Pension, Provident Fund, NPS, Gratuity)	3,02,629	4,39,560	4508	7,46,697
	Total	**9,403,697**	**4,024,970**	**339,161**	**13,767,828**

Details does not include Gratuity, Contribution to Provident Fund and Superannuation Fund.

* Resigned w.e.f. January 05, 2018

VII PENALTIES / PUNISHMENT / COMPOUNDING OF OFFENCES:

Type	Section of the Companies Act	Brief Description	Details of Penalty / Punishment/ Compounding fees imposed	Authority [RD/NCLT/COURT]	Appeal made, if any (give Details)
A. Company					
Penalty					
Punishment					
Compounding					
B. Directors					
Penalty					
Punishment					
Compounding					
C. Other Officers In Default					
Penalty					
Punishment					
Compounding					

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Annexure B

FORM NO. AOC 2

Form for disclosure of particulars of contracts/arrangements entered into by the company with related parties referred to in sub-section (1) of section 188 of the Companies Act, 2013 including certain arms length transactions under third proviso thereto

(Pursuant to clause (h) of sub-section (3) of section 134 of the Act and Rule 8(2) of the Companies (Accounts) Rules, 2014)

1. Details of contracts or arrangements or transactions not at arm's length basis

Name(s) of the related party and nature of relationship	Nature of contracts / arrangements/ transactions	Duration of the contracts/ arrangements/ transactions	Salient terms of the contracts or arrangements or transactions including the value, if any	Justification for entering into such contracts or arrangements or transactions	date(s) of approval by the Board	Amount paid as advances, if any:	Date on which the special resolution was passed in general meeting as required under first proviso to section 188
NIL							

2. Details of material contracts or arrangement or transactions at arm's length basis

Name(s) of the related party and nature of relationship	Nature of contracts / arrangements/ transaction	Duration of the contracts/ arrangements/ transactions	Salient terms of the contracts or arrangements or transactions including the value, if any	Date(s) of approval by the Board	Amount paid as advances, if any:
NIL					

By Order of the Board
For MindChampion Learning Systems Limited

Date: May 11, 2018
Place: Gurgaon

P Rajendran
Chairman
DIN: 00042531

Mindchampion Learning Systems Limited

Statutory Audit for the year ended March 31, 2018

S.R. BATLIBOI & ASSOCIATES LLP
Chartered Accountants

Golf View Corporate Tower - B
Sector - 42, Sector Road
Gurugram - 122 002, Haryana, India
Tel : +91 124 464 4000
Fax : +91 124 464 4050

INDEPENDENT AUDITOR'S REPORT

To the Members of Mindchampion Learning Systems Limited

Report on the Ind AS Financial Statements

We have audited the accompanying Ind AS financial statements of Mindchampion Learning Systems Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2018, the Statement of Profit and Loss, including the statement of Other Comprehensive Income, the Cash Flow Statement and the Statement of Changes in Equity for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the IND AS Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these Ind AS financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the Company in accordance with accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under section 133 of the Act., read with the Companies (Indian Accounting Standards) Amendment Rules, 2016. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial control that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these Ind AS financial statements based on our audit. We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder. We conducted our audit of the Ind AS financial statements in accordance with the Standards on Auditing, issued by the Institute of Chartered Accountants of India, as specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the Ind AS financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the Ind AS financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the Ind AS financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Ind AS financial statements.

S.R. Batliboi & Associates LLP
Gurugram

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the Ind AS financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2018, its loss including other comprehensive loss, its cash flows and the changes in equity for the year ended on that date.

Other Matter

The comparative financial information of the Company for the year ended March 31, 2017 and the transition date opening balance sheet as at April 01, 2016 included in these Ind AS financial statements, are based on the previously issued statutory financial statements prepared in accordance with the Companies (Accounting Standards) Rules, 2006 (as amended) specified under section 133 of the Act, read with Companies (Accounts) Rules, 2014 audited by the predecessor auditor whose report for the year ended March 31, 2017 and March 31, 2016 dated May 10, 2017 and May 9, 2016 respectively expressed an unmodified opinion on those standalone financial statements, as adjusted for the differences in the accounting principles adopted by the Company on transition to the Ind AS, which have been audited by us.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's report) Order, 2016 ("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the Annexure 1 a statement on the matters specified in paragraphs 3 and 4 of the Order.

2. As required by section 143 (3) of the Act, we report that:

(a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;

(b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;

(c) The Balance Sheet, Statement of Profit and Loss including the Statement of Other Comprehensive Income, the Cash Flow Statement and Statement of Changes in Equity dealt with by this Report are in agreement with the books of account;

(d) In our opinion, the aforesaid Ind AS financial statements comply with the Accounting Standards specified under section 133 of the Act, read with Companies (Indian Accounting Standards) Amendment Rules, 2016;

(e) On the basis of written representations received from the directors as on March 31, 2018, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2018, from being appointed as a director in terms of section 164 (2) of the Act;

(f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure 2" to this report;

S.R. Batliboi & Associates LLP * Gurugram *

(g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:

i. The Company has disclosed the impact of pending litigations on its financial position in its Ind AS financial statements – Refer Note 5(v) to the Ind AS financial statements;

ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.

iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

For **S.R. Batliboi & Associates LLP**
Chartered Accountants
ICAI Firm Registration Number: 101049W/E300004

per Sanjay Bachchani
Partner
Membership Number: 400419
Place: Gurugram
Date: May 11, 2018

ANNEXURE-1 REFERRED TO IN PARAGRAPH 1 OF REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS OF OUR REPORT OF EVEN DATE ON THE IND AS FINANCIAL STATEMENT OF MINDCHAMPION LEARNING SYSTEMS LIMITED

Re: Mindchampion Learning Systems Limited

(i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.

(b) The fixed assets are physically verified by the Management according to a phased programme designed to cover all the items over a period of two years which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. Pursuant to the programme, a portion of the fixed assets has been physically verified by the Management during the year and no material discrepancies have been noticed on such verification.

(c) According to the information and explanations given by the management, there are no immovable properties, included in property, plant and equipment of the Company and accordingly, the requirements under paragraph 3(i)(c) of the Order are not applicable to the Company.

(ii) The inventory has been physically verified by the management during the year. In our opinion, the frequency of verification is reasonable. No material discrepancies were noticed on such physical verification. Inventories lying with third parties have been confirmed by them as at March 31, 2018 and no material discrepancies were noticed in respect of such confirmations.

(iii) According to the information and explanations given to us, the Company has not granted any loans, secured or unsecured to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under section 189 of the Companies Act, 2013. Accordingly, the provisions of clause 3(iii) (a), (b) and (c) of the Order are not applicable to the Company and hence not commented upon.

(iv) In our opinion and according to the information and explanations given to us, there are no loans, investments, guarantees, and securities granted in respect of which provisions of section 185 and 186 of the Companies Act, 2013 are applicable and hence not commented upon.

(v) The Company has not accepted any deposits within the meaning of Sections 73 to 76 of the Act and the Companies (Acceptance of Deposits) Rules, 2014 (as amended). Accordingly, the provisions of clause 3(v) of the Order are not applicable.

(vi) We have broadly reviewed the books of account maintained by the Company in respect of products where, pursuant to the rules made by the Central Government of India, the maintenance of cost records has been specified under sub section (1) of Section 148 of the Act, and are of the opinion that, prima facie, the specified accounts and records have been made and maintained. We have not, however, made a detailed examination of the same.

(vii) (a) The Company is regular in depositing with appropriate authorities undisputed statutory dues including provident fund, employees' state insurance, income-tax, goods and service tax, cess and other statutory dues applicable to it. The provisions relating to sales tax, duty of custom, duty of excise, value added tax are not applicable to the Company.

(b) According to the information and explanations given to us, no undisputed amounts payable in respect of income-tax, goods and service tax, cess and other applicable statutory dues were outstanding, at the year end, for a period of more than six months from the date they became payable.

(c) According to the information and explanations given to us, there are no dues of service tax, income-tax, goods and service tax and cess which have not been deposited on account of any dispute.

(viii) In our opinion and according to the information and explanations given by the management, the Company has not defaulted in repayment of dues to debenture holder.

(ix) According to the information and explanations given by the management, the Company has not raised any money way of initial public offer / further public offer / debt instruments/term loans hence, reporting under clause (ix) is not applicable to the Company and hence not commented upon.

(x) Based upon the audit procedures performed for the purpose of reporting the true and fair view of the financial statements and according to the information and explanations given by the management, we report that no fraud by the Company or fraud on the Company by the officers and employees of the Company has been noticed or reported during the year.

(xi) According to the information and explanations given by the management, the provisions of section 197 read with Schedule V of the Act is not applicable to the Company and hence reporting under clause 3(xi) are not applicable and hence not commented upon.

(xii) In our opinion, the Company is not a nidhi Company. Therefore, the provisions of clause 3(xii) of the order are not applicable to the Company and hence not commented upon.

(xiii) According to the information and explanations given by the management, transactions with the related parties are in compliance with section 177 and 188 of Companies Act, 2013 where applicable and the details have been disclosed in the notes to the financial statements, as required by the applicable accounting standards.

(xiv) According to the information and explanations given to us and on an overall examination of the balance sheet, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review and hence, reporting requirements under clause 3(xiv) are not applicable to the Company and, not commented upon.

(xv) According to the information and explanations given by the management, the Company has not entered into any non-cash transactions with directors or persons connected with him as referred to in section 192 of Companies Act, 2013.

(xvi) According to the information and explanations given to us, the provisions of section 45-IA of the Reserve Bank of India Act, 1934 are not applicable to the Company.

For **S.R. Batliboi & Associates LLP**
Chartered Accountants
ICAI Firm Registration Number: 101049W/E300004

per Sanjay Bachchani
Partner
Membership Number: 400419

Place: Gurugram
Date: May 11, 2018

ANNEXURE-2 TO THE INDEPENDENT AUDITOR'S REPORT OF EVEN DATE ON THE IND AS STANDALONE FINANCIAL STATEMENTS OF MINDCHAMPION LEARNING SYSTEMS LIMITED

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls over financial reporting of Mindchampion Learning Systems Limited ("the Company") as of March 31, 2018 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's Management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditor's Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting with reference to these Ind AS financial statements based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing as specified under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting with reference to these Ind AS financial statements was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting with reference to these Ind AS financial statements and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting with reference to these Ind AS financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls system over financial reporting with reference to these Ind AS financial statements.

S.R. Batliboi & Associates LLP
Gurugram

Meaning of Internal Financial Controls Over Financial Reporting

A company's internal financial control over financial reporting with reference to these Ind AS financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting with reference to these Ind AS financial statements includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting with reference to these Ind AS financial statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting with reference to these Ind AS financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting with reference to these Ind AS financial statements and such internal financial controls over financial reporting with reference to these Ind AS financial statements were operating effectively as at March 31, 2018, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For **S.R. Batliboi & Associates LLP**
Chartered Accountants
ICAI Firm Registration Number: 101049W/E300004

per Sanjay Bachchani
Partner
Membership Number: 400419

S.R. Batliboi & Associates LLP Gurugram

Place: Gurugram
Date: May 11, 2018

MINDCHAMPION LEARNING SYSTEMS LIMITED
CIN: U72200DL2001PLC111674
Balance Sheet

(All amounts in Rs. thousands, unless otherwise stated)

	Notes	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
ASSETS				
Non-current assets				
Property, plant and equipment	3	5,812.44	20,301.85	53,959.05
Intangible assets	4	56,585.51	81,622.87	81,862.19
Intangible assets under development	4	38,206.35	1,370.67	-
Financial assets				
Trade receivables	5 (i)	425.15	2,723.70	74,069.34
Other financial assets	5 (ii)	1,816.05	2,630.36	5,448.43
Deferred tax assets	6	17,822.67	12,556.54	-
Other non-current assets	8	78,217.68	72,109.43	57,160.80
Total non-current assets		**198,885.85**	**193,315.42**	**272,299.81**
Current assets				
Inventories	7	34,417.31	14,823.05	17,137.44
Financial assets				
Trade receivables	5 (i)	290,948.01	488,869.49	716,214.69
Cash and cash equivalents	5 (iii)	83,802.73	154,394.75	67,891.82
Bank balance other than above	5 (iv)	-	358.11	358.11
Other financial assets	5 (ii)	49,114.84	96,428.89	230,853.83
Other current assets	8	23,275.40	30,030.16	21,649.56
Total current assets		**481,558.29**	**784,904.45**	**1,054,105.45**
TOTAL ASSETS		**680,444.14**	**978,219.87**	**1,326,405.26**
EQUITY AND LIABILITIES				
EQUITY				
Equity share capital	9	690,640.72	190,640.72	190,640.72
Other equity	10	(644,610.83)	(326,858.76)	(304,614.88)
TOTAL EQUITY		**46,029.89**	**(136,218.04)**	**(113,974.16)**
LIABILITIES				
Non-current liabilities				
Financial liabilities				
Borrowings	11(i)	-	609,228.92	616,796.73
Other financial liabilities	11(iv)	4,638.35	7,751.19	3,904.80
Provisions	12	81.00	113.00	228.00
Other non-current liabilities	13	6,177.49	7,033.01	20,647.35
Total non-current liabilities		10,896.84	624,126.12	641,576.88
Current liabilities				
Financial liabilities				
Borrowings	11(ii)	250,000.00	-	278,000.00
Trade payables	11(iii)	273,023.46	274,540.71	268,390.20
Other financial liabilities	11(iv)	26,252.42	78,772.18	107,666.33
Provisions	12	13,998.88	11,141.86	7,044.97
Other current liabilities	13	60,242.65	125,857.04	137,701.04
Total current liabilities		623,517.41	490,311.79	798,802.54
TOTAL LIABILITIES		634,414.25	1,114,437.91	1,440,379.42
TOTAL EQUITY AND LIABILITIES		**680,444.14**	**978,219.87**	**1,326,405.26**

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

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

[illegible] Bachchawali
[illegible]
Membership No. 400419

Place: Gurugram
Date: May 11, 2018

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

P Rajendran
Director
DIN - 00[illegible]531

Amit Roy
Director
DIN - 07138197

Umesh Kumar Gola
Chief Financial Officer

Place: Gurugram
Date: May 11, 2018

MINDCHAMPION LEARNING SYSTEMS LIMITED
CIN: U72200DL2001PLC111674
Statement of Profit and Loss for the year ended

(All amounts in Rs. thousands, unless otherwise stated)

	Notes	March 31, 2018	March 31, 2017
Income			
Revenue from operations	14	592,673.49	868,867.62
Other income	15	25,668.87	13,953.09
Total income		**618,342.36**	**882,820.71**
Expenses			
Purchase of stock-in-trade		109,394.38	108,085.65
Changes in inventories of stock-in-trade	7	(19,794.26)	2,514.39
Employee benefits expenses	16	294,140.55	415,993.49
Professional & technical outsourcing expenses		29,131.35	50,334.93
Finance costs	17	60,161.95	106,366.02
Depreciation and amortisation expense	3 and 4	42,751.37	59,566.08
Other expenses	18	149,849.60	166,512.75
Total expenses		**665,634.94**	**909,373.31**
Loss before exceptional items and tax		**(47,292.58)**	**(26,552.60)**
Exceptional items (net)	20	-	6,623.72
Loss before Tax		**(47,292.58)**	**(19,928.88)**
Income tax expense:	21		
-Current tax		5,343.98	12,556.54
-Deferred tax		(5,266.13)	(12,556.54)
Loss for the year		**(47,370.43)**	**(19,928.88)**
Other comprehensive Income / (loss)			
Items that will not be reclassified subsequently to profit or loss			
a) Remeasurement of the defined benefit obligation		(2,612.00)	(2,315.00)
Other comprehensive loss for the year, net of tax		**(2,612.00)**	**(2,315.00)**
Total comprehensive loss for the year		**(49,982.43)**	**(22,243.88)**
Earnings per equity share (Face Value Rs. 10/- each):	25		
-Basic earnings per share		(0.91)	(1.05)
-Diluted earnings per share		(0.91)	(1.05)

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

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

Vijay Bachchani
Partner
Membership No. 400419

Place: Gurugram
Date: May 11, 2018

S.R. Batliboi & Associates LLP Gurugram

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

P Rajendran
Director
DIN - 00042531

Amit Roy
Director
DIN - 07138197

Umesh Kumar Gola
Chief Financial Officer

Place: Gurugram
Date: May 11, 2018

MINDCHAMPION LEARNING SYSTEMS LIMITED
CIN: U72200DL2001PLC111674
Statement of changes in equity for the year ended

(All amounts in Rs. thousands, unless otherwise stated)

a) Equity Share Capital

Particulars	**Numbers**	**Amount**
Equity share of Rs. 10 each issued, subscribed and fully paid		
Balance as at April 1, 2016	**19,064,072**	**190,640.72**
Balance as at March 31, 2017	**19,064,072**	**190,640.72**
Issue of equity share capital (note 9)	50,000,000	500,000.00
Balance as at March 31, 2018	**69,064,072**	**690,640.72**

b) Other Equity

	Reserves and surplus		**Other reserves**		
	Securities premium reserve	**Retained earnings**	**Equity instrument of compound financial instrument**	**Other equity**	**Total**
Balance at April 01, 2016	20,000.00	(738,701.70)	414,086.82	-	(304,614.88)
Loss for the year	-	(19,928.88)	-	-	(19,928.88)
Other comprehensive loss	-	(2,315.00)	-	-	(2,315.00)
Total Comprehensive loss for the year	-	(22,243.88)	-	-	(22,243.88)
Balance as at March 31, 2017	**20,000.00**	**(760,945.58)**	**414,086.82**	**-**	**(326,858.76)**
Balance as at April 01, 2017	20,000.00	(760,945.58)	414,086.82	-	(326,858.76)
Loss for the year	-	(47,370.43)	-	-	(47,370.43)
Other comprehensive loss	-	(2,612.00)	-	-	(2,612.00)
Total Comprehensive loss for the year	-	(49,982.43)	-	-	(49,982.43)
Increase / decrease in equity instrument of compound financial instrument (OCDs)	-	-	(263,269.64)	-	(263,269.64)
Expense for issue of equity share capital	-	-	-	(4,500.00)	(4,500.00)
Balance as at March 31, 2018	**20,000.00**	**(810,928.01)**	**150,817.18**	**(4,500.00)**	**(644,610.83)**

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

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

S[illegible] [illegible]chali
Partner
Membership No: 400419

Place: Gurugram
Date: May 11, 2018

S.R. Batliboi & Associates LLP
Gurugram

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

P Rajendran
Director
DIN - 0[illegible]2531

Amit Roy
Director
DIN - 07138197

Umesh Kumar Gola
Chief Financial Officer

Place: Gurugram
Date: May 11, 2018

MINDCHAMPION LEARNING SYSTEMS LIMITED
CIN: U72200DL2001PLC111674
Statement of Cash Flow for the year ended

(All amounts in Rs. thousands, unless otherwise stated)

	March 31, 2018		March 31, 2017	
A. Cash Flow From Operating Activities:				
Loss before exceptional items and tax		**(47,292.58)**		**(26,552.60)**
Adjustments for:				
Depreciation and amortisation	42,751.37		59,566.08	
Provision for doubtful debts	30,036.71		30,563.60	
Inventory written off/(written back)	3,210.20		(281.23)	
Unrealised foreign exchange (gain)/ loss	(22.50)		2.44	
Finance cost	60,161.95		106,366.02	
Employee share based payment expenses	421.77		2,065.73	
Interest income	(8,465.71)		(13,006.70)	
Profit on sale of fixed assets	(1,588.86)		(88.44)	
Profit on sale of current investment	(90.07)		-	
		126,414.86		185,187.50
Operating profit before working capital changes		**79,122.28**		**158,634.90**
Changes in operating assets and liabilities				
Increase/ (decrease) in trade payables	(1,546.73)		6,151.06	
Increase/ (decrease) in short term provisions	245.01		1,781.89	
Increase/ (decrease) in long term provisions	(32.00)		(115.00)	
Increase/ (decrease) in other current liabilities	(65,614.39)		(5,900.53)	
Increase/ (decrease) in other non-current financial liabilities	(3,112.84)		3,846.39	
Increase/ (decrease) in other non-current liabilities	(855.52)		(13,614.34)	
Increase/ (decrease) in other current financial liabilities	(4,912.80)		(17,281.19)	
(Increase)/ decrease in current trade receivables	173,916.12		216,121.84	
(Increase)/ decrease in non current trade receivables	2,298.55		71,345.64	
(Increase)/ decrease in inventories	(23,004.46)		2,795.62	
(Increase)/ decrease in other non-current financial assets	794.99		2,852.06	
(Increase)/ decrease in other current financial assets	47,312.88		134,427.55	
(Increase)/ decrease in other non-current assets	12.50		(20.92)	
(Increase)/ decrease in other current assets	6,754.76	132,256.07	(8,380.60)	394,009.47
Cash generated from operations		**211,378.35**		**552,644.37**
Income taxes paid (net of refund)		(11,746.08)		(26,667.37)
Net Cash Inflow from operating activities (A)		**199,632.27**		**525,977.00**
B. Cash Flow From Investing Activities:				
Purchase of property, plant and equipments (including capital work-in-progress, internally developed intangibles and capital advances)		(39,795.64)		(34,198.43)
Proceeds from sale of property, plant and equipment		1,605.57		286.30
Interest received		2,487.51		284.57
Net proceeds from sale of mutual funds		90.07		-
Receipt of fixed deposits		377.43		(33.99)
Net Cash outflow from investing activities (B)		**(35,235.06)**		**(33,661.55)**

Mindchampion Learning Systems Ltd. Gurgaon *

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MINDCHAMPION LEARNING SYSTEMS LIMITED
CIN: U72200DL2001PLC111674
Statement of Cash Flow for the year ended

(All amounts in Rs. thousands, unless otherwise stated)

	March 31, 2018	March 31, 2017
C. Cash Flow From Financing Activities:		
Payment of deferred lease obligation	(51,683.86)	(72,385.33)
Repayments of OCDs (refer note 11(i)(c))	(100,000.00)	-
Repayments of borrowings	(50,000.00)	-
Interest paid on cash credit and borrowings	(29,005.37)	(25,527.19)
Receipt of inter corporate deposits	-	78,000.00
Repayment of inter corporate deposits	-	(385,700.00)
Expense for issue of equity share capital	(4,500.00)	-
Net Cash outflow from financing activities (C)	**(235,189.23)**	**(405,612.52)**
Net Increase/(Decrease) in Cash & Cash Equivalents (A) + (B) + (C)	**(70,792.02)**	**86,702.93**
Cash and Cash Equivalents at the beginning of the financial year	154,594.75	67,891.82
Cash and Cash Equivalents as at the end of the financial year	**83,802.73**	**154,594.75**
Reconciliation of cash and cash equivalents as per the cash flow statement		
Cash and Cash Equivalents as per above comprise of the following [Note 5(iii)]		
Balance with Banks		
-Current Accounts	83,802.73	154,594.75
	83,802.73	**154,594.75**

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

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

Sanjay Bachchani
Partner
Membership No. 400419

Place: Gurugram
Date: May 11, 2018

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

P Rajendran
Director
DIN - 00042531

Amit Roy
Director
DIN - 07138197

Umesh Kumar Gola
Chief Financial Officer

Place: Gurugram
Date: May 11, 2018

MINDCHAMPION LEARNING SYSTEMS LIMITED
CIN: U72200DL2001PLC111674
Notes to the Financial Statements for the year ended March 31, 2018

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.

2.a) Basis of preparation

(i) Compliance with Ind AS

These financial statements of the Company have been prepared to comply in all material respects with the Indian Accounting Standard ('Ind AS') notified under section 133 of the Companies Act, 2013, read together with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 and Companies (Indian Accounting Standards) Amendment Rules, 2016 issued by the Ministry of Corporate Affairs ('MCA').

The said financial statements for the year ended March 31, 2018 are the first Ind AS financial statements of the Company. The transition to Ind AS has been carried out from accounting standards notified under section 133 of the Companies Act 2013, read together with paragraph 7 of the Companies (Accounts) Rules, 2014 ('IGAAP'), which is considered as the Previous GAAP, for purposes of Ind AS 101. Refer note 36 for an explanation of how the transition from previous GAAP to Ind AS has affected the Company's financial position, financial performance and cash flows.

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 thousand of Indian Rupees ('Rupees' or 'Rs.') and are rounded to the nearest thousands with two decimals, except per share data and unless stated otherwise.

The financial statements were authorized for issue by the Board of Directors of the Company on May 11, 2018.

(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 or loss.

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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.

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 unit of account is accounted separately. For allocating the consideration, the Company has measured the revenue in respect of each component of a transaction at its fair value, in accordance with the principles given in Ind AS 18. The price that is regularly charged for an item when sold separately is the best evidence of its fair value. In cases where the Company is unable to establish reliable evidence of fair value, the Company has used either cost plus reasonable margin method or residual method to allocate the arrangement consideration. In cases of residual method, the balance of the consideration, after allocating the fair values of identified components of a transaction has been allocated to the remaining components for which specific fair values do not exist.

The Company recognises revenue when the amount of revenue can be reliably measured, it is probable that future economic benefits will flow to the entity and specific criteria have been met for each of the Company's activities as described below.

(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.

(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.

(iii) The Company undertakes fixed price projects for supply/ installation/ maintenance of hardware & infrastructure set-up, providing educational product and educational services. Revenue from initial project set up activities & development of products under such contracts is recognised under proportionate completion method. The revenue in such contracts from sale of hardware is recognised on delivery of the hardware when substantial risks and rewards of ownership in such hardware passes to the customer based on contractual terms of the respective contracts. Deferred Revenue represents amounts billed to customers in advance for products, services or subscriptions for which revenue is yet to be recognised.

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e) Other Income

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 assesse the financial performance and position of the Company, and make strategic decisions.

g) Income taxes

The income tax expense or credit for the period is the tax payable on the current period's taxable income based on the applicable income tax rate in India adjusted by changes in deferred tax assets and liabilities attributable to temporary differences and to unused tax losses.

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted in India at the end of the reporting period. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

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

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

Current tax and deferred tax are recognized in Statement of Profit and Loss, except to the extent that it relates to items recognized in Other Comprehensive Income or directly in equity. In this case, the tax is also recognized in Other Comprehensive Income or directly in equity, as the case may be.

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

As a lessee

Leases of property, plant and equipment where the Company, as lessee, has substantially all the risks and rewards of ownership are classified as finance leases. Finance leases are capitalised at the lease's inception at the fair value of the leased property or, if lower, the present value of the minimum lease payments. The corresponding rental obligations, net of finance charges, are included in borrowings or other financial liabilities as appropriate. Each lease payment is allocated between the liability and finance cost. The finance cost is charged to the profit or loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period.

Leases in which a significant portion of the risks and rewards of ownership are not transferred to the Company as lessee are classified as operating leases. Payments made under operating leases (net of any incentives received from the lessor) are charged to profit or loss on a straight-line basis over the period of the lease unless the payments are structured to increase in line with expected general inflation to compensate for the lessor's expected inflationary cost increases.

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i) 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 assesses on a forward looking basis the expected credit losses associated with its assets carried at amortised cost. The impairment methodology applied depends on whether there has been a significant increase in credit risk.

For trade receivables only, the Company applies the simplified approach permitted under Ind AS 109 "Financial Instruments", which requires expected lifetime losses to be recognised from initial recognition of the receivables.

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 first-in first-out basis. 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.

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MINDCHAMPION LEARNING SYSTEMS LIMITED
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Notes to the Financial Statements for the year ended March 31, 2018

m) Property, plant and equipment

Freehold land is carried at historical cost. All other items of property, plant and equipment are stated at historical cost less depreciation. 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.

Transition to Ind AS

On transition to Ind AS, the Company has elected to continue with the net carrying value of all of its property, plant and equipment recognised as at April 1, 2016 measured as per the previous GAAP and use that net carrying value as the deemed cost of the property, plant and equipment.

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 Equipment	5 years
Furniture & Fixtures	7 years
Leasehold Improvements	3-5 years or lease period, whichever is lower
Assets acquired under lease (Included under Plant & Equipment and Furniture & Fixtures)	Lease Period or useful life, whichever is lower
All other assets (including vehicles)	Rates prescribed under Schedule II to the Companies Act, 2013

Depreciation is provided on pro-rata basis on the straight line method over the useful lifes 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 gains/ (losses).

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n) Intangible assets

Computer software & Educational content/products - Acquired

Shown at acquisition cost and are subsequently carried at cost less accumulated amortisation and impairment losses.

Education content / products - Internally generated

Development costs that are directly attributable to the design, develpoment 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 lifes
Internally generated (Content and products)	
- School based non-IT content	10 years
- Others	3-5 years
Acquired (Software, content and products)	3-5 years

Transition to Ind AS

On transition to Ind AS, the Company has elected to continue with the net carrying value of all of intangible assets recognised as at April 1, 2016 measured as per the previous GAAP and use that net carrying value as the deemed cost of intangible assets.

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 Companied at the lowest levels for which there are separately identifiable cash inflows which are largely independent of the cash inflows from other assets or Companys 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.

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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 removed 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).

The fair value of the liability portion of an optionally convertible debentures is determined using a market interest rate for an equivalent non convertible debentures (OCDs). This amount is recorded as a liability on an amortised cost basis until extinguished on conversion or redemption of the debentures. The remainder of the proceeds is attributable to the equity portion of the compound instrument. This is recognised and included in shareholders' equity, net of income tax effects, and not subsequently remeasured.

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.

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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.

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.

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Notes to the Financial Statements for the year ended March 31, 2018

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 it's 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.

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t) 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.

u) 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.

v) 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.

2.1 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).

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.

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2.2 Recent accounting pronouncements

Ind AS 115 Revenue from Contracts with Customers

IND AS 115, Revenue from Contract with Customers : On March 28, 2018, the MCA notified the IND AS 115. The core principle of this IND AS is that an entity should recognize revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods and services. Further the new standard requires enhanced disclosures about the nature, amount, timing and uncertainty of revenue and cash flows arising from the entity's contracts with customers.

Ind AS 115, establishes a five-step model to account for revenue arising from contracts with customers. Under Ind AS 115, revenue is recognised at an amount that reflects the consideration to which an entity expects to be entitled in exchange for transferring goods or services to a customer.

The new revenue standard will supersede all current revenue recognition requirements under Ind AS. This new standard requires revenue to be recognized when promised goods or services are transferred to customers in amounts that reflect the consideration to which the Company expects to be entitled in exchange for those goods or services. Adoption of the new rules could affect the timing of revenue recognition for certain transactions of the Company. Ind AS 115 is effective for the Company in the first quarter of fiscal 2019 using either one of two methods: (i) retrospectively to each prior reporting period presented in accordance with Ind AS 8 *Accounting Policies, Changes in Accounting Estimates and Errors*, with the option to elect certain practical expedients as defined within Ind AS 115 (the full retrospective method); or (ii) retrospectively with the cumulative effect of initially applying Ind AS 115 recognized at the date of initial application (1 April 2018) and providing certain additional disclosures as defined in Ind AS 115 (the modified retrospective method).

The Company continues to evaluate the available transition methods and its contractual arrangements. The ultimate impact on revenue resulting from the application of Ind AS 115 will be subject to assessments that are dependent on many variables, including, but not limited to, the terms of the contractual arrangements and the mix of business. The Company's considerations also include, but are not limited to, the comparability of its financial statements and the comparability within its industry from application of the new standard to its contractual arrangements. The Company has established an implementation team to implement Ind AS 115 related to the recognition of revenue from contracts with customers and it continues to evaluate the changes to accounting system and processes, and additional disclosure requirements that may be necessary.

Upon adoption the Company expects there to be a change in the manner that variable consideration in certain revenue arrangements is recognized from the current practice of recognizing such revenue as the services are performed and the variable consideration is earned to estimating the achievability of the variable conditions when the Company begins delivering services and recognizing that amount over the contractual period. The Company also expects a change in the manner that it recognizes certain incremental and fulfilment costs from expensing them as incurred to deferring and recognizing them over the contractual period. A reliable estimate of the quantitative impact of Ind AS 115 on the financial statements will only be possible once the implementation project has been completed.

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(All amounts in Rs. thousands, unless otherwise stated)

3 Property, Plant and Equipment

Particulars	Plant & Equipments	Leasehold Improvements	Furniture & Fixtures	Office Equipments	Total
Year end March 31, 2017					
Gross carrying amount					
Deemed cost as at April 1, 2016	50,445.56	352.90	3,133.02	27.57	**53,959.05**
Additions	3,689.82	-	-	-	**3,689.82**
Disposals	13,402.55	0.02	28.74	0.01	**13,431.32**
Closing Gross Carrying Amount	**40,732.83**	**352.88**	**3,104.28**	**27.56**	**44,217.55**
Accumulated Depreciation					
Depreciation charged during the year	34,838.01	145.81	2,141.24	24.12	**37,149.18**
Disposals	13,233.48	-	-	-	**13,233.48**
Closing accumulated depreciation	**21,604.53**	**145.81**	**2,141.24**	**24.12**	**23,915.70**
Net Carrying Amount	**19,128.30**	**207.07**	**963.04**	**3.44**	**20,301.85**
Year end March 31, 2018					
Grossing Carrying amount					
Opening gross carrying amount as at April 1, 2017	40,732.83	352.88	3,104.28	27.56	**44,217.55**
Additions	2,772.96	-	468.35	-	**3,241.31**
Disposals	14.47	0.03	1.01	0.01	**15.52**
Closing Gross Carrying Amount	**43,491.32**	**352.85**	**3,571.62**	**27.55**	**47,443.34**
Accumulated Depreciation					
Opening accumulated depreciation	21,604.53	145.81	2,141.24	24.12	**23,915.70**
Depreciation charged during the year	16,646.17	136.36	931.78	2.92	**17,717.23**
Disposals	2.03	-	-	-	**2.03**
Closing accumulated depreciation	**38,248.67**	**282.17**	**3,073.02**	**27.04**	**41,630.90**
Net Carrying Amount	**5,242.65**	**70.68**	**498.60**	**0.51**	**5,812.44**

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(All amounts in Rs. thousands, unless otherwise stated)

4 Intangible Assets

Particulars	Educational Content/ Products		Software	Total Intangibles other than assets under Development	Intangible Assets under Development (footnote i)	Total Intangibles including asset under Development
	Acquired	Internally Generated (footnote i)	Acquired			
Year end March 31, 2017						
Gross carrying amount						
Deemed cost as at 01 April, 2016	0.18	76,606.91	5,055.10	**81,662.19**	-	**81,662.19**
Additions	-	21,443.75	933.84	**22,377.59**	22,814.42	**45,192.01**
Disposals	-	-	933.85	**933.85**		**933.85**
Transfer	-	-	-	-	21,443.75	**21,443.75**
Closing Gross Carrying Amount	**0.18**	**98,050.66**	**5,055.09**	**103,105.93**	**1,370.67**	**104,476.60**
Accumulated Amortisation and Impairment						
Amortisation charge for the year	-	17,952.49	4,464.41	**22,416.90**	-	**22,416.90**
Disposals	-	-	933.84	**933.84**	-	**933.84**
Closing accumulated amortisation	-	**17,952.49**	**3,530.57**	**21,483.06**	-	**21,483.06**
Net Carrying Amount	**0.18**	**80,098.17**	**1,524.52**	**81,622.87**	**1,370.67**	**82,993.54**
Year end March 31, 2018						
Gross carrying amount						
Opening gross amount	0.18	98,050.66	5,055.09	**103,105.93**	1,370.67	**104,476.60**
Additions	-	-	-	-	36,835.68	**36,835.68**
Disposals	-	0.01	3.21	**3.22**	-	**3.22**
Closing Gross Carrying Amount	**0.18**	**98,050.65**	**5,051.88**	**103,102.71**	**38,206.35**	**141,309.06**
Accumulated Amortisation and Impairment						
Opening accumulated depreciation	-	17,952.49	3,530.57	**21,483.06**	-	**21,483.06**
Amortisation charge for the year	-	23,619.49	1,414.65	**25,034.14**	-	**25,034.14**
Closing accumulated amortisation	-	**41,571.98**	**4,945.22**	**46,517.20**	-	**46,517.20**
Net Carrying Amount	**0.18**	**56,478.67**	**106.66**	**56,585.51**	**38,206.35**	**94,791.86**

(i) Refer Note 29 for cost incurred during the year on internally generated intangible assets

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(All amounts in Rs. thousands, unless otherwise stated)

5 Financial Assets

5 (i) Trade Receivables
(Refer Note 26)

	As at Non Current March 31, 2018	March 31, 2017	April 1, 2016	As at Current March 31, 2018	March 31, 2017	April 1, 2016
Unsecured, considered good	425.15	2,723.70	74,069.34	290,948.01	488,869.49	716,214.69
Unsecured, considered doubtful	-	-	-	117,416.32	151,469.56	127,529.68
Less: Provision for doubtful debts	-	-	-	(117,416.32)	(151,469.56)	(127,529.68)
Total	**425.15**	**2,723.70**	**74,069.34**	**290,948.01**	**488,869.49**	**716,214.69**

5 (ii) Other Financial Assets

	As at Non Current March 31, 2018	March 31, 2017	April 1, 2016	As at Current March 31, 2018	March 31, 2017	April 1, 2016
Security Deposits Receivable						
- Secured, considered good	1,508.75	1,227.67	953.99	979.36	1,018.38	1,025.08
Unbilled Revenue	-	1,076.07	4,201.81	48,109.50	95,359.86	224,904.25
Interest Receivable	-	-	-	25.98	27.15	24.54
Other Receivables	-	-	-	-	23.50	4,899.96
Long term deposits with bank						
- With original maturity of more than 12 months	307.30	326.62	292.63	-	-	-
Total	**1,816.05**	**2,630.36**	**5,448.43**	**49,114.84**	**96,428.89**	**230,853.83**

5 (iii) Cash And Cash Equivalents

	As at March 31, 2018	March 31, 2017	April 1, 2016
Balance with banks			
-Current Accounts	80,053.14	152,067.62	64,189.26
Cheques and drafts on hand	3,749.59	2,527.13	3,702.56
Total	**83,802.73**	**154,594.75**	**67,891.82**

5 (iv) Bank balance other than above

	As at March 31, 2018	March 31, 2017	April 1, 2016
Deposit with original maturity of more than 3 months and upto 12 months	-	358.11	358.11
Total	-	**358.11**	**358.11**

5(v) Contingent Liabilities

a. Other money for which the Company is contingently liable

i. Guarantees issued to bankers outstanding at the end of the year amounting to Rs. 34,001.96 thousand (Previous year Rs. 12,165.16 thousand).

ii) Corporate Guarantee issued by NIIT Limited to Banks on behalf of the Company for Rs. 450,000.00 thousand (Previous year Rs 450,000.00 thousand).

b. Capital and other commitments

(a) Estimated amount of contracts remaining to be executed on capital account (net of advances) not provided for Nil (Previous year Rs. 1,387.24 thousand).

(b) The Company had certain contracts with State Governments and schools under which the Company was required to transfer ownership of the fixed assets and equipments under leasing arrangement at the written down value which is expected to be at nominal value, at the end of the contract term.

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Mindchampion Learning Systems Ltd. Gurgaon

6 Deferred tax assets (Net)

(All amounts in Rs. thousands, unless otherwise stated)

The balance comprises temporary differences attributable to:	As at		
	31 March 2018	**31 March 2017**	**1 April 2016**
Minimum alternate tax credit entitlement	17,822.67	12,556.54	-
Net Deferred tax assets	**17,822.67**	**12,556.54**	**-**

Reconciliation of deferred tax assets

	Minimum alternate tax credit entitlement
Opening balance as at April 1, 2016	-
Tax income/(expense) recognised during the year	12,556.54
Closing balance as at March 31, 2017	**12,556.54**
Tax income/(expense) recognised during the year	5,266.13
Closing balance as at March 31, 2018	**17,822.67**

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.

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(All amounts in Rs. thousands, unless otherwise stated)

	As at		
7 Inventories	**March 31, 2018**	**March 31, 2017**	**April 1, 2016**
As at the end of the year			
Traded Goods			
a) Education and Training Material*			
- Others	33,687.60	13,333.23	15,458.27
b) Software	729.71	1,289.82	1,679.17
	34,417.31	**14,623.05**	**17,137.44**
As at the beginning of the year			
Traded Goods			
a) Education and Training Material			
- Others	13,333.23	15,458.27	11,361.94
b) Software	1,289.82	1,679.17	1,927.22
	14,623.05	**17,137.44**	**13,289.16**
(Increase) / Decrease in Inventory	**(19,794.26)**	**2,514.39**	**(3,848.28)**

* Net of provision for non-moving inventories of Rs 5,185.41 thousand (Previous year Rs 1,975.21 thousand)

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Notes to the Financial Statements for the year ended March 31, 2018

(All amounts in Rs. thousands, unless otherwise stated)

8 Other Assets

		As at					
		March 31, 2018	**March 31, 2017**	**April 1, 2016**	**March 31, 2018**	**March 31, 2017**	**April 1, 2016**
			Non - current			**Current**	
i) Capital Advances							
Unsecured, considered good		693.03	974.38	157.50	-	-	-
	(A)	**693.03**	**974.38**	**157.50**	-	-	-
ii) Advances recoverable in cash or in kind							
Unsecured, considered good		22.50	35.00	14.08	17,225.79	30,030.16	21,649.56
Unsecured, considered doubtful		-	-	-	2,108.68	2,108.68	6,429.32
Less: Provision for doubtful advances		-	-	-	(2,108.68)	(2,108.68)	(6,429.32)
	(B)	**22.50**	**35.00**	**14.08**	**17,225.79**	**30,030.16**	**21,649.56**
iii) Taxes recoverable							
a) Advance payment of Fringe Benefit Tax		-	707.12	707.12	-	-	-
Less: Provision for Fringe Benefit Tax		-	(669.76)	(669.76)	-	-	-
		-	**37.36**	**37.36**	-	-	-
b) Advance Income Tax		95,324.82	83,619.23	56,951.86	-	-	-
Less: Provision for Income Tax		(17,822.67)	(12,556.54)	-	-	-	-
		77,502.15	**71,062.69**	**56,951.86**	-	-	-
c) Other taxes recoverable		-	-	-	6,049.61	-	-
	(C)	**77,502.15**	**71,100.05**	**56,989.22**	**6,049.61**	-	-
Total other assets (A+B+C)		**78,217.68**	**72,109.43**	**57,160.80**	**23,275.40**	**30,030.16**	**21,649.56**

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(All amounts in Rs. thousands, unless otherwise stated)

9 Equity share capital

a) Authorized equity share capital

Particulars	Equity shares		Redeemable preference shares	
	Number of shares	Amount	Number of shares	Amount
As at April 01, 2016	**20,000,000**	**200,000.00**	**10,000,000**	**100,000.00**
As at March 31, 2017	**20,000,000**	**200,000.00**	**10,000,000**	**100,000.00**
Increase during the year	50,000,000	500,000.00	-	-
As at March 31, 2018	**70,000,000**	**700,000.00**	**10,000,000**	**100,000.00**

b) Movement in equity share capital

Particulars	Equity shares	
	Number of shares	Amount
As at April 01, 2016	**19,064,072**	**190,640.72**
As at March 31, 2017	**19,064,072**	**190,640.72**
Increase during the year	50,000,000	500,000.00
As at March 31, 2018	**69,064,072**	**690,640.72**

c) 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.

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

Particulars	As at March 31, 2018		As at March 31, 2017		As at April 1, 2016	
	No. of shares	% of holding	No. of shares	% of holding	No. of shares	% of holding
NIIT Limited	69,064,072	100%	19,064,072	100%	19,064,072	100%
Total	**69,064,072**	**100%**	**19,064,072**	**100%**	**19,064,072**	**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) Other details of equity shares for a period of five years immediately preceding March 31, 2018

i) 18,064,065 equity share of Rs. 10 each were allotted on July 6, 2015 to NIIT Limited pursuant to a Scheme of Arrangement without payment of cash.

ii) 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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10 Other Equity

	As at		
	March 31, 2018	**March 31, 2017**	**April 1, 2016**
Securities Premium Reserve	20,000.00	20,000.00	20,000.00
Retained Earnings	(810,928.01)	(760,945.58)	(738,701.70)
Equity Instrument of compound financial instrument	150,817.18	414,086.82	414,086.82
Other equity	(4,500.00)	-	-
Total reserves and surplus	**(644,610.83)**	**(326,858.76)**	**(304,614.88)**

10(i) Reserves And Surplus

	March 31, 2018	**March 31, 2017**
a) Securities Premium Reserve		
Balance at the beginning of the year	20,000.00	20,000.00
Balance at the end of the year (A)	**20,000.00**	**20,000.00**

Securities premium reserve issued to record the premium on issue of shares. The reserve is utilised in accordance with the provisions of the Act.

	March 31, 2018	**March 31, 2017**
b) Retained Earnings		
Balance at the beginning of the year	(760,945.58)	(738,701.70)
Loss for the period	(47,370.43)	(19,928.88)
Other comprehensive income / (loss)	(2,612.00)	(2,315.00)
Balance at the end of the year (B)	**(810,928.01)**	**(760,945.58)**
Total Reserves and Surplus (C) (A+B)	**(790,928.01)**	**(740,945.58)**

10(ii) Other Reserves

	March 31, 2018	**March 31, 2017**
a) Equity Instrument of compound financial instrument		
Balance at the beginning of the year	414,086.82	414,086.82
Increase / decrease in equity instrument of compound financial instrument (OCDs)	(263,269.64)	-
Balance at the end of the year (D)	**150,817.18**	**414,086.82**
b) Other equity		
Balance at the beginning of the year	-	-
Expenses for issue of equity share capital	(4,500.00)	-
Balance at the end of the year (E)	**(4,500.00)**	-
Total Other Reserves (F) (D+E)	**146,317.18**	**414,086.82**
Total (C+F)	**(644,610.83)**	**(326,858.76)**

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11 Financial Liabilities

11(i) Non - Current Borrowings

	As at March 31, 2018	March 31, 2017 Non Current	April 1, 2016
UNSECURED			
Optionally Convertible Debentures (OCDs)	-	900,000.00	900,000.00
Add: Accrued interest	-	123,315.74	53,154.82
Less: Equity impact in OCD's transfer to other equity	-	(414,086.82)	(414,086.82)
	-	609,228.92	539,068.00
Loans from Holding Company	-	-	29,700.00
Deferred Lease Obligation	-	48,028.73	109,736.15
Total Non - Current Borrowings	-	**657,257.65**	**678,504.15**
Less: Current maturities of deferred lease obligation (included in Note 11 (iv))	-	48,028.73	61,707.42
Total Non - Current Borrowings	-	**609,228.92**	**616,796.73**

(a) Deferred Lease Obligation is payable as follows:

	March 31, 2017 Future minimum lease payments	Interest element	Present value of minimum lease payments
Within less than one year	51,618.89	3,590.16	48,028.73
	51,618.89	**3,590.16**	**48,028.73**

(b) Deferred Lease Obligation is payable as follows:

	April 1, 2016 Future minimum lease payments	Interest element	Present value of minimum lease payments
Within less than one year	71,982.96	10,275.54	61,707.42
Between one and five year	51,618.89	3,590.16	48,028.73
	123,601.85	**13,865.70**	**109,736.15**

(c) Terms of Optionally Convertible Debentures (OCDs)

The Company had allotted 900,000 OCDs aggregating to Rs. 1,000 each to the Holding company on May 27, 2015. The OCDs carry a coupon rate of 0.5% p.a. payable annually and mature or convert to equity shares after 5 years from the date of issuance with a call and put option to seek premature redemption after 36 months from the date of allotment. The said OCDs have been converted into equity amounting to Rs. 500,000.00 thousand and into loans amounting to Rs. 300,000.00 thousand and balance amount of Rs. 100,000.00 thousand has been repaid during the year.

11(ii) Current Borrowings

	As at March 31, 2018	March 31, 2017	April 1, 2016
Unsecured			
From related parties			
Loans from Holding Company *	250,000.00	-	278,000.00
Total	**250,000.00**	-	**278,000.00**

* * The Company has outstanding loan of Rs. 250,000 thousand (March 31, 2017 year Nil) from its holding company, NIIT Limited, at an interest rate of 12% p.a. The term of repayment is upto March 31, 2019 or earlier on demand.

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(All amounts in Rs. thousands, unless otherwise stated)

11(iii) Trade Payables	As at **March 31, 2018**	**March 31, 2017**	**April 1, 2016**
		Current	
Trade payables	224,701.14	264,326.48	266,205.70
Trade payables to related parties	48,322.32	10,214.23	2,184.50
Total trade payables	**273,023.46**	**274,540.71**	**268,390.20**

Parties covered under Micro, Small and Medium-Enterprises Development Act, 2006 (MSMED Act) for the year ended March 31, 2018 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, 2018**	**March 31, 2017**	**April 1, 2016**
a) the principal amount and the interest due thereon remaining unpaid to any supplier			
i) Principal amount	4.80	25.77	4.62
ii) Interest thereon	0.60	14.33	0.26
b) the amount of payment made to the supplier beyond the appointed day and the interest thereon, during an accounting year			
i) Principal amount	71.89	190.39	-
ii) Interest thereon	-	-	-
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	0.60	14.33	0.26
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	-	-	-

11(iv) Other Financial Liabilities	As at **March 31, 2018**	**March 31, 2017**	**April 1, 2016**	**March 31, 2018**	**March 31, 2017**	**April 1, 2016**
		Non - current			Current	
Security Deposits Payable	4,638.35	7,751.19	3,904.80	-	-	-
Current maturities of Deferred Lease Obligation (refer note 11 (i))	-	-	-	-	48,028.73	61,707.42
Other Payables *	-	-	-	26,252.42	30,743.45	45,958.91
Total other financial liabilities	**4,638.35**	**7,751.19**	**3,904.80**	**26,252.42**	**78,772.18**	**107,666.33**

* Includes payable to employees.

12 Provisions	As at **March 31, 2018**	**March 31, 2017**	**April 1, 2016**	**March 31, 2018**	**March 31, 2017**	**April 1, 2016**
		Non - current			Current	
Provision for Employee Benefits						
-Provision for Gratuity	-	-	-	8,655.88	5,236.86	2,385.97
-Provision for Compensated Absences*	81.00	113.00	228.00	5,343.00	5,905.00	4,659.00
Total Provision	**81.00**	**113.00**	**228.00**	**13,998.88**	**11,141.86**	**7,044.97**

* During the year expense charged / (credited) amounting on account of compensated absences Rs. (125.00) thousand (March 31, 2017, Rs 1,466 thousand) and benefits paid in Rs. 469 thousand (March 31, 2017 Rs 335 thousand).

13 Other Liabilities	As at **March 31, 2018**	**March 31, 2017**	**April 1, 2016**	**March 31, 2018**	**March 31, 2017**	**April 1, 2016**
		Non - current			Current	
Deferred Revenue	6,177.49	252.24	305.79	21,016.12	45,061.27	41,461.40
Advances from Customers	-	6,780.77	20,341.56	17,713.03	50,685.29	63,955.82
Statutory Dues	-	-	-	21,513.50	30,110.48	32,283.82
Total other liabilities	**6,177.49**	**7,033.01**	**20,647.35**	**60,242.65**	**125,857.04**	**137,701.04**

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Mindchampion Learning Systems Ltd Gurgaon

MINDCHAMPION LEARNING SYSTEMS LIMITED
CIN: U72200DL2001PLC111674
Notes to the Financial Statements for the year ended March 31, 2018

(All amounts in Rs. thousands, unless otherwise stated)

	Year ended	
14 Revenue From Operations	**March 31, 2018**	**March 31, 2017**
Sale of Products :		
-Courseware and Training Material	179,765.39	168,983.18
-Hardware & Accessories	45,160.14	53,513.09
Sale of Services	367,747.96	646,371.35
	592,673.49	**868,867.62**

	Year ended	
15 Other Income	**March 31, 2018**	**March 31, 2017**
Interest Income	8,465.71	13,006.70
Profit from Sale of Current Investment	90.07	-
Gain on Sale of Fixed Assets (net)	1,588.86	88.44
Exchange difference (net)	32.17	18.80
Other Non-Operating Income	15,492.06	839.15
	25,668.87	**13,953.09**

	Year ended	
16 Employee Benefits Expenses	**March 31, 2018**	**March 31, 2017**
Salaries and Benefits	277,052.90	394,689.17
Contribution to Provident and other Funds	11,480.96	14,235.29
Employees Stock Option Expense	421.77	2,065.73
Welfare and Other expenses	5,184.92	5,003.30
	294,140.55	**415,993.49**

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MINDCHAMPION LEARNING SYSTEMS LIMITED

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Notes to the Financial Statements for the year ended March 31, 2018

(All amounts in Rs. thousands, unless otherwise stated)

17 Finance Costs	Year ended March 31, 2018	Year ended March 31, 2017
Interest Expense	57,911.95	105,090.06
Other Borrowing Costs	2,250.00	1,275.96
	60,161.95	106,366.02

18 Other Expenses	Year ended March 31, 2018	Year ended March 31, 2017
Equipment Hiring	170.41	450.41
Freight and Cartage	11,415.48	9,352.48
Rent (net of recoveries)	10,672.06	12,083.35
Rates and Taxes	22.41	388.80
Power & Fuel	2,170.95	2,506.25
Communication	5,389.21	4,354.15
Legal and Professional	8,372.25	9,306.16
Management Cost Recovery by Holding Company	22,145.85	27,808.37
Travelling and Conveyance	29,595.32	26,266.25
Provision for Doubtful Debts	30,036.71	30,563.60
Bad debts Written off	2,660.59	-
Repairs and Maintenance		
- Plant and Machinery	1,830.23	411.10
- Buildings	179.01	168.54
- Others	2,369.14	3,443.20
Consumables	13,213.80	24,264.81
Security and Administration Services	928.80	1,122.64
Bank Charges	307.06	666.02
Marketing & Advertising Expenses	5,993.37	11,797.19
Sundry Expenses	2,376.95	1,559.43
	149,849.60	166,512.75

19 Payment To Auditors	Year ended March 31, 2018	Year ended March 31, 2017
As Auditor		
- Audit Fee	485.00	590.00
- Reimbursement of expenses (inclusive of taxes)	87.30	142.78
	572.30	732.78

20 Exceptional Items	March 31, 2018	March 31, 2017
Reversal of provision for doubtful debts	-	6,623.72
Total	-	6,623.72

(i) During the previous year, the Company had written back Rs. 6,623.72 thousand on account of collections received from customers against which provision were created in earlier years under the same head.

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Notes to the Financial Statements for the year ended March 31, 2018

(All amounts in Rs. thousands, unless otherwise stated)

21 Income tax expense

(a) Income tax expense

	Year ended	
	March 31, 2018	**March 31, 2017**
Current tax		
Current tax on profits for the year	5,266.13	12,556.54
Adjustments for current tax of prior periods	77.85	-
Total current tax expense	**5,343.98**	**12,556.54**
Deferred tax		
Increase in minimum alternate tax credit	(5,266.13)	(12,556.54)
Total deferred tax expense/(benefit)	**(5,266.13)**	**(12,556.54)**
Income tax expense	**77.85**	**-**

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

	Year ended	
	March 31, 2018	**March 31, 2017**
Loss before Tax	(47,292.58)	(19,928.88)
Tax at the Indian tax rate of (FY 2016-17 33.06%) (FY 2017-18 33.06%) *	-	-
Tax effect of amounts which are not deductible (taxable) in calculating taxable income:		
Adjustment for Taxes relating to earlier years	77.85	-
Income tax expense	**77.85**	**-**

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

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(All amounts in Rs. thousands, unless otherwise stated)

22 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, 2018	March 31, 2017	April 1, 2016
	Amortised cost	Amortised cost	Amortised cost
Financial assets			
Trade receivables	291,373.16	491,593.19	790,284.03
Cash and bank balances	83,802.73	154,952.86	68,249.93
Other financial assets	50,930.89	99,059.25	236,302.26
Total financial assets	**426,106.78**	**745,605.30**	**1,094,836.22**
Financial liabilities			
Borrowings	250,000.00	609,228.92	846,768.00
Deferred lease obligation	-	48,028.73	109,736.15
Trade payables	273,023.46	274,540.71	268,390.20
Other financial liabilities	30,890.77	38,494.64	49,863.71
Total financial liabilities	**553,914.23**	**970,293.00**	**1,274,758.06**

As of March 31, 2018, March 31, 2017 and April 1, 2016, the fair value of cash and bank balances, trade receivables, other current financial assets and liabilities, borrowings, trade payables approximate their carrying amount largely due to the short term nature of these instruments.
For other financial assets and liabilities that are measured at amortised cost, the carrying amounts approximate the fair value.

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(All amounts in Rs. thousands, unless otherwise stated)

23 Financial risk management

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

The Company is exposed to market risk, credit risk and liquidity risk. The Company's senior management oversees the management of these risks. The Company's senior management is supported by a financial risk committee that advises on financial risks and the appropriate financial risk governance framework for the Company. The financial risk committee provides assurance to the Company's senior management that the Company's financial risk activities are governed by appropriate policies and procedures and that financial risks are identified, measured and managed in accordance with the Company's policies and risk objectives. All derivative activities for risk management purposes are carried out by specialist teams that have the appropriate skills, experience and supervision. 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 an 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. 291,373.16 thousand and Rs. 491,593.19 thousand as of March 31, 2018 and March 31, 2017, respectively and unbilled revenue amounting to Rs 48,100.50 thousand and Rs. 96,435.93 thousand as of March 31, 2018 and March 31, 2017, respectively. Trade receivables and unbilled revenue are typically unsecured and are derived from revenue earned through subsidiaries, 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 on April 1, 2016	127,529.68
Changes in loss allowance*	23,939.88
Loss allowance on March 31, 2017	151,469.56
Changes in loss allowance*	(34,053.24)
Loss allowance on March 31, 2018	117,416.32

* During the year company has written back provision for doubtful debts for amounting to Rs. 64,089.95 thousand (March 31, 2017 Rs. 6,623.72 thousand) and further provision for doubtful debt charged in the statement of profit and loss for amounting to Rs. 30,036.71 thousand (March 31, 2017 Rs. 30,563.60 thousand).

(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. The term loans are secured against hypothecation of the vehicles and 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, 2018:

Particulars	Less than 1 year	Between 1 and 2 years	Between 2 and 5 years	Total
Borrowings	250,000.00	-	-	250,000.00
Trade payables	273,023.46	-	-	273,023.46
Other financial liabilities	26,252.42	-	4,638.35	30,890.77
Total non-derivative liabilities	**549,275.88**	-	**4,638.35**	**553,914.23**

The table below provides details regarding the contractual maturities of significant financial liabilities as at March 31, 2017:

Particulars	Less than 1 year	Between 1 and 2 years	Between 2 and 5 years	Total
Borrowings	-	-	609,228.92	609,228.92
Trade payables	274,340.71	-	-	274,340.71
Other financial liabilities	78,772.18	-	7,751.19	86,523.37
Total non-derivative liabilities	**353,112.89**	-	**616,980.11**	**970,093.00**

The table below provides details regarding the contractual maturities of significant financial liabilities as at April 1, 2016:

Particulars	Less than 1 year	Between 1 and 2 years	Between 2 and 5 years	Total
Borrowings	278,000.00	29,700.00	539,068.00	846,768.00
Deferred Lease Obligation	-	48,028.73	-	48,028.73
Trade payables	268,390.20	-	-	268,390.20
Other financial liabilities	107,666.33	-	3,904.80	111,571.13
Total non-derivative liabilities	**654,056.53**	**77,728.73**	**542,972.80**	**1,274,758.06**

(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 period expressed in Rs. thousand, are as follows:

	As at				
	March 31, 2018		March 31, 2017		April 1, 2016
	USD	SGD	USD	SAR	USD
Financial assets					
Trade receivables	1,145.13	3,403.20	53.38	244.38	217.33
Other receivables	-	-	-	-	318.21

USD: United States Dollar, SAR: Saudi Riyal, SGD: Singapore Dollar

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(All amounts in Rs. thousands, unless otherwise stated)

24 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, 2018	Year ended March 31, 2017
Employers' Contribution to Provident Fund	3,544.76	4,255.97
Employers' Contribution to Superannuation Fund	706.79	880.15
Employers' Contribution to Employees Pension Scheme	5,123.61	7,334.93
Employers' Contribution to Employee National Pension System	320.55	372.54
Total	**9,695.71**	**12,843.59**

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

	Year ended March 31, 2018	Year ended March 31, 2017
Employers' Contribution to Provident Fund	115.90	98.33
Employers' Contribution to Superannuation Fund	150.00	150.00
Employers' Contribution to Employees Pension Scheme	15.00	15.00
Employers' Contribution to Employee National Pension System	109.08	94.44
	389.98	**357.77**

B) Defined Benefit Plans

I. Gratuity Fund - Funded

Particulars	As at March 31, 2018	As at March 31, 2017
i) Change in Present value of Obligation:-		
Present value of obligation as at beginning of the year	8,265.86	7,105.97
Interest cost	510.02	446.89
Current service cost	1,452.00	1,240.00
Acquisition (credit) / cost	65.00	(166.00)
Benefits paid from plan assets	(1,972.00)	(2,683.00)
Actuarial (gain)/ loss - experience	849.00	1,866.00
Actuarial (gain)/ loss - financial assumptions	1,748.00	456.00
Present value of obligation as at the year end	**10,917.88**	**8,265.86**

	As at March 31, 2018	As at March 31, 2017
ii) Change in value of Plan Assets		
Fair value of Plan Assets as at the beginning of the year	3029.00	4720.00
Acquisition adjustment	65.00	(166.00)
Expected return on Plan Assets	177.00	295.00
Contributions	978.00	856.00
Benefits Paid	(1972.00)	(2683.00)
Return on plan assets (greater) / less than discount rate	(15.00)	7.00
Fair value of Plan Assets as at the end of the year	**2262.00**	**3029.00**

iii) Amount of Asset/ (Obligation) 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	Assets/ (obligation) recognised in Balance Sheet
As at March 31, 2018	2,262.00	10,917.88	(8,655.88)
As at March 31, 2017	3,029.00	8,265.86	(5,236.86)
As at April 1, 2016	4,720.00	7,105.97	(2,385.97)

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

Particulars	Year ended March 31, 2018	Year ended March 31, 2017
Current service cost	1,452.00	1,240.00
Interest cost	333.25	151.70
Expense recognised in the Statement of Profit and Loss	**1,785.25**	**1,391.70**

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(All amounts in Rs. thousands, unless otherwise stated)

v) Gratuity Cost recognised through Other Comprehensive Income:-

Particulars	Year ended March 31, 2018	Year ended March 31, 2017
Actuarial loss - experience	849.00	1,866.00
Actuarial loss - financial assumptions	1,748.00	456.00
Return on plan assets (greater) / less than discount rate	15.00	(7.00)
Expense recognised through other comprehensive loss	**2,612.00**	**2,315.00**

vi) Assumptions used in accounting for gratuity plan:-

	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
Discount Rate (Per Annum)	7.50%	7.00%	7.75%
Future Salary Increase	11% for first 2 years, 8% thereafter	6.00%	6.00%

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, 2018	March 31, 2018	March 31, 2018
Discount rate	0.50%	(451.00)	485.00
Salary growth rate	0.50%	479.00	(449.00)
Withdrawal rate	5%	(380.00)	382.00

	Impact on defined benefit obligation		
	Change in assumption	Increase in assumption	Decrease in assumption
	March 31, 2017	March 31, 2017	March 31, 2017
Discount rate	0.50%	(311.00)	333.00
Salary growth rate	0.50%	335.00	(315.00)
Withdrawal rate	5.00%	(44.00)	62.00

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, 2018	March 31, 2017	April 1, 2016
Scheme of insurance - conventional products	100%	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.

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(All amounts in Rs. thousands, unless otherwise stated)

25 Earnings Per Share

	Year ended March 31, 2018	Year ended March 31, 2017
Loss attributable to Equity Shareholders (A)	(47,370.43)	(19,928.88)
Weighted average number of Equity Shares outstanding during the year (Nos.) – (B)	51,940,784	19,064,072
Nominal Value of Equity Shares (Rs.)	10	10
Basic Earning / (loss) per Share (Rs.) (A/B)	(0.91)	(1.05)
Add:- Effect of Potential Dilutive Share (being Optionally Convertible Debentures)	-	90,000,000
Weighted average shares outstanding considered for determining Diluted Earnings per Share (Nos.) - (C)	51,940,784	109,064,072
Add.- Effect of Interest on Optionally Convertible Debentures, net of tax (D)	-	49,978.02
Profit/(loss) after considering increased earnings of Dilutive shares (E) (A+D)	(47,370.43)	30,049.14
Nominal Value of Equity Shares (Rs.)	10	10
Diluted Earnings/(loss) per Share (Rs.) (E/C)	(0.91)	(1.05)

26 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 Yuva Jyoti Limited
3 NIIT Institute of Process Excellence Limited
4 NIIT USA Inc, USA
5 NIIT Limited, UK
6 NIIT Malaysia Sdn. Bhd, Malaysia
7 NIIT West Africa Limited
8 NIIT GC Limited, Mauritius
9 NIIT (Ireland) Limited
10 NIIT Learning Solutions (Canada) Limited
11 Eagle international Institute Inc. USA (w.e.f January 3, 2018)
12 Eagle Training Spain, S.L.U
13 NIIT Antilles NV, Netherlands Antilles (liquidated w.e.f. November 23, 2017)
14 PT NIIT Indonesia, Indonesia
15 NIIT China (Shanghai) Limited, Shanghai
16 NIIT Wuxi Service Outsourcing Training School, China (Memorandum of Understanding was executed to sell on April 1, 2017)
17 Wuxi NIIT Information Technology Consulting Limited, China (agreement to sell entered on March 31, 2018)
18 Su Zhou NIIT Information Technology Consulting Limited, China
19 Changzhou NIIT Information Technology Consulting Limited, China
20 Zhangjiagang NIIT Information Services Limited, China
21 Qingdao NIIT Information Technology Company Limited, China (closed w.e.f. January 31, 2018)
22 Chengmai NIIT Information Technology Company Limited, China
23 Chongqing An Dao Education Consulting Limited, China
24 Chongqing NIIT Education Consulting Limited, China
25 NIIT (NingXia) Education Technology Company Limited, China (incorporated w.e.f. May 19, 2017)
26 Dafeng NIIT information technology Co., Limited, China (closed w.e.f. October 25, 2017)
27 Guizhou NIIT information technology consulting Co., Limited, China
28 NIIT (Guizhou) Education Technology Co., Limited, China

C. Other related parties with whom the Company has transacted

Key Managerial Personnel

1 Gavin Debreo - Chief Executive Officer
2 Umesh Kumar Gola - Chief Financial Officer

Parties in which the Key Managerial Personnel of the Holding Company are interested

1 NIIT Foundation (formerly known as NIIT Education Society)
2 NIIT University

D. Key Management Personnel compensation

	March 31, 2018	March 31, 2017
Short-term employee benefits	12,686.48	10,610.93
Post-employment benefits	742.19	544.72
Total compensation	**13,428.67**	**11,155.65**

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.

The average interest rate on the borrowings during the year is 12% (March 31, 2017 was 9% - 12%).

All outstanding balances are unsecured and are repayable in cash.

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26 Related Party Transactions (Contd.)

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

(All amounts in Rs. thousands, unless otherwise stated)

Nature of Transactions	Holding Company	Fellow Subsidiaries	Parties in which Key Managerial Personnel of Holding Company are interested	Key Managerial Personnel	Total
Sale of Goods- Revenue	-	-	1,988.63	-	1,988.63
	-	(2,108.99)	(2,212.22)	-	(4,321.21)
Sale of services- Revenue	-	-	-	-	-
	-	-	(798.34)	-	(798.34)
Recovery of Expenses From	261.19	-	3.29	-	264.48
	(491.53)	(400.32)	-	-	(891.85)
Purchase of Goods	-	-	-	-	-
	-	(41.09)	-	-	(41.09)
Management Cost Recovery- Other Expenses	22,521.90	-	-	-	22,521.90
	(25,360.40)	-	-	-	(25,360.40)
Corporate Guarantee Charges- Other Expenses	2,250.00	-	-	-	2,250.00
	(1,275.96)	-	-	-	(1,275.96)
Recovery of Employee Benefits expenses by	-	-	-	-	-
	(390.90)	-	-	-	(390.90)
Recovery of Expenses By	15,556.17	-	-	-	15,556.17
	(17,280.56)	-	-	-	(17,280.56)
Recovery of Professional & Technical Outsourcing Expenses by	-	-	-	-	-
	(4.58)	-	-	-	(4.58)
Remuneration to Key Managerial Personnel	-	-	-	13,428.67	13,428.67
	-	-	-	(11,155.65)	(11,155.65)
Interest Expense- Finance Cost	25,104.55	-	-	-	25,104.55
	(22,356.95)	-	-	-	(22,356.95)
Issuance of Equity share capital	500,000.00	-	-	-	500,000.00
	-	-	-	-	-
OCDs Repaid	100,000.00	-	-	-	100,000.00
	-	-	-	-	-
Loan Taken	300,000.00	-	-	-	300,000.00
	(78,000.00)	-	-	-	(78,000.00)
Loan Repaid	50,000.00	-	-	-	50,000.00
	(385,700.00)	-	-	-	(385,700.00)

G. Details of outstanding balances with related parties:

Particulars	Holding Company	Fellow Subsidiaries	Parties in which Key Managerial Personnel of Holding Company are interested	Key Managerial Personnel*	Total
i) Payables					
March 31, 2018	48,322.32	-	-	307.52	48,629.84
March 31, 2017	(10,170.98)	(43.25)	-	(228.66)	(10,442.89)
April 1, 2016	(2,184.50)	-	-	(192.67)	(2,377.17)
ii) Receivables					
March 31, 2018	7,562.00	-	-	-	7,562.00
March 31, 2017	(1,059.19)	-	(2,249.81)	-	(3,309.00)
April 1, 2016	(1,747.33)	(217.35)	(991.43)	(1.80)	(2,957.91)
iii) Loan payables					
March 31, 2018	250,000.00	-	-	-	250,000.00
March 31, 2017	-	-	-	-	-
April 1, 2016	(307,700.00)	-	-	-	(307,700.00)

Previous year figures are given in parenthesis.
* included in other payables

H. The Company has unavailed credit facilities of Nil (Previous year Rs. 30,000.00 thousand) out of the fund based working capital limits of the Holding company.

I. The Company has availed corporate guarantee issued by Holding company of Rs. 450,000.00 thousand (Previous year Rs. 450,000.00 thousand) for working capital limits.

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

S.P. Bahl & Associates LLP * Gurugram *

Mindchampion Learning Systems Ltd. * Gurgaon *

(All amounts in Rs. thousands, unless otherwise stated)

27 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 – Segment Reporting, 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 – Segment Reporting.

28 Leases

Operating Leases:

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

Particulars	**Year ended**	
	March 31, 2018	**March 31, 2017**
In respect of premises*	9,905.84	10,732.36
In respect of equipments**	129.55	365.64
In respect of Vehicles	766.22	985.35
Total	**10,801.61**	**12,083.35**

* includes payment in respesct of premised for office and employee accomodation.

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

29 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, 2018	**March 31, 2017**
Opening Capital Work-in-Progress	1,370.67	-
Add:-Expenditure during the year		
Salary and other Employee Benefits	9,932.88	1,710.45
Professional & Technical Outsourcing Expense	26,312.33	20,504.40
Rent	292.46	480.67
Other Expenses	298.01	118.90
Less:-Intangible Capitalised during the year	-	(21,443.75)
Closing Balance at the end of the year	**38,206.35**	**1,370.67**

30 The net worth of the Company is significantly eroded as at March 31, 2018. However based on the future business projections of School business and the future outlook of the Company, the Board of Directors of the Company are confident that the Company is expected to witness improved performance in following years. Further, the holding company NIIT Limited has committed operational and financial supports to the Company, Accordingly Company's Financial Statements have been prepared on an going concern basis.

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Mindchampion Learning Systems Ltd. Gurgaon

31 Transition to Ind AS

These are the Company's first financial statements prepared in accordance with Ind AS.

The accounting policies set out in note 1 have been applied in preparing the financial statements for the year ended March 31, 2018, the comparative information presented in these financial statements for the year ended March 31, 2017 and in the preparation of an opening Ind AS balance sheet at April 1, 2016 (The company's date of transition). In preparing its opening Ind AS balance sheet, The company has adjusted the amounts reported previously in financial statements prepared in accordance with the accounting standards notified under Companies (Accounting Standards) Rules, 2006 (as amended) and other relevant provisions of the Act (previous GAAP or Indian GAAP).

An explanation of how the transition from previous GAAP to Ind AS has affected The company's financial position, financial performance and cash flows is set out in the following tables and notes.

A. Exemptions and exceptions availed

Set out below are the applicable Ind AS 101 optional exemptions and mandatory exceptions applied in the transition from previous GAAP to Ind AS.

A.1 Ind AS optional exemptions

A.1.1 Deemed cost

Ind AS 101 permits a first-time adopter to elect to continue with the carrying value for all of its property, plant and equipment as recognised in the financial statements as at the date of transition to Ind AS, measured as per the previous GAAP and use that as its deemed cost as at the date of transition after making necessary adjustments. This exemption has also been used for intangible assets covered by Ind AS 38 Intangible Assets and investment property covered by Ind AS 40 Investment Properties.

Accordingly, The company has elected to measure all of its property, plant and equipment, intangible assets and investment property at their previous GAAP carrying value.

A.1.2 Leases

Appendix C to Ind AS 17 requires an entity to assess whether a contract or arrangement contains a lease. In accordance with Ind AS 17, this assessment should be carried out at the inception of the contract or arrangement. Ind AS 101 provides an option to make this assessment on the basis of facts and circumstances existing at the date of transition to Ind AS, except where the effect is expected to be not material. The company has elected to apply this exemption for such contracts/arrangements.

A 1.3 Fair value measurement of financial assets or liabilities at initial recognition

Ind AS 109 requires to initially recognize financial assets and liabilities at fair value and if the fair value differs from transaction price, the difference is recognized as gain or loss. The Company has elected to apply these requirements of initial recognition prospectively to transactions entered on or after the date of transition.

A.2 Ind AS mandatory exceptions

A.2.1 Estimates

An entity's estimates in accordance with Ind ASs at the date of transition to Ind AS shall be consistent with estimates made for the same date in accordance with previous GAAP (after adjustments to reflect any difference in accounting policies), unless there is objective evidence that those estimates were in error. Ind AS estimates as at April 1, 2016 are consistent with the estimates as at the same date made in conformity with previous GAAP. The company made estimates for following items in accordance with Ind AS at the date of transition as these were not required under previous GAAP:

- Impairment of financial assets based on expected credit loss model.

A.2.2 Classification and measurement of financial assets

Ind AS 101 requires an entity to assess classification and measurement of financial assets on the basis of the facts and circumstances that exist at the date of transition to Ind AS.

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Mindchampion Learning Systems Ltd. * Gurgaon

(All amounts in Rs. thousands, unless otherwise stated)

31 Transition to Ind AS (Cont.)

Ind AS 101 requires an entity to reconcile equity, total comprehensive income and cash flows for prior periods. The following tables represent the reconciliations from previous GAAP to Ind AS.

B.1 Reconciliation of equity as at date of transition March 31, 2017 and April 01, 2016

		March 31, 2017			April 1, 2016		
	Notes	Previous GAAP*	Adjustment	IND-AS	Previous GAAP*	Adjustment	IND-AS
ASSETS							
Non-current assets							
Property, plant and equipment		20,301.85	-	20,301.85	53,959.05	-	53,959.05
Intangible Assets		81,622.87	-	81,622.87	81,662.19	-	81,662.19
Intangible Assets under Development		1,370.67	-	1,370.67	-	-	-
Financial Assets							
Trade receivables		2,723.70	-	2,723.70	74,069.34	-	74,069.34
Other Financial Assets		2,630.36	-	2,630.36	5,448.43	-	5,448.43
Deferred Tax Assets		12,556.54	-	12,556.54	0.00	-	0.00
Other Non-Current Assets		72,109.43	-	72,109.43	57,160.80	-	57,160.80
Total Non-current assets		**193,315.42**	-	**193,315.42**	**272,299.81**	-	**272,299.81**
Current Assets							
Inventories		14,623.05	-	14,623.05	17,137.44	-	17,137.44
Financial Assets							
Trade Receivables	(b),(d)&(g)	511,847.57	(22,978.08)	488,869.49	742,345.99	(26,131.30)	716,214.69
Cash and Bank Balances		154,594.75	-	154,594.75	67,891.82	-	67,891.82
Cash and Bank Balances other than above		358.11	-	358.11	358.11	-	358.11
Other Financial Assets	(g)	30,020.05	66,408.84	96,428.89	66,212.04	164,641.79	230,853.83
Other Current Assets	(f)	65,355.58	(35,325.42)	30,030.16	95,753.24	(74,103.68)	21,649.56
Total Current Assets		**776,799.11**	**8,105.34**	**784,904.45**	**989,698.64**	**64,406.81**	**1,054,105.45**
TOTAL ASSETS		**970,114.53**	**8,105.34**	**978,219.87**	**1,261,998.45**	**64,406.81**	**1,326,405.26**
EQUITY AND LIABILITIES							
EQUITY							
Equity Share Capital		190,640.72	-	190,640.72	190,640.72	-	190,640.72
Other Equity	(h)	(539,288.22)	212,429.46	(326,858.76)	(592,615.02)	288,000.14	(304,614.88)
TOTAL EQUITY		**(348,647.50)**	**212,429.46**	**(136,218.04)**	**(401,974.30)**	**288,000.14**	**(113,974.16)**
LIABILITIES							
Non-Current Liabilities							
Financial Liabilities							
Borrowings	(c)&(f)	900,000.00	(290,771.08)	609,228.92	929,700.00	(312,903.27)	616,796.73
Other Financial Liabilities		7,751.19	-	7,751.19	3,904.80	-	3,904.80
Other Non-Current Liabilities		7,033.01	-	7,033.01	20,647.35	-	20,647.35
Provisions		113.00	-	113.00	228.00	-	228.00
		914,897.20	(290,771.08)	624,126.12	954,480.15	(312,903.27)	641,576.88
Current Liabilities							
Financial Liabilities							
Borrowings		-	-	-	278,000.00	-	278,000.00
Trade Payables		274,540.71	-	274,540.71	268,390.20	-	268,390.20
Other Financial Liabilities	(c)&(f)	26,819.36	51,952.82	78,772.18	44,100.59	63,565.74	107,666.33
Provisions		11,141.86	-	11,141.86	7,044.97	-	7,044.97
Other Current Liabilities	(g)	91,362.90	34,494.14	125,857.04	111,956.84	25,744.20	137,701.04
		403,864.83	86,446.96	490,311.79	709,492.60	89,309.94	798,802.54
TOTAL		**970,114.53**	**8,105.34**	**978,219.87**	**1,261,998.45**	**64,406.81**	**1,326,405.26**

*The previous GAAP figures have been reclassified to conform to Ind AS presentation requirements for the purpose of this Note.

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(All amounts in Rs. thousands, unless otherwise stated)

B.2 Reconciliation of total comprehensive income for the year ended March 31, 2017

	Notes	Previous GAAP*	Adjustment	IND-AS
INCOME				
Revenue from Operations	(g)	981,486.50	(112,618.88)	868,867.62
Other Income	(d)	1,233.57	12,719.52	13,953.09
Total Revenue		**982,720.07**	**(99,899.36)**	**882,820.71**
EXPENSES				
Purchase of stock-in-trade		108,085.65	-	108,085.65
Chang (Increase)/ Decrease in Inventory		2,514.39	-	2,514.39
Employee Benefits Expense	(a)&(c)	416,242.75	(249.26)	415,993.49
Professional & Technical Outsourcing Expenses		50,334.93	-	50,334.93
Finance Costs	(e)&(f)	25,527.19	80,838.83	106,366.02
Depreciation and Amortisation Expenses	(f)	73,494.98	(13,928.90)	59,566.08
Other Expenses	(b)&(f)	259,817.09	(93,304.34)	166,512.75
Total Expenses		**936,016.98**	**(26,643.67)**	**909,373.31**
Profit/ (Loss) before Exceptional items and Tax		**46,703.09**	**(73,255.69)**	**(26,552.60)**
Exceptional items		6,623.72	-	6,623.72
Profit before Tax		**53,326.81**	**(73,255.69)**	**(19,928.88)**
Tax expense:				
- Current Tax		12,556.54	-	12,556.54
- Deferred Tax		(12,556.54)	-	(12,556.54)
Profit / (loss) for the year		**53,326.81**	**(73,255.69)**	**(19,928.88)**
Other Comprehensive Loss				
Items that will not be reclassified subsequently to profit or loss				
Remeasurement of the net defined benefit liability / asset	(a)	-	(2,315.00)	(2,315.00)
Total other comprehensive loss, net of tax		**-**	**(2,315.00)**	**(2,315.00)**
Total comprehensive income / (loss) for the year		**53,326.81**	**(75,570.69)**	**(22,243.88)**

*The previous GAAP figures have been reclassified to conform to Ind AS presentation requirements for the purpose of this Note.

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(All amounts in Rs. thousands, unless otherwise stated)

31 Transition to Ind AS (Cont.)

B.3 Reconciliation of total equity as at March 31, 2017 and April 1, 2016

Particulars	March 31, 2017	April 1, 2016
Total equity (Shareholders' funds) as per previous GAAP	(539,288.22)	(592,615.02)
Add /(Less) : Adjustment under Ind AS		
Change in pattern of recognition of revenue based on identified performance obligations (net of related	147,448.75	142,924.66
Provision recognised on trade receivables as per expected credit losses	(21,369.18)	(17,438.84)
Recognition of share based payments measured at fair value	(3,924.07)	(1,858.33)
Discounting of long term trade receivables	(5,979.37)	(12,719.52)
Recognition of finance lease obligation	(194,517.75)	(183,839.83)
Recognition of equity and liability component in a compound financial instrument	290,771.09	360,932.00
Total equity as per Ind AS	**(326,858.76)**	**(304,614.88)**

B.4 Reconciliation of total comprehensive income for the year ended March 31, 2017

Particulars	Year ended March 31, 2017
Net profit after tax as reported under previous Indian GAAP	53,326.81
Add /(Less) : Adjustment under Ind AS	
Remeasurement of post-employment benefit obligations	2,315.00
Additional depreciation on asset recognised	13,928.90
Reversal of lease equalisation	97,234.68
Change in pattern of recognition of revenue based on identified performance obligations (net of related	(112,618.88)
Provision for expected credit losses on trade receivables	(3,930.34)
Employee stock option expense recognised based on fair value method	(2,065.74)
Discounting of long term trade receivables	12,719.52
Recognition of equity and liability component in a compound financial instrument	(70,160.92)
Interest accretion on deferred payments liabilities	(10,677.91)
Net loss after tax as per Ind AS (A)	**(19,928.88)**
Other Comprehensive Loss, net of income tax	
Remeasurement of post-employment benefit obligations	(2,315.00)
Total comprehensive loss as reported under Ind AS (A+B)	**(22,243.88)**

B.5 Reconciliation of cash flows for the year ended March 31, 2017

Particulars	Previous GAAP	Adjustment	IND-AS
Net cash flow from operating activities	467,873.71	58,103.29	525,977.00
Net cash flow from investing activities	(47,943.59)	14,282.04	(33,661.55)
Net cash flow from financing activities	(333,227.19)	(72,385.33)	(405,612.52)
Net increase/(decrease) in cash and cash equivalents	**86,702.93**	-	**86,702.93**
Cash and cash equivalents as at April 1, 2016	67,891.82	-	67,891.82
Cash and cash equivalents as at March 31, 2017	154,594.75	-	154,594.75

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(All amounts in Rs. thousands, unless otherwise stated)

31 Transition to Ind AS (Cont.)

C. Notes to first time adoption

a) Re-measurements of post-employment benefit obligations

Under Ind AS, re-measurements i.e. actuarial gains and losses and the return on plan assets, excluding amounts included in the net interest expense on the net defined benefit liability are recognised in other comprehensive income instead of profit or loss. Under the previous GAAP, these re-measurements were forming part of the profit or loss for the year. As a result of this change, the profit for the year ended March 31, 2017 increased by Rs 2,315 thousand. There is no impact on the total equity as at 31 March 2017.

b) Provision for expected credit losses on trade receivables

As per Ind AS 109, the Company is required to apply expected credit loss model for recognising the allowance for doubtful debts. As a result, the allowance for doubtful debts increased by Rs. 21,369.18 thousand as at March 31, 2017 (April 01, 2016 – Rs. 17,438.84 thousand). Consequently, the total equity as at March 31, 2017 decreased by Rs 21,369.18 thousand (April 01, 2016 – Rs. 17,438.84 thousand) and profit for the year ended 31 March 2017 decreased by Rs. 3,930.34 thousand.

c) Employee stock option expense recognised based on fair value method

Under the previous GAAP, the cost of equity-settled employee share-based plan were recognised using the intrinsic value method. Under Ind AS, the cost of equity settled share-based plan is recognised based on the fair value of the options as at the grant date. Consequently, the amount recognised in share option outstanding account increased by Rs. 3,924.07 thousand as at March 31, 2017 (April 01, 2016 Rs. 1,858.33 thousand). The profit for the year ended March 31, 2017 decreased by Rs. 2,065.74 thousand.

d) Fair valuation of long term financial assets

Under the previous GAAP, long-term receivables were recorded at their transaction value. Under Ind AS, all financial assets should initially be recognised at fair value. Accordingly, the Company has fair valued the long-term receivables under Ind AS. Difference between the fair value and transaction value of the receivables has been recognised in retained earnings as at the transition date. Consequent to this change, the amount of receivables decreased by Rs 5,979.37 thousand as at March 31, 2017 (April 1, 2016 Rs. 12,719.52 thousand). The profit for the year ended March 31, 2017 increased by Rs. 12,719.52 thousand.

e) Recognition of equity and liability component in a compound financial instrument

Under the previous GAAP, convertible debentures issued were recorded at their transaction value. Under Ind AS 32, compound instruments i.e. financial instruments that contain both equity and liability components should be recognised separately into its equity and liability component on initial recognition.

Accordingly, the Company has split the optionally convertible debentures into equity and liability components. Consequent to this change, the amount of equity increased and long term borrowings decreased by Rs 414,086.82 thousand as at March 31, 2017 and April 1, 2016.

Under the previous GAAP, liabilities were recorded at their transaction value. Under Ind AS, the liability component should be recognised at fair value. Accordingly, the Company has fair valued the liability component under Ind AS. Consequent to this change, the amount of liability component increased by Rs. 123,315.74 thousand as at March 31, 2017 (April 1, 2016 Rs. 53,154.82 thousand) . The profit for the year ended March 31, 2017 decreased by Rs. 70,160.92 thousand.

f) Recognition of finance lease obligation

Certain equipments are provided to government schools under BOOT model. Under the previous GAAP, these assets were treated as an operating lease. Whereas under Ind AS, such assets are treated as finance lease and accordingly the Company has recognised a finance lease obligation for the same. Consequent to this change, the amount of borrowing increased by 48,028.75 thousand as at April 1, 2016 and the amount of other financial liabilities increased by Rs. 48,028.75 thousand as at March 31, 2017 (April 1, 2016 Rs. 61,707.40 thousand) and the amount of prepaid expenses decreased by Rs. 35,325.42 thousand as at March 31, 2017 (April 1 ,2016 Rs 74,103.68 thousand). The other expenses on account of lease rental charges for the year ended March 31, 2017 decreased by Rs. 97,234.68 thousand and finance cost on account of recognition of finance lease obligation for the year ended March 31, 2017 increased by Rs. 10,677.91 thousand and depreciation for the year ended March 31, 2017 decreased by Rs. 13,928.90 thousand.

g) Impact of change in revenue recognition

The Company's contracts with customers include multiple elements for which there is a specific guidance under Ind AS 18. Accordingly, there has been change in the timing of revenue recognition. Consequent to this change, the amount of deferred revenue increased by Rs. 34,494.14 thousand as at March 31, 2017 (April 1, 2016 Rs 25,744.20 thousand) and amount of unbilled revenue increased by Rs. 66,408.84 thousand as at March 31, 2017 (April 1, 2016 Rs. 164,641.79 thousand) and amount of trade receivables increased by Rs. 4370.47 thousand as at March 31, 2017 (April ,2016 Rs. 4,027.06 thousand). The revenue from operations for the year ended as at March 31, 2017 decreased by Rs. 112,618.88 thousand.

h) Retained earning

Retained earnings as at March 31, 2017 and April 1, 2016 has been adjusted consequent to the above Ind AS transition adjustments.

S.P. Bathbol & Associates LLP Gurugram

Mindchampion Learning Gurgaon

MINDCHAMPION LEARNING SYSTEMS LIMITED
CIN: U72200DL2001PLC111674
Notes to the financial statements for year ended March 31, 2018

32. The comparative financial information of the Company for the year ended March 31, 2017 and the transition date opening balance sheet as at April 01, 2016 included in these Ind AS financial statements, are based on the previously issued financial statements prepared in accordance with accounting principles generally accepted in India and were audited by a firm other than S.R. Batliboi & Associates LLP, as adjusted for the differences in the accounting principles adopted by the Company on transition to the Ind AS.

Signatures to Notes '1' to '32' of these Financial Statements.

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

Sanjay Bachchani
Partner
Membership No. 400419

Place: Gurugram
Date: May 11, 2018

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

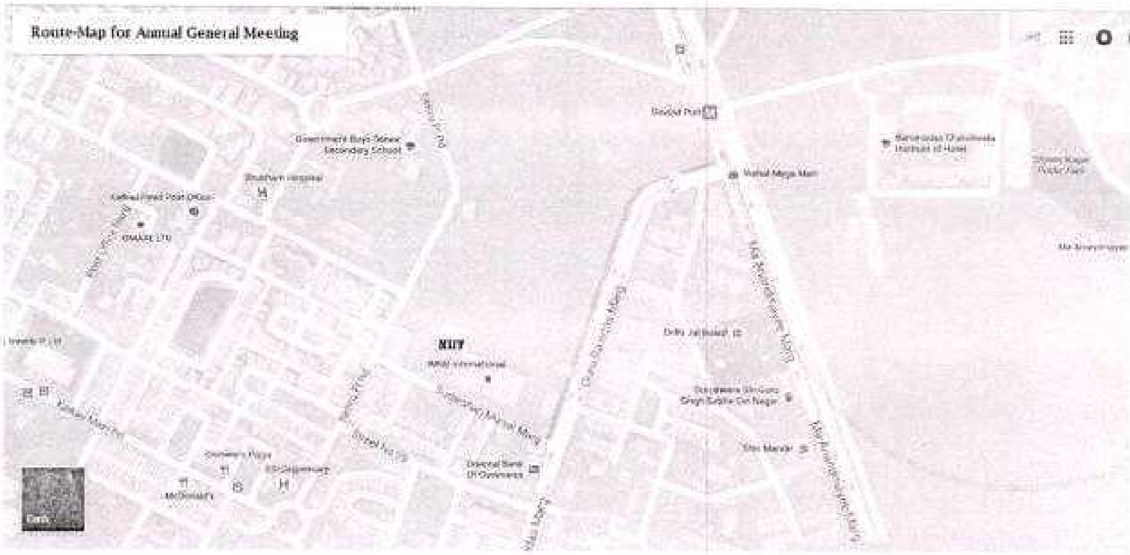
P Rajendran
Director
DIN - 00042531

Amit Roy
Director
DIN - 07138197

Umesh Kumar Gola
Chief Financial Officer

Place: Gurugram
Date: May 11, 2018

Route-Map for the Annual General Meeting



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PROXY FORM
[Pursuant to Section 105(6) of the Companies Act, 2013 and Rule 19(3) of the Companies (Management and Administration) Rules, 2014]

16th Annual General Meeting – July 11, 2018

Name of the Member(s):	
Registered Address:	
Email:	
DP ID No.:	
Folio No. / Client ID No.:	

I/We, being the member(s) of ………….. Shares of the above named Company, hereby appoint:

1) Name: ……….……. Address: ………………………………………………….......………………………………………………... E-mail Id: …………………………………………… Signature: ……………………….…………………………......

or failing him/her

2) Name: ……….……. Address: ………………………………………………….......………………………………………………... E-mail Id: …………………………………………… Signature: ……………………….…………………………......

or failing him/her

3) Name: ……….……. Address: ………………………………………………….......………………………………………………... E-mail Id: …………………………………………… Signature: ……………………….…………………………......

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 16th Annual General Meeting of the Company held on Wednesday, 11th day of July 2018, at 9:30 A.M. IST. at the registered office at 8, Balaji Estate, first floor, Guru Ravi Das Marg, Kalkaji, New Delhi-110019 and at any adjournment thereof in respect of such resolutions as are indicated below:

Resolution Number.	Resolution	No. of Shares	Vote (Optional see Note 3)	
			For	Against
Ordinary Business				
1	Adoption of the Audited Financial Statement of the Company for the Financial Year ended March 31, 2018, together with the Reports of the Auditors and the Directors thereon.			
2	Appoint Mr. Vijay K Thadani (DIN:00042527) as Director, who retires by rotation and being eligible, offers himself for re-appointment.			
3	Appoint Mr. P Rajendran (DIN:00042531) as Director, who retires by rotation and being eligible, offers himself for re-appointment.			
Special Business				
4	Ratification of remuneration of Cost Auditor			

Signed this ………………………. day of ……………….. 2018

Signature of Member ……………………….…….

Signature of Proxy holder(s) ………………..……….

Affix Revenue Stamp not less than Re.1

Notes:

1. This form of proxy, in order to be effective, should be duly stamped, completed, signed and deposited at the registered office of the Company, either is person or through post, not later than 48 hours before the commencement of the Annual General Meeting.
2. A proxy need not be a member of the Company. A person can act as proxy on behalf of members not exceeding fifty and holding in the aggregate not more than 10% of the total share capital of the company carrying voting rights. A member holding more than 10% of the total share capital of the Company carrying voting rights may appoint a single person as proxy and such person shall not act as a proxy for any other person or shareholder.
3. It is optional to indicate your preference. If you leave the for, against or abstain column blank against any or all resolutions, your proxy will be entitled to vote in the manner as he/she may deem appropriate.
4. Appointing a proxy does not prevent a member from attending the meeting in person if he so wishes.
5. For the resolution, explanatory statements and notes, please refer Notice of the Annual General Meeting.

ATTENDANCE SLIP
16th Annual General Meeting – July 11, 2018

DP ID :

Folio No. / Client ID No. :

No. of Shares held :

I certify that I am a member/proxy for the member of the Company.

I hereby record my presence at the 16th Annual General Meeting of the Company held on Wednesday, 11th day of July 2018, at 9:30 A.M. IST. at the registered office at 8, Balaji Estate, first floor, Guru Ravi Das Marg, Kalkaji, New Delhi-110019.

Name of the Member : ________________

Name of the Proxy : ________________

Signature : ________________

Note: Please complete this Attendance Slip and hand it over at the meeting ven