

ANNUAL REPORT

2019-20

**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

CHIEF FINANCIAL OFFICER

Umesh Kumar Gola

Manger

Leena Khokha

Company Secretary

Shashi Ranjan Kumar

AUDITORS

S R Batliboi LLP

BANKS

Indian Overseas Bank
ICICI Bank Limited
RBL Bank

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 122001, 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 18th Annual General Meeting (“AGM”) of the Members of MindChampion Learning Systems Limited will be held on Thursday, 10th day of September, 2020 at 4.15 p.m IST through Video Conferencing (“VC”) / Other Audio Visual Means (“OAVM”), to transact the following businesses. The venue of the meeting shall be deemed to be the Registered Office of the Company at 8, Balaji Estate, First Floor Guru Ravi Das Marg, Kalkaji, New Delhi 110019.

ORDINARY BUSINESS

1. To receive, consider and adopt the Audited Financial Statements of the Company for the Financial Year ended March 31, 2020, 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. Parappil 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, 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 of Rs.1,37,500/- (excluding taxes and out of pocket expenses, if any) payable to Ramanath Iyer & Co., Cost Accountants, appointed as cost auditor by the Board of Directors of the Company, to conduct the audit of cost records of the Company for the financial year 2019-20, be and is hereby ratified.

RESOLVED FURTHER THAT the Board of Directors of the Company (including any committee/ official authorized by the Board of Directors for this purpose) be and is hereby authorized 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**

**SHASHI RANJAN
KUMAR**

Digitally signed by SHASHI RANJAN KUMAR
DN: c=IN, st=Delhi,
2.5.4.20=921df85c206480a81df3d98c24f71d513f1da07396ae
47a0ac9d0ec10b293bf, postalCode=110092, street=D 96 2ND
FLOOR OPPOSITE MOTHER DAIRY, PANDAV NAGAR DELHI,
serialNumber=7e95765a605c907fe460281bdb17f5ea8685692d
de67ae9b4fd6493d7e64c590, o=Personal, cn=SHASHI RANJAN
KUMAR, pseudonym=d5179c6fb10375993cbb716ce9374046
Date: 2020.08.14 18:47:37 +05'30'

**Date : May 29, 2020
Place : Delhi**

**Shashi Ranjan Kumar
Company Secretary
Membership No. FCS 8556**

NOTES:

1. In view of the continuing Covid-19 pandemic, the Ministry of Corporate Affairs (“MCA”) has vide its circular dated May 05, 2020 read with circular dated April 8, 2020 and April 13, 2020 (collectively referred to as “MCA Circulars”) permitted the holding of the Annual General Meeting (“AGM”) through VC / OAVM, without the physical presence of the Members at a common venue. In compliance with the provisions of the Companies Act, 2013 (“Act”) and MCA Circulars, the AGM of the Company is being held through VC / OAVM. The procedure for participating in the meeting through VC / OAVM is explained at Note No. 13 below and is also available on the website of the Company at www.niit.com. The deemed venue for the AGM shall be the Registered Office of the Company.
2. A Statement pursuant to Section 102 (1) of the Companies Act, 2013 (“the Act”), in respect of Special Business as set out above to be transacted at Annual General Meeting (AGM) is annexed hereto and forms part of this Notice.
3. Pursuant to the provision of the Companies Act, 2013 (“Act”) a Member entitled to attend and vote at the AGM is entitled to appoint a proxy to attend and vote on his /her behalf and the proxy need not be a Member of the Company. Since this AGM is being held pursuant to the MCA Circulars through VC / OAVM, physical attendance of Members has been dispensed with. Accordingly, the facility for appointment of proxies by the Member will not be available for the AGM and hence the Proxy Form and Attendance Slip are not annexed to this Notice.
4. Since the AGM will be held through VC/OAVM without the physical presence of Members at a common venue, the route map is not required.
5. Corporate Shareholders (i.e. other than individuals / HUF, NRI, etc.) are required to send a scanned copy (PDF/JPG Format) of its Board or governing body Resolution/Authorization etc., authorizing its representative to attend the AGM through VC / OAVM on its behalf and to vote through show of hands. The said Resolution/Authorization shall be sent to the Company by email through its registered email address to shashi.ranjan@niit.com.
6. Members attending the AGM through VC / OAVM shall be counted for the purpose of reckoning the quorum under Section 103 of the Act.
7. In compliance with the MCA Circulars, Notice of the AGM along with the Annual Report 2019-20 is being sent only through electronic mode to those Members whose email addresses are registered with the Company/ Depositories.
8. The Company has contacted all of its members to communicate for this meeting.
9. In case of any assistance required by the member, they can send request by email through their registered email address to shashi.ranjan@niit.com or call at 011-27682442.
10. For receiving all communication (including Annual Report) from the Company electronically:
 - a) Members holding shares in physical mode and who have not registered / updated their email address with the Company are requested to register / update the same by writing to the Company with details of folio number and attaching a self-attested copy of PAN card at shashi.ranjan@niit.com.

- b) Members holding shares in dematerialised mode are requested to register / update their email addresses with the relevant Depository Participant.
11. In terms of Section 152 of the Act, Mr. Vijay Kumar Thadani, and Mr. Parappil Rajendran, Director of the Company, who retires by rotation at the meeting and being eligible, offers himself for re-appointment. The Board of Directors of the Company commend his re-appointment.
- Mr. Vijay Kumar Thadani and Mr. Parappil Rajendran are interested in the Ordinary Resolution set out at Item Nos. 2 & 3 of the Notice, respectively, with regard to their re-appointment. The other relatives of Mr. Vijay Kumar Thadani and Mr. Parappil Rajendran may be deemed to be interested in the resolution set out at Item Nos. 2 and 3, respectively, of the Notice, to the extent of their shareholding interest, if any, in the Company. Save and except the above, none of the Directors / Key Managerial Personnel of the Company / their relatives are, in any way, concerned or interested, financially or otherwise, in the Ordinary Business set out under Item No. 1 to 3 of the Notice.
12. All the relevant documents shall be available for inspection electronically. The members seeking any inspection/information with regard to any documents are requested to write on e-mail id shashi.ranjan@niit.com.
13. **PROCEDURE FOR JOINING THE AGM THROUGH VC / OAVM:** The Company will provide VC / OAVM facility to its Members for participating at the AGM.
- (a) Members will be able to attend the AGM through VC / OAVM through ZOOM platform;
 - (b) The details of process of Joining AGM through VC/OAVM along with web link shall be sent through email along with this Notice and Annual Report;
 - (c) The password of the said web link shall be shared separately with members of the Company.
 - (d) Facility to join the meeting shall be opened fifteen minutes before the scheduled time of the AGM and shall be kept open throughout the proceedings of the AGM.
 - (e) Members who need assistance before or during the AGM, can contact at shashi.ranjan@niit.com or call on Mobile no. 9873828656. Kindly quote your name, DP ID-Client ID / Folio no. in all your communications.
14. Pursuant to aforesaid MCA Circulars, the Chairman may decide to conduct a vote by show of hands, unless a demand of poll is made by any member in accordance with section 109 of the Act. Once such demand is made, the members shall cast their vote on the resolution(s) only by sending emails at shashi.ranjan@niit.com through their registered email id.

STATEMENT IN RESPECT OF SPECIAL BUSINESS
(Pursuant to Section 102 of the Companies Act, 2013)

ITEM NO. 4

The Board had, at its Meeting held on August 08, 2019, appointed Ramanath Iyer & Co., Cost Accountants as the Cost Auditor of the Company for the financial year 2019-20 at a remuneration of Rs.1,37,500/- (excluding taxes and out of pocket expenses, if any).

In accordance with the provisions of Section 148 of the Act 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 mentioned above, payable to the Cost Auditor is required to be ratified by the members of the Company.

Accordingly, ratification by the Members is sought for the remuneration payable to the Cost Auditors for the financial year ended March 31, 2020 by passing an Ordinary Resolution as set out at Item No. 4 of the Notice.

None of the Directors, Key Managerial Personnel of the Company or their relatives are concerned, or interested financially or otherwise in the resolution set out at Item No. 4 of the Notice.

The Board recommends the Ordinary Resolution for approval of the Members, as set out at item no. 4 of this Notice.

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

**SHASHI
RANJAN
KUMAR**

Digitally signed by SHASHI RANJAN KUMAR
DN: c=IN, st=Delhi,
2.5.4.20=921df85c9206480a81df3d98c24f71d513f1
da07396ae47a0ac9d0ec10b293bf,
postalCode=110092, street=D 96 2IND FLOOR
OPPOSITE MOTHER DAILRY, PANDAV NAGAR
DELHI,
serialNumber=7e95765a605c907fe460281bdb17f6
ea8685692dde67ae9b4fd6493d7e64c590,
o=Personal, cn=SHASHI RANJAN KUMAR,
pseudonym=d5179c6fb10375993cbb716ce937404
6
Date: 2020.08.14 18:48:27 +05'30'

Date : May 29, 2020
Place : Delhi

Shashi Ranjan Kumar
Company Secretary
Membership No. FCS 8556

BOARD'S REPORT

**To
The Members,**

Your Directors take pleasure in presenting the 18th Annual Report of your Company along with the Audited Financial Statement for the Financial Year ended March 31, 2020.

Financial Highlights

During the year under review, your Company has recorded a total income of Rs. 253.42 million and incurred a loss of Rs. 247.70 million. The summarized financial results are as under:

Particulars	(Amounts in Rs. Million)	
	For the year ended March 31, 2020	For the year ended March 31, 2019
Revenue from Operations	245.48	351.14
Other Income	7.94	26.65
Total Income	253.42	377.79
Profit / (Loss) before tax	(247.70)	(60.66)
Tax Expense	18.69	-
Net Profit / (Loss)	(266.39)	(60.66)

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 curriculum based holistic range of education learning solutions to private schools in India under the nGuru brand. The product portfolio includes technology-driven classroom solutions, labs, assessment solutions, career guidance and counselling programs, and books for IT, Maths, Science and English. "My Pals are Here" - the latest addition in the MLSL product portfolio, in collaboration with Marshall Cavendish Education, brings a fun-filled and engaging series of Mathematics Courses based on Singaporean teaching methodology for progressive schools. This year we upgraded our IT curriculum. We launched IT curriculum. We also launched a MATH Lab version for ICSE schools. The company's focus is to provide solutions to schools that aim to make the process of teaching and learning simpler and help students improve their academic performance.

Future Plans

The Company shall continue to strengthen its product portfolio, through enhancement of the IT, Math and Quick School product offerings. There will be special focus on digital online teaching solutions for schools. The renewed product portfolio is expected to help in broadening the customer base and improve sales. Through deeper engagement with the customers, your company would strive to ensure customer delight and service excellence that would help in higher customer retention.

Directors

In accordance with the provisions of the Section 152 of the Companies Act, 2013 ("the Act") Mr. Vijay K Thadani (DIN: 00042527) and Mr. Parappil Rajendran (DIN: 00042531), Directors retires by rotation at the forthcoming Annual General Meeting and being eligible, have offered themselves for re-appointment as Directors of the Company.

Independent Directors have confirmed that they meet the criteria of Independence as laid down under Section 149(6) of the Act. They have also registered themselves with the Indian Institute of Corporate Affairs for inclusion of their name in data bank of independent director, in terms of provision of Rule 6 (1) of Companies (Appointment and Qualification of Directors) Rules, 2014. Further, they have confirmed that they shall comply with other requirements, as applicable under the said Rule.

Key Managerial Personnel (KMP)

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

- Ms. Leena Khokha, Manager
- Mr. Umesh Kumar Gola, Chief Financial Officer
- Mr. Shashi Ranjan Kumar, Company Secretary w.e.f. April 17, 2020

During the year under review, Mr. Aviral Bhargava, resigned from the position of Company Secretary w.e.f. November 15, 2019 and Mr. Shashi Ranjan Kumar was appointed as Company Secretary w.e.f. April 17, 2020.

Meetings of the Board & Committees

The Board of Directors met four (4) times in the financial year 2019-20, i.e., on April 30, 2019, August 08, 2019, October 16, 2019 and January 16, 2020. The intervening gap between the Meetings was within the period prescribed under the Act.

Remuneration Policy

The Remuneration Policy of the Company is aimed at rewarding performance, based on review of achievement 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. They reflect certain guiding principles 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. 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 judgment, safeguarding the interest of the Company providing of expert advice to Board, deliberations on approving related party transactions etc.

Meeting of Independent Directors

During the year under review, Independent Directors of the Company have met in May, 2020 in accordance with the provisions of Schedule IV of the Companies Act, 2013 (read with General Circular No. 11/2020 dated March 24, 2020 issued by Ministry of Corporate affairs for extending timeline for conducting their meeting due to COVID-19 Pandemic).

Statutory 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 held on September 22, 2017, till the conclusion of 20th AGM. The requirement for the annual ratification of auditors' appointment at the AGM has been omitted pursuant to Companies (Amendment) Act, 2017 notified on May 7, 2018. The Statutory Auditors have confirmed that they are eligible and qualified to continue as Statutory Auditors of the Company.

Statutory Auditors' Report

The Report of the Auditors on the Annual Financial Statement of your Company for the Financial Year 2019-20 forms part of the Annual Financial Statement and the same is self-explanatory.

Secretarial Auditor

Pursuant to provision of Section 204 of the Act and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Board had appointed Mr. Sandeep Chandna, Practicing Company Secretary as Secretarial Auditor to conduct secretarial audit of the Company for FY 2019-20. The Secretarial Audit Report for FY 2019-20 is annexed herewith as "**Annexure A**". The Secretarial Audit Report does not contain any qualification, reservation or adverse remark.

Cost Auditors

In terms of Section 148 of the Act, it is stated that the cost accounts and records are made and maintained by the Company, as required in accordance with the provisions of Section 148 of the Act.

Pursuant to the provision of the Section 148 of the Act read with Companies (Cost Records and Audit) Rules, 2014, The Board of Director had appointed Ramanath Iyer and Co., Cost Accountants, as cost auditors of the Company, for conducting the audit of the cost records of products/ services of the Company for FY 2019-20. The ratification of remuneration payable to cost auditor is being sought from the members of the Company at the ensuing AGM.

Reporting of Frauds by Auditors

During the year under review, the Statutory Auditors, the Secretarial Auditors and the Cost Auditors had not reported any matter under Section 143(12) of the Act. Hence, no detail is required to be disclosed under Section 134(3)(ca) of the Act

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, there is no change in the capital structure of the Company.

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 Board of Directors (even not falling under the provision of Section 188).

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 2019-20 (In Rs.)	FY 2018-19 (In Rs.)
Foreign Exchange Earnings	7,908,818	8,600,939
Foreign Exchange Outgo	121,375	577,976

Annual Return

Annual Return in term of Section 134(3) read with section 92(3) of the Act is attached herewith as “**Annexure C**” and also is available on Company’s website i.e. <https://niitnguru.com>

Disclosure on Sexual Harassment of Women at Workplace

The Company has an Internal Complaints Committee (ICC) for providing a redressal mechanism pertaining to sexual harassment of women employees at workplace. Employees are sensitised on regular intervals through structured training program and mailers. No complaint was received during the financial year 2019-20. No complaint was pending at the end of the financial year.

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;
- the Directors have 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, 2020 and of the profit and loss of the Company for that year;
- the Directors have 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;
- the Directors have prepared Annual accounts on a going concern basis.
- the Directors have 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 29, 2020
Place : Gurugram

Sd/-
P Rajendran
Chairman
DIN: 00042531

Form No. MR-3

SECRETARIAL AUDIT REPORT

for the Financial Year ended on 31st March, 2020

[Pursuant to section 204(1) of the Companies Act, 2013 and rule
No. 9 of the Companies (Appointment and Remuneration Personnel)
Rules, 2014]

SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED ON 31st MARCH, 2020

To,

The Members,

MindChampion Learning Systems Limited

CIN: U72200DL2001PLC111674

8, Balaji Estate, First Floor

Guru Ravi Das Marg,

Kalkaji

New Delhi 110019.

I have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **MindChampion Learning Systems Limited** (hereinafter called **THE "COMPANY"**). Secretarial Audit was conducted in a manner that provided me/us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion thereon.

Based on my verification of the company's Statutory records, papers, minute books, forms and returns filed and other records maintained by the company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, I hereby report that in my opinion, the company has, during the audit period covering the financial year ended on 31st March, 2020 (hereinafter **"THE REVIEW PERIOD/PERIOD UNDER REVIEW"**), complied with the statutory provisions listed hereunder, and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

I have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the period under review according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the rules made thereunder;
- (ii) Secretarial Standards issued by The Institute of Company Secretaries of India.
- (iii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the Rules made thereunder;
- (iv) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;

During the period under review the Company has complied with the provisions of the Acts, Rules, Regulations, Guidelines, Standards, etc. mentioned above.



I further report that during the period under review,

The Company as a duly constituted Board of Directors with proper balance of Executive Directors, Non-Executive Directors and Independent Directors.

The changes in the composition of the Board of Directors that took place during the period under review were made in compliance with the provisions of the Act.

For the Board meetings, adequate notice was given to all directors, agenda and detailed notes on agenda were sent at least seven days in advance, and the company has a system in place for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting. Majority decision is carried through while the dissenting members' views are captured and recorded as part of the minutes.

I further report that there are adequate systems and processes in the company commensurate with the size and operations of the company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

I further report that

- i. During the year, Mr. Aviral Bhargava has resigned from the post of Company Secretary, on 15th November, 2019 and requisite form has been filed for his resignation vide SRN R15057904 on 22nd November, 2019;
- ii. I have been informed that the company has appointed Mr. Shashi Ranjan Kumar membership no. F-8556 as Company Secretary in place of Mr. Aviral Bhargava. His appointment has been made in the Board meeting on 16th April, 2020 w.e.f 17th April, 2020;
- iii. As per Rule 6 of the Companies (Meeting of Board and its Powers) Rules, 2014 read with Rule 4 of the Companies (Appointment and Qualification of Directors) Rules, 2014, the Company is exempted to constitute Audit Committee and Nomination and Remuneration Committee

Date: 29-05-20
Place: Gurugram
C.P. No. 19610
FCS No. 6345

Sandeep Chandna
Practicing Company Secretary



CS Sandeep Chandna

M.Com, FCS, IP

Annexure-1

Name of Director / KMP	Residential Address	Date of Appointment / last re-appointment	Nature (Independent/ Promoter/ Professional /Executive/ Non-Executive/ Nominee)	Whether liable to retire by rotation	Date of Cessation (If any)
VIJAY KUMAR THADANI	10, Padmini Enclave Hauz Khas Delhi 110016	14/03/2016	Non Executive Director	Yes	N.A.
PARAPPIL RAJENDRAN	103 Anand Lok New Delhi Delhi 110049	16/07/2001	Non Executive Director	Yes	N.A.
ANAND SUDARSHAN	G-15, Epsilon Yemlur Main Road, Marathalli, Bangalore 560037	14/03/2016	Independent	No	N.A.
LATA VAIDYANATHAN	1601 Tower 5 The Close South Nirvana Country Sector 50 Gurugram 122018	09/05/2016	Independent	No	N.A.
SAPNESH KUMAR LALLA	ES-187 E Space, Nirvana Country Gurgaon 122018	10/05/2017	Non Executive Director	No	N.A.
AMIT ROY	10 C NIVEDITA ENCLAVE, A 6 PASCHIM VIHAR Delhi 110063	10/05/2017	Non Executive Director	No	N.A.
UMESH KUMAR GOLA	2082, Ground Floor, Sainik Colony Sec-49, N.I.T Faridabad Faridabad 121001	06/07/2015	CFO (KMP)	N.A.	N.A.
Leena Khokha	Tower 10, 1203, Unitech Close South Nirvana Countr Sector 50, South City- II Gurugram 122018	31/12/2018	Manager	N.A.	N.A.
Aviral Bhargava	84, old Gandhi Nagar, Gaziabad, U.P. - 201001	02/07/2018	Company Secretary	N.A.	15/11/19
Shashi Ranjan Kumar	D-96, 2 nd Floor Opposite Mother Dairy, Pandav Nagar Delhi 110092	17/04/2020	Company Secretary	N.A.	N.A.



CS Sandeep Chandna

M.Com, FCS, IP

Annexure-2

Board Meetings held during the year

Date of Meeting	Gap between the two Board Meetings (Days)	Date of serving the notice and mode	Place of Meeting	Total No. of Directors on the Board on date of meeting	Leave of Absence granted to Director	Total No. of Directors Present	Chairman of the Meeting
30/04/2019	43	22/04/2019	Board Room, 4 th Floor NIIT Corporate Office, Plot No.-85, Sector-32, Gurugram – 122001	6	1	5	Mr. P. Rajendran
08/08/2019	100	31/07/2019	Board Room, 4 th Floor NIIT Corporate Office, Plot No.-85, Sector-32, Gurugram - 122001	6	1	5	Mr. P. Rajendran
16/10/2019	69	09/10/2019 (e-mode)	Board Room, 4 th Floor NIIT Corporate Office, Plot No.-85, Sector-32, Gurugram - 122001	6	0	6	Mr. P. Rajendran
16/01/2020	92	09/01/2020	Board Room, 4 th Floor NIIT Corporate Office, Plot No.-85, Sector-32, Gurugram - 122001	6	0	6	Mr. P. Rajendran



CS Sandeep Chandra

M.Com, FCS, IP

Annexure-3

Sr. No.	Form No.	Particulars of Filing	Date of Filing	Whether filed within the prescribed time	Any delay in filing of form and reasons therefor	SRN
1	CHG-1	Modification of Charge	29/11/2019	Yes	N.A.	R18597757
2	DIR-12	Resignation of CS	22/11/2019	Yes	N.A.	R15057904
3	CHG-4	Satisfaction of Charge	25/10/2019	Yes	N.A.	R08257503
4	AOC-4 XBRL	Financial Statement	H87278685	Yes	N.A.	06/09/2019
5	DPT-3	Return of Deposits	H66893967	Yes	N.A.	19/06/2019
6	DPT-3	Return of Deposits	H66892308	Yes	N.A.	19/06/2019
7	DPT-3	Return of Deposits			N.A.	
8	CRA-2	Intimation & Appointment of Cost Auditor by Company to CG	H84909852	Yes	N.A.	26/08/2019
9	CRA-4	Filing Cost Audit Report with the CG	H85627685	Yes	N.A.	29/08/2019
10	MGT-7	Annual Return	H86138625	Yes	N.A.	31/08/2019
11	MGT-14	Approval of Board Report, Financial Statements & Appointment of Secretarial Auditor	H60045374	Yes	N.A.	21/05/2019
12	MGT-14	Inter corporate Loan from Holding Company	H84909738	Yes	N.A.	26/08/2019
13	BEN-2	Return to Registrar in respect of declaration by beneficial owner	H88710454	Yes	N.A.	12/09/2019
14	MSME Form-1	Initial Return	H61700357	Yes	N.A.	30/05/2019
15	MSME Form-1	Regular Half Yearly Return		Yes	N.A.	08/06/2019



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 arm's 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 / transactions	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 29, 2020
Place: Gurugram

Sd/-
P Rajendran
Chairman
DIN: 00042531

Form No. MGT-9

Annexure-A EXTRACT OF ANNUAL RETURN
as on the Financial Year ended on March 31, 2020
[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 : U72200DL2001PLC111674
 ii) Registration Date : 16/07/2001
 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 : 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	% to total turnover of the company
1	Sale of Product (Courseware and Training Material, Hardware & Accessories)	854	54.47
2	Sale of Services	854	45.53

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	
A. Promoters								
(1) Indian								
a. Individual/HUF	-	-	-	-	-	-	-	-
b. Central Govt	-	-	-	-	-	-	-	-
c. State Govt.	-	-	-	-	-	-	-	-
d. Bodies Corp.	100000	6,89,64,072	100.00	100000	6,89,64,072	6,90,64,072	100.00	-
e. Banks/FII	-	-	-	-	-	-	-	-
f. Others	-	-	-	-	-	-	-	-
Sub-total (A) (1):-	100000	6,89,64,072	100.00	100000	6,89,64,072	6,90,64,072	100.00	-
(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	6,89,64,072	100.00	100000	6,89,64,072	6,90,64,072	100.00	-
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) FIs	-	-	-	-	-	-	-	-
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	6,89,64,072*	100.00	100000	6,89,64,072*	6,90,64,072*	100.00	-

* 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	6,90,64,072*	100.00	0.00	6,90,64,072*	100.00	0.00	

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

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

Sr. No.	Name of the Shareholders	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of Shares	% of total shares	No. of Shares	% of total shares of the
	NIIT Limited				
	At the beginning of the year	6,90,64,072	100.00	6,90,64,072	100.00
	Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase / decrease /	NO CHANGE			
	At the End of the year	6,90,64,072	100.00	6,90,64,072	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	
		No. of Shares	% of total shares	No. of Shares	% of total shares of the
	For Each of the Top 10 Shareholders				
	At the beginning of the year				
	Date wise Increase / Decrease in Shareholding during the year specifying the reasons for increase / decrease (e.g allotment / transfer / bonus / sweat equity etc)	NO CHANGE			
	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	
		No. of Shares	% of total shares of the company	No. of Shares	% of total shares of the company
	For Each of the Director and KMP				
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)	NO CHANGE			
	At the End of the year	1	0.00	1	0.00

*Holding shares on behalf/nominee shareholder of NIIT Limited

VI. INDEBTEDNESS

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

					Amount in Rs.
	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness	
Indebtedness at the beginning of the financial year					
(i) Principal Amount	-	250,000,000	-	250,000,000	
(ii) Interest due but not paid	-	-	-	-	
(iii) Interest accrued but not due	-	229,315	-	229,315	
Total (i+ii+iii)	-	250,229,315	-	250,229,315	
Change in Indebtedness during the financial year					
- Addition	-	50,317,963	-	50,317,963	
- Reduction	-	(229,315)	-	(229,315)	
Net Change	-	50,088,648	-	50,088,648	
Indebtedness at the end of the financial year					
(i) Principal Amount	-	300,000,000	-	300,000,000	
(ii) Interest due but not paid	-	-	-	-	
(iii) Interest accrued but not due	-	317,963	-	317,963	
Total (i+ii+iii)	-	300,317,963	-	300,317,963	

Note:

1Excluding security deposits

VII. REMUNERATION TO DIRECTORS AND KEY MANAGERIAL PERSONNEL

A. Remuneration to Managing Director and Whole-time Directors

Sr.	Particulars of Remuneration	Name of MD/WT/ Manager	Total
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. No.	Particulars of Remuneration	Name of Directors		Total Amount (In Rs.)
		Mr. Anand Sudarshan	Ms. Lata Vaidyanathan	
1	Independent Directors - Fee for attending board/ committee	120,000	160,000	280,000
	- Commission	-	-	-
	-Others, please specify	-	-	-
	Total (1)	-	-	-
2	Other Non-Executive Directors - Fee for attending board/committee meetings	-	-	-
	- Commission	-	-	-
	-Others, please specify	-	-	-
	Total (2)	-	-	-
	Total (B)=(1+2)	120,000	160,000	280,000
	Total Managerial Remuneration	-	-	-
	Overall Ceiling as per the Act	-	-	-

C. Remuneration to Key managerial Personnel other than MD/WT/:

Sr. No.	Particulars of Remuneration	Key Managerial Personnel			
		Manager (Ms. Leena khokha)	CFO (Mr. Umesh Gola)	CS (Mr. Aviral Bhargava) ¹	Total (In Rs.)
1	Gross Salary (a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	2,751,660	3,767,465	378,153	6,897,278
	b) Value of perquisites u/s 17 (2) Income-tax Act, 1961	34,000	485,400	5,000	524,400
	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, sepcify...	-	-	-	-
5	Others, please specify	-	-	-	-
	Total	2,785,660	4,252,865	383,153	7,421,678

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

¹ Cessation w.e.f. 15.11.2019

VIII. PENAALLIES/PUNISHMENT/COMPOUNDING OF OFFENCES:

Type	Section of the Companies Act	Brief Description	Authority [RD/NCLT/COURT]
A. Company			
Penalty			
Punishment			
Compounding			
B. Directors			
Penalty			
Punishment			
Compounding			
C. Other Officers in Default			
Penalty			
Punishment			
Compounding			

For and on behalf of the Board

Sd/-

P Rajendran
Chairman

DIN: 00042531

INDEPENDENT AUDITOR'S REPORT

To the Members of Mindchampion Learning Systems Limited

Report on the Audit of the Ind AS Financial Statements

Opinion

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, 2020, the Statement of Profit and Loss, including the statement of Other Comprehensive Income, the Cash Flow Statement and the Statement of Changes in Equity for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Ind AS financial statements give the information required by the Companies Act, 2013, as amended ("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, 2020, its loss including other comprehensive loss, its cash flows and the changes in equity for the year ended on that date.

Basis for Opinion

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

Emphasis of matter

We draw attention to Note 31 of the financial statements, which describes the uncertainties and the impact of COVID 19 on carrying value of assets as assessed by the management. Our opinion is not modified in respect of this matter.

Information Other than the Financial Statements and Auditor's Report Thereon

The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Annual report, but does not include the Ind AS financial statements and our auditor's report thereon.

Our opinion on the Ind AS financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the Ind AS financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether such other information is materially inconsistent with the Ind AS financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. We have nothing to report in this regard.

Responsibility of Management for the Ind AS Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of 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 the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended. 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 controls, 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.

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

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

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

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

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

- Identify and assess the risks of material misstatement of the Ind AS financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion.

Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the Ind AS financial statements, including the disclosures, and whether the Ind AS financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

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 purposes 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, the Statement of Profit and Loss including the Statement of Other Comprehensive loss, 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) Rules, 2015, as amended;
 - (e) On the basis of the written representations received from the directors as on March 31, 2020 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2020 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 with reference to these Ind AS financial statements and the operating effectiveness of such controls, refer to our separate Report in "Annexure 2" to this report;
 - (g) In our opinion, the managerial remuneration for the year ended March 31, 2020 has been paid / provided by the Company to its directors in accordance with the provisions of section 197 read with Schedule V to the Act;

(this space has been intentionally left blank)

- (h) 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, as amended 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
UDIN: 20400419AAAACF5642

Place: Gurugram
Date: May 29, 2020

Annexure 1

Annexure referred to in paragraph 1 of 'Report on other Legal and Regulatory Requirements'
Re: [Mindchampion Learning Systems Limited ('the Company')]

- (i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of property plant and equipments.
- (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.
- (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, 2020 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 given 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 //pursuant to the rules made by the Central Government for the maintenance of cost records under section 148(1) of the Companies Act, 2013, related to the manufacture or service of delivery of content and courseware 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 provident fund, employees' state insurance, income-tax, goods and service tax, cess and other 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 income tax, sales-tax, goods and service tax, and cess which have not been deposited on account of any dispute.
- (viii) The Company did not have any outstanding loans or borrowing dues in respect of a financial institution or bank or to government or dues to debenture holders during the year.
- (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 and 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 no fraud / material 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 managerial remuneration has been paid / provided in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Companies Act, 2013.
- (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

Sanjay Bachchani
Partner
Membership No.: 400419
UDIN: 20400419AAAACF5642

Place: Gurugram
Date: May 29, 2020

Annexure referred to in paragraph 2(f) of 'Report on other Legal and Regulatory Requirements' of our report of even date

Re: Mindchampion Learning Systems Limited ('the Company')

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, 2020 in conjunction with our audit of the Ind AS 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 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 over financial reporting with reference to these Ind AS financial statements.

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Meaning of Internal Financial Controls Over Financial Reporting With Reference to these Ind AS Financial Statements

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 With Reference to these Ind AS Financial Statements

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 with reference to these Ind AS financial statements 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, adequate internal financial controls 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, 2020, 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
UDIN: 20400419AAAACF5642

Place: Gurugram
Date: May 29, 2020

MINDCHAMPION LEARNING SYSTEMS LIMITED
CIN: U72200DL2001PLC111674
Balance Sheet as at March 31, 2020

(All amounts in Rs., unless otherwise stated)

		As at	
	Notes	March 31, 2020	March 31, 2019
ASSETS			
Non-current assets			
Property, plant and equipment	3	1,467,075	2,908,660
Intangible assets	4	20,019,628	58,365,312
Intangible assets under development	4	9,334,806	25,024,150
Right-of-use assets	28(ii)	515,201	-
Financial assets			
Trade receivables	5 (ii)	1,035,224	1,568,590
Other financial assets	5 (iii)	269,663	301,275
Deferred tax assets (net)	6	-	18,689,797
Income Tax Assets (net)	6 (i)	43,962,756	44,495,643
Other non-current assets	8	37,315	110,237
Total non-current assets		76,641,668	151,463,664
Current assets			
Inventories	7	41,257,059	39,788,178
Financial assets			
Investments	5 (i)	-	12,229,925
Trade receivables	5 (ii)	146,214,144	257,600,599
Cash and cash equivalents	5 (iv)	19,360,789	20,348,213
Other financial assets	5 (iii)	1,955,185	1,603,545
Other current assets	8	17,603,385	19,605,502
Total current assets		226,390,562	351,175,962
TOTAL ASSETS		303,032,230	502,639,626
EQUITY AND LIABILITIES			
EQUITY			
Equity share capital	9	690,640,720	690,640,720
Other equity	10		
Reserves and surplus		(1,115,163,446)	(851,738,041)
Other reserves		146,317,181	146,317,181
TOTAL EQUITY		(278,205,545)	(14,780,140)
LIABILITIES			
Non-current liabilities			
Financial liabilities			
Borrowings	11(i)	250,000,000	250,000,000
Lease Liabilities	28 (ii)	229,143	-
Other financial liabilities	11(iii)	100,000	100,000
Long Term Provisions	12	25,000	76,000
Other non-current liabilities	13	30,079	2,299,499
Total non-current liabilities		250,384,222	252,475,499
Current liabilities			
Financial liabilities			
Borrowings	11(i)	50,000,000	-
Lease Liabilities	28 (ii)	307,142	-
Trade payables	11(ii)		
(a) Total outstanding dues of micro enterprises and small enterprises		3,301,257	1,276,352
(b) Total outstanding dues of Creditors other than Micro enterprises & small enterprises		192,777,158	186,326,839
Other financial liabilities	11(iii)	26,602,785	26,798,236
Provisions	12	17,379,299	18,238,271
Other current liabilities	13	40,485,912	32,304,569
Total current liabilities		330,853,553	264,944,267
TOTAL LIABILITIES		581,237,775	517,419,766
TOTAL EQUITY AND LIABILITIES		303,032,230	502,639,626

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

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

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

Sanjay Bachchani
Partner
Membership No. 400419

P Rajendran
Director
DIN - 00042531

Amit Roy
Director
DIN - 07138197

Umesh Kumar Gola
Chief Financial Officer

Shashi Ranjan Kumar
Company Secretary

Place: Gurugram
Date: May 29, 2020

Place: Gurugram
Date: May 29, 2020

MINDCHAMPION LEARNING SYSTEMS LIMITED

CIN: U72200DL2001PLC111674

Statement of Profit and Loss for the year ended March 31, 2020

(All amounts in Rs., unless otherwise stated)

		Year ended	
		March 31, 2020	March 31, 2019
Income	Notes		
Revenue from operations	14	245,478,212	351,139,766
Other income	15	7,940,935	26,646,992
Total Income		253,419,147	377,786,758
Expenses			
Purchase of stock-in-trade		60,614,521	74,497,160
Changes in inventories of stock-in-trade	7	(1,468,881)	(5,370,861)
Professional & technical outsourcing expenses		15,855,809	-
Employee benefits expenses	16	196,822,196	205,486,029
Finance costs	17	33,745,240	34,083,354
Depreciation and amortisation expense	3, 4 & 28 (ii)	35,025,455	30,039,315
Other expenses	18	86,768,552	115,085,584
Total Expenses		427,362,892	453,820,581
Loss before exceptional items and tax		(173,943,745)	(76,033,823)
Exceptional items (net)	20	(73,760,863)	15,374,688
Loss before Tax		(247,704,608)	(60,659,135)
Income tax expense:	21		
Current tax		-	867,127
Deferred tax		18,689,797	(867,127)
Total Tax Expenses		18,689,797	-
Loss for the year		(266,394,405)	(60,659,135)
Other comprehensive income			
Items that will not be reclassified subsequently to profit or loss			
a) Remeasurement of the defined benefit obligation	24	2,969,000	(152,000)
b) Income tax effect		-	-
Total other comprehensive income/ (loss), net of tax		2,969,000	(152,000)
Total comprehensive loss for the year		(263,425,405)	(60,811,135)
(Loss) per equity share	25		
(Face Value Rs. 10/- each):			
-Basic		(3.86)	(0.88)
-Diluted		(3.86)	(0.88)

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

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

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

Sanjay Bachchani
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Amit Roy
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DIN - 07138197

Umesh Kumar Gola
Chief Financial Officer

Shashi Ranjan Kumar
Company Secretary

Place: Gurugram
Date: May 29, 2020

Place: Gurugram
Date: May 29, 2020

MINDCHAMPION LEARNING SYSTEMS LIMITED

CIN: U72200DL2001PLC111674

Statement of Cash Flow for the year ended March 31, 2020

(All amounts in Rs., unless otherwise stated)

	Year ended	
	March 31, 2020	March 31, 2019
A. Cash Flow From Operating Activities:		
Loss before exceptional items and tax	(173,943,745)	(76,033,823)
Adjustments to reconcile (loss) before tax to net cash flows:		
Depreciation and amortisation	35,025,455	30,039,315
Allowance for doubtful debts	11,193,272	17,918,141
Allowance for doubtful advances and deposits	31,450	220,034
Provision for slow/Non- moving Inventory (Net)	(509,540)	(1,779,971)
Unrealised foreign exchange (gain)/ loss	(344,686)	159,880
Finance cost	33,745,240	34,083,354
Interest income	(1,037,119)	(11,729,631)
Profit on sale of property, plant and equipment	(244,202)	(120,744)
Net gain on Investment carried at fair value through profit and loss	(633,542)	(902,455)
Operating profit before working capital changes	(96,717,417)	(8,145,900)
Working Capital Adjustments:		
Increase/(Decrease) in trade payables	8,403,115	(85,515,142)
Increase in short term provisions	2,110,028	4,087,272
(Decrease) in long term provisions	(51,000)	(5,000)
Increase/(Decrease) in other current liabilities	8,181,343	(27,938,431)
(Decrease) in other non-current financial liabilities	-	(4,538,353)
(Decrease) in other non-current liabilities	(2,269,420)	(3,877,986)
Increase/ (decrease) in other current financial liabilities	(169,937)	3,110,880
Decrease in current trade receivables	57,949,902	28,884,702
(Increase)/ decrease in non current trade receivables	533,366	(1,143,590)
(Increase) in inventories	(959,341)	(3,590,891)
Decrease in other non-current financial assets	-	1,453,768
(Increase)/Decrease in other current financial assets	(351,640)	47,511,075
(Increase)/ decrease in other non-current assets	72,922	(87,227)
Decrease in other current assets	2,002,117	3,578,498
Cash used in operations	(21,265,963)	(46,216,326)
Direct taxes paid (net of refunds)	532,887	32,140,386
Net Cash Outflow from operating activities (A)	(20,733,076)	(14,075,940)
	March 31, 2020	March 31, 2019
B. Cash Flow From Investing Activities:		
Purchase of property, plant and equipments (including capital work-in-progress, internally generated intangibles and capital advances)	(10,310,058)	(15,496,582)
Proceeds from sale of property, plant and equipment	296,398	121,121
Interest received	1,055,078	11,344,405
Encashment of bank deposits (net of placement)	13,653	63,307
Purchase of Mutual Funds	(99,500,000)	(134,000,470)
Proceeds from sale of Mutual Funds	112,363,467	122,673,000
Net Cash inflow / (outflow) in investing activities (B)	3,918,539	(15,295,219)

MINDCHAMPION LEARNING SYSTEMS LIMITED
CIN: U72200DL2001PLC111674
Statement of Cash Flow for the year ended March 31, 2020

(All amounts in Rs., unless otherwise stated)

C. Cash Flow From Financing Activities:

Loan taken from Holding Company	50,000,000	-
Interest paid on cash credit, borrowings and others	-33,345,955	(34,083,354)
Payment of Lease Liability	-826,932	-
Net Cash inflow / (outflow) in financing activities (C)	15,827,113	(34,083,354)
Net (Decrease) in Cash & Cash Equivalents (A) + (B) + (C)	(987,424)	(63,454,513)
Cash and Cash Equivalents at the beginning of the financial year	20,348,213	83,802,726
Cash and Cash Equivalents as at the end of the financial year	19,360,789	20,348,213

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

	As at	
1 Particulars	March 31, 2020	March 31, 2019
Composition of Cash and cash equivalents included in the statement of cash flows comprise of the following balance sheet amounts:		
Cash and cash equivalents as per the balance sheet (refer note 5(iv))	19,360,789	20,348,213
Total	19,360,789	20,348,213

2 Figures in parenthesis indicate cash outflow.

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

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

As per our report of even date.

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

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

Sanjay Bachchani
Partner
Membership No. 400419

P Rajendran
Director
DIN - 00042531

Amit Roy
Director
DIN - 07138197

Umesh Kumar Gola
Chief Financial Officer

Shashi Ranjan Kumar
Company Secretary

Place: Gurugram
Date: May 29, 2020

Place: Gurugram
Date: May 29, 2020

MINDCHAMPION LEARNING SYSTEMS LIMITED

CIN: U72200DL2001PLC111674

Statement of changes in equity for the year ended March 31, 2020

(All amounts in Rs., 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, 2018	69,064,072	690,640,720
Issue of equity share capital	-	-
Balance as at March 31, 2019	69,064,072	690,640,720
Issue of equity share capital	-	-
Balance as at March 31, 2020	69,064,072	690,640,720

b) Other Equity

	Reserves and surplus		Other reserves	Total
	Securities premium	Retained earnings	Other equity	
Balance as at April 1, 2018	20,000,000	(810,926,906)	146,317,181	(644,609,725)
Loss for the year	-	(60,659,135)	-	(60,659,135)
Other comprehensive loss	-	(152,000)	-	(152,000)
Total Comprehensive loss for the year	-	(60,811,135)	-	(60,811,135)
Balance as at March 31, 2019	20,000,000	(871,738,041)	146,317,181	(705,420,860)
Balance as at April 1, 2019	20,000,000	(871,738,041)	146,317,181	(705,420,860)
Loss for the year	-	(266,394,405)	-	(266,394,405)
Other comprehensive income	-	2,969,000	-	2,969,000
Total Comprehensive loss for the year	-	(263,425,405)	-	(263,425,405)
Balance as at March 31, 2020	20,000,000	(1,135,163,446)	146,317,181	(968,846,265)

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

As per our report of even date.

For S.R. Batliboi & Associates LLP

Chartered Accountants

Firm Registration No: 101049W/E300004

For and on behalf of the Board of Directors of

Mindchampion Learning Systems Limited

Sanjay Bachchani

Partner

Membership No. 400419

P Rajendran

Director

DIN - 00042531

Amit Roy

Director

DIN - 07138197

Umesh Kumar Gola

Chief Financial Officer

Shashi Ranjan Kumar

Company Secretary

Place: Gurugram

Date: May 29, 2020

Place: Gurugram

Date: May 29, 2020

MINDCHAMPION LEARNING SYSTEMS LIMITED

CIN: U72200DL2001PLC111674

Notes to the Financial Statements for the year ended March 31, 2020

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

The financial statements were authorized for issue by the Board of Directors of the Company on May 29, 2020.

(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.

c) Current - non-current classification

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

Assets

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

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

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

MINDCHAMPION LEARNING SYSTEMS LIMITED

CIN: U72200DL2001PLC111674

Notes to the Financial Statements for the year ended March 31, 2020

Liabilities

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

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

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

Operating cycle

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

d) Revenue recognition

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

When two or more revenue generating activities or deliverables are provided under a single arrangement, each deliverable that is considered to be a separate deliverable is accounted separately. Where the contracts include multiple performance obligations, the transaction price is allocated to each performance obligation based on the standalone selling prices in accordance with the principles given in Ind AS 115. Where the standalone selling prices are not directly observable, these are estimated based on expected cost plus margin or residual method to allocate the total transaction price. In cases of residual method, the standalone selling price is estimated by reference to the total transaction price less the sum of the observable standalone selling prices of other goods or services promised in the contract.

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

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

Estimates of revenues, costs or extent of progress towards completion are revised if circumstances change. Any resulting increase or decrease in estimated revenues or costs are reflected in profit or loss in the period in which the circumstances that give rise to the revision become known to management. (ii) Revenue from the training services is recognised over the period of the course programs as the case may be. For fixed-price contracts, revenue is recognised based on the actual service provided to the end of the reporting period as a proportion of the total services to be provided (percentage of completion method). Revenue from time and material contracts is recognised as the related services are performed.

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

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

e) Other Income

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

f) Segment reporting

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

MINDCHAMPION LEARNING SYSTEMS LIMITED

CIN: U72200DL2001PLC111674

Notes to the Financial Statements for the year ended March 31, 2020

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.

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

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.

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.

MINDCHAMPION LEARNING SYSTEMS LIMITED**CIN: U72200DL2001PLC111674****Notes to the Financial Statements for the year ended March 31, 2020****j) Cash and cash equivalents**

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

k) Trade receivables

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

l) Inventories: Traded goods

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

m) Property, plant and equipment

Items of property, plant and equipment are stated at historical cost less depreciation and at deemed cost for the assets acquired prior to transition to Ind AS i.e April 01, 2016. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

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

Depreciation methods, estimated useful lives and residual value

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

Description of Assets	Useful life
Plant and Equipment including:	
- Computers, Printers and related Accessories	3 Years
- Computer Servers and Networks	5 Years
- Electronic Equipments	8 years
- Air Conditioners	10 years
Office 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	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 lives of the assets. The depreciation charge for each period is recognised in the statement of profit and loss. The residual values is considered as nil.

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

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

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

n) Intangible assets**Computer software - acquired**

Shown at acquisition cost and are subsequently carried at cost less accumulated amortisation and impairment losses and at deemed cost for the assets acquired prior to transition to Ind AS i.e April 01, 2016.

MINDCHAMPION LEARNING SYSTEMS LIMITED**CIN: U72200DL2001PLC111674****Notes to the Financial Statements for the year ended March 31, 2020****Education content / products - Internally generated**

Development costs that are directly attributable to the design, development and testing of identifiable and unique educational content / products controlled by the Company are recognised as intangible assets when the following criteria are met:

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

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

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

Amortisation methods and periods

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

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

o) Impairment of assets

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

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

p) Trade and other payables

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

q) Borrowings

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

Borrowings are 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).

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.

MINDCHAMPION LEARNING SYSTEMS LIMITED

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Notes to the Financial Statements for the year ended March 31, 2020

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.

Superannuation

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

Pension Fund

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

National Pension System

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

MINDCHAMPION LEARNING SYSTEMS LIMITED

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Notes to the Financial Statements for the year ended March 31, 2020

t) Share based payments

Employee stock option plan (ESOP)

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

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

The total expense is recognized over the vesting period, which is the period over which all of the specified vesting conditions are to be satisfied. At the end of each period, the entity revises its estimates of the number of options that are expected to vest based on the non-market vesting and service conditions. It recognizes the impact of the revision to original estimates, if any, in profit or loss, with a corresponding adjustment to equity.

u) Share capital

Equity share capital

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

v) Earnings per share

i) Basic earnings per share

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

ii) Diluted earnings per share

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

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

w) Fair value measurement

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

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

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

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

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

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

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

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

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

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

MINDCHAMPION LEARNING SYSTEMS LIMITED

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Notes to the Financial Statements for the year ended March 31, 2020

x) Exceptional items

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

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

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

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

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

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) & 2 (n).

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

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

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

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Notes to the Financial Statements for the year ended March 31, 2020

(All amounts in Rs., unless otherwise stated)

3 Property, Plant and Equipment

Particulars	Plant & Equipments	Leasehold Improvements	Furniture & Fixtures	Office Equipments	Total
Year end March 31, 2019					
Gross carrying amount					
Gross carrying amount as on April 01, 2018	18,464,870	594,251	793,555	15,841	19,868,517
Additions	970,210	-	-	-	970,210
Disposals	204,365	73,758	7,510	4	285,637
Closing Gross Carrying Amount	19,230,715	520,493	786,045	15,837	20,553,090
Accumulated Depreciation					
Accumulated depreciation as on April 01, 2018	13,222,213	288,586	529,948	15,326	14,056,073
Depreciation charged during the year	3,622,778	144,239	106,132	496	3,873,645
Disposals	204,198	73,749	7,341	-	285,288
Closing accumulated depreciation	16,640,793	359,076	628,739	15,822	17,644,430
Net Carrying Amount	2,589,922	161,417	157,306	15	2,908,660
Year end March 31, 2020					
Grossing Carrying amount					
Gross carrying amount as on April 01, 2019	19,230,715	520,493	786,045	15,837	20,553,090
Additions	631,775	-	-	-	631,775
Disposals	3,613,912	-	7,867	2,642	3,624,421
Closing Gross Carrying Amount	16,248,578	520,493	778,178	13,195	17,560,444
Accumulated Depreciation					
Accumulated depreciation as on April 01, 2019	16,640,793	359,076	628,739	15,822	17,644,430
Depreciation charged during the year	1,893,369	11,881	115,920	-	2,021,170
Disposals	3,561,724	-	7,866	2,641	3,572,231
Closing accumulated depreciation	14,972,438	370,957	736,793	13,181	16,093,369
Net Carrying Amount	1,276,140	149,536	41,385	14	1,467,075

4 Intangible assets and intangible assets under development

Particulars	Internally Generated (footnote i)	Software Acquired	Total Intangibles other than assets under Development	Intangible Assets under Development	Total Intangibles including asset under
Year end March 31, 2019					
Gross carrying amount					
Gross carrying amount as on April 01, 2018	95,646,211	3,628,139	99,274,350	38,206,353	137,480,703
Additions	27,945,501	-	27,945,501	14,763,298	42,708,799
Transfer	-	-	-	(27,945,501)	(27,945,501)
Disposals	-	644	644	-	644
Closing Gross Carrying Amount	123,591,712	3,627,495	127,219,207	25,024,150	152,243,357
Accumulated Amortisation and Impairment					
Accumulated amortization as on April 01, 2018	39,167,528	3,521,313	42,688,841	-	42,688,841
Amortisation charge for the year	26,059,158	106,512	26,165,670	-	26,165,670
Disposals	-	616	616	-	616
Closing accumulated amortisation	65,226,686	3,627,209	68,853,895	-	68,853,895
Net Carrying Amount	58,365,026	286	58,365,312	25,024,150	83,389,462
Year end March 31, 2020					
Gross carrying amount					
Gross carrying amount as on April 01, 2019	123,591,712	3,627,495	127,219,207	25,024,150	152,243,357
Additions	25,024,150	-	25,024,150	9,334,806	34,358,956
Transfer	-	-	-	(25,024,150)	(25,024,150)
Disposals	-	276,659	276,659	-	276,659
Closing Gross Carrying Amount	148,615,862	3,350,836	151,966,698	9,334,806	161,301,503
Accumulated Amortisation and Impairment					
Accumulated amortization as on April 01, 2019	65,226,686	3,627,209	68,853,895	-	68,853,895
Amortisation charge for the year	32,237,591	-	32,237,591	-	32,237,591
Disposals	-	276,653	276,653	-	276,653
Impairment charges-exceptional	31,132,237	-	31,132,237	-	31,132,237
Closing accumulated amortisation	128,596,514	3,350,556	131,947,070	-	131,947,070
Net Carrying Amount	20,019,348	280	20,019,628	9,334,806	29,354,434

(i) Refer note 30 for cost incurred during the year on internally generated intangible assets.

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Notes to the Financial Statements for the year ended March 31, 2020

5 Financial Assets	(All amounts in Rs., unless otherwise stated)	
5 (i) Current Investment carried at Fair Value through profit or loss	As at	
	March 31, 2020	March 31, 2019
Investment [Quoted]		
Mutual Funds	-	12,229,925
Total	-	12,229,925
Aggregate value of Quoted investments	-	12,229,925
Market value of Quoted investments	-	12,229,925

5 (ii) Trade Receivables	As at			
	March 31, 2020	March 31, 2019	March 31, 2020	March 31, 2019
	Non Current		Current	
Unsecured, considered good*				
Trade Receivables	1,035,224	1,568,590	146,214,144	257,600,599
Trade Receivables - credit impaired	-	-	173,623,930	119,802,030
Less: Allowance for expected credit loss (Refer Note-23)	-	-	(173,623,930)	(119,802,030)
Total	1,035,224	1,568,590	146,214,144	257,600,599

* Trade Receivables includes receivables from Related Parties amounting to Rs. 440,436 (Previous year Rs. 2,571,286)-Refer Note-26

5 (iii) Other Financial Assets	As at			
	March 31, 2020	March 31, 2019	March 31, 2020	March 31, 2019
	Non Current		Current	
a) Security Deposits	30,000	30,000	213,000	913,000
(A)	30,000	30,000	213,000	913,000
b) Contract Assets				
Unbilled Revenue (Refer note 29)	-	-	1,742,185	690,545
(B)	-	-	1,742,185	690,545
c) Interest Accrued on bank deposits	9,623	27,582	-	-
(C)	9,623	27,582	-	-
d) Bank deposits				
With remaining maturity of more than 12 months (pledged as margin money)*	230,040	243,693	-	-
(D)	230,040	243,693	-	-
Total (A+B+C+D)	269,663	301,275	1,955,185	1,603,545

* Bank Guarantees issued to Customer & VAT Authorities outstanding at the end of the year Rs. 230,040 (Previous year Rs. 243,693).

5 (iv) Cash and Cash Equivalents	As at	
	March 31, 2020	March 31, 2019
Balance with banks		
Current Accounts	18,740,829	15,076,291
Cheques and drafts on hand	619,960	5,271,922
Total	19,360,789	20,348,213

5(v) Contingent Liabilities

a. Other money for which the Company is contingently liable

i) Corporate Guarantee issued by NIIT Limited to Banks on behalf of the Company for Rs. 50,000,000 (Previous year Rs. 450,000,000)

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

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(All amounts in Rs., unless otherwise stated)

		As at	
		March 31, 2020	March 31, 2019
6 Deferred tax assets (Net)			
The balance comprises temporary differences attributable to:			
Minimum alternate tax credit entitlement		-	18,689,797
Net Deferred tax assets		-	18,689,797
Reconciliation of deferred tax assets			
	Minimum alternate tax credit entitlement		
Opening balance as at April 01, 2018			17,822,670
Tax income recognised during the year			867,127
Closing balance as at March 31, 2019			18,689,797
Tax (expense) recognised during the year			(18,689,797)
Closing balance as at March 31, 2020			-

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.

		As at	
		March 31, 2020	March 31, 2019
6 (i) Income Tax Assets (Net)			
Advance Income Tax		50,100,219	63,185,440
Less : Provision for Income Tax		(6,137,463)	(18,689,797)
		43,962,756	44,495,643

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Notes to the Financial Statements for the year ended March 31, 2020

(All amounts in Rs., unless otherwise stated)

	As at	
	March 31, 2020	March 31, 2019
7 Inventories (Valued at lower of cost or net realisable value)		
As at the end of the year		
Traded Goods		
a) Education and Training Material*	36,117,621	35,938,932
b) Software	5,139,438	3,849,246
	41,257,059	39,788,178
As at the beginning of the year		
Traded Goods		
a) Education and Training Material	35,938,932	29,127,403
b) Software	3,849,246	5,289,914
	39,788,178	34,417,317
Increase in Inventory	(1,468,881)	(5,370,861)

* Net of provision for non-moving inventories of Rs 2,895,489 (Previous year Rs 3,405,029)

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MINDCHAMPION LEARNING SYSTEMS LIMITED

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Notes to the Financial Statements for the year ended March 31, 2020

(All amounts in Rs., unless otherwise stated)

8 Other Assets

		As at			
		March 31, 2020	March 31, 2019	March 31, 2020	March 31, 2019
		Non - current		Current	
i) Advances to Suppliers in cash or in kind					
Unsecured, considered good		-	-	5,939,471	6,749,879
(A)		-	-	5,939,471	6,749,879
ii) Prepaid Expenses					
		-	-	3,180,719	3,154,617
(B)		-	-	3,180,719	3,154,617
iii) Other Advances recoverable in cash or in kind					
Unsecured, considered good		37,315	110,237	5,653,033	6,987,555
Unsecured, considered impaired		-	-	30,000	189,867
Less: Allowance for doubtful advances		-	-	(30,000)	(189,867)
(C)		37,315	110,237	5,653,033	6,987,555
iv) Balance with government authorities					
		-	-	2,830,162	2,713,451
(D)		-	-	2,830,162	2,713,451
Total other assets (A+B+C+D)		37,315	110,237	17,603,385	19,605,502

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MINDCHAMPION LEARNING SYSTEMS LIMITED
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Notes to the Financial Statements for the year ended March 31, 2020

(All amounts in Rs., unless otherwise stated)

9 Equity share capital

a) Authorised equity share capital

Particulars	Equity shares of Rs. 10 each		Redeemable preference shares of Rs. 10 each	
	Number of shares	Amount	Number of shares	Amount
As at April 01, 2018	70,000,000	700,000,000	10,000,000	100,000,000
Increase during the year	-	-	-	-
As at March 31, 2019	70,000,000	700,000,000	10,000,000	100,000,000
Increase during the year	-	-	-	-
As at March 31, 2020	70,000,000	700,000,000	10,000,000	100,000,000

b) Movement in equity share capital

Particulars	Equity shares	
	Number of shares	Amount
As at April 01, 2018	69,064,072	690,640,720
Issued during the year	-	-
As at March 31, 2019	69,064,072	690,640,720
Issued during the year	-	-
As at March 31, 2020	69,064,072	690,640,720

c) Detail of class of Equity Shares held by the

Particulars	As at			
	March 31, 2020		March 31, 2019	
	No. of shares	Amount in Rs.	No. of shares	Amount in Rs.
Holding Company (NIIT Limited)	69,064,072	690,640,720	69,064,072	690,640,720

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

Particulars	As at			
	March 31, 2020		March 31, 2019	
	No. of shares	Amount in Rs.	No. of shares	Amount in Rs.
NIIT Limited	69,064,072	100%	69,064,072	100%
Total	69,064,072	100%	69,064,072	100%

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

e) Terms/ rights attached to equity shares

The Company has one class of equity shares having a par value of Rs. 10 per share. Each shareholder is eligible for one vote per share held. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting, except in case of interim dividend. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the Company after distribution of all preferential amounts, in proportion to their shareholding.

f) Other details of equity shares for a period of five years immediately preceding March 31, 2020

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

	As at	
	March 31, 2020	March 31, 2019
10 Other Equity		
Securities Premium	20,000,000	20,000,000
Retained Earnings	(1,135,163,446)	(871,738,041)
Other reserves	146,317,181	146,317,181
Total reserves and surplus	(968,846,265)	(705,420,860)

	As at	
	March 31, 2020	March 31, 2019
10(i) Reserves And Surplus		
a) Securities Premium		
Balance at the beginning of the year	20,000,000	20,000,000
Balance at the end of the year (A)	20,000,000	20,000,000
b) Retained Earnings		
Balance at the beginning of the year	(871,738,041)	(810,926,906)
Loss for the year	(266,394,405)	(60,659,135)
Other comprehensive income/(loss)	2,969,000	(152,000)
Balance at the end of the year (B)	(1,135,163,446)	(871,738,041)
Total Reserves and Surplus (C) = (A+B)	(1,115,163,446)	(851,738,041)

	As at	
	March 31, 2020	March 31, 2019
10(ii) Other Reserves		
a) Other equity*		
Balance at the beginning of the year	146,317,181	146,317,181
Balance at the end of the year (D)	146,317,181	146,317,181
* equity instrument of compound financial instrument (OCDs)		
Total Other Equity (C+D)	(968,846,265)	(705,420,860)

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MINDCHAMPION LEARNING SYSTEMS LIMITED
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Notes to the Financial Statements for the year ended March 31, 2020

(All amounts in Rs., unless otherwise stated)

11	Financial Liabilities	As at			
		March 31, 2020	March 31, 2019	March 31, 2020	March 31, 2019
		Non - current		Current	
11(i)	Borrowings				
	Unsecured				
	From related parties				
	Loans from Holding Company *	250,000,000	250,000,000	50,000,000	-
	Sub Total (A)	250,000,000	250,000,000	50,000,000	-
	Total	250,000,000	250,000,000	50,000,000	-

* The Company has taken loan of Rs. 300,000,000 (March 31, 2019 Rs. 250,000,000) from its Holding company, NIIT Limited.

The terms of repayments are as follows:-

Repayment Date	Rate of interest	(Rs.)
March 17, 2021	1Year RBL Bank MCLR+fixed spread of 1.45 % p.a.	10,000,000
March 26, 2021	1Year RBL Bank MCLR+fixed spread of 1.45 % p.a.	30,000,000
March 30, 2021	1Year RBL Bank MCLR+fixed spread of 1.45 % p.a.	10,000,000
March 28, 2022	1Year Yes Bank MCLR+fixed spread of 3.15 % p.a.	250,000,000
		300,000,000

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MINDCHAMPION LEARNING SYSTEMS LIMITED

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Notes to the Financial Statements for the year ended March 31, 2020

(All amounts in Rs., unless otherwise stated)

11(ii) Trade Payables

	As at	
	March 31, 2020	March 31, 2019
Total outstanding dues of Creditors other than Micro enterprises & small enterprises	143,932,069	165,135,364
Total outstanding dues of micro enterprises and small enterprises	3,301,257	1,276,352
Trade payables to related parties (Refer note 26)	48,845,089	21,191,475
Total trade payables	196,078,415	187,603,191

Parties covered under Micro, Small and Medium-Enterprises Development Act, 2006 (MSMED Act) for the year ended March 31, 2020 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, 2020	March 31, 2019
a) the principal amount and the interest due thereon remaining unpaid to any supplier		
i) Principal amount	3,301,208	1,195,049
ii) Interest thereon	49	81,303
b) the amount of payment made to the supplier beyond the appointed day and the interest thereon, during an accounting year		
i) Principal amount	473,505	16,022,001
ii) Interest thereon	3,118	610,388
c) the amount of interest due and payable for the year of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under this Act	-	-
d) the amount of interest accrued and remaining unpaid at the end of each accounting year	49	81,303
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(iii) Other Financial Liabilities

	As at			
	March 31, 2020	March 31, 2019	March 31, 2020	March 31, 2019
	Non - current		Current	
Interest accrued but not due on borrowings	-		317,963	-
Security Deposits	100,000	100,000	-	-
Other Payables *	-	-	26,284,822	26,798,236
Total other financial liabilities	100,000	100,000	26,602,785	26,798,236

* Includes Payable to Employees amounting to Rs. 24,707,314 (Previous year Rs. 25,030,071) out of which Payables to Key Managerial Person amounting to Rs. 625,684 (Previous year Rs. 542,431).

12 Provisions

	As at			
	March 31, 2020	March 31, 2019	March 31, 2020	March 31, 2019
	Non - current		Current	
Provision for Employee Benefits :				
Provision for Gratuity (Refer note 24)	-	-	11,258,299	11,336,271
Provision for Compensated Absences	25,000	76,000	6,121,000	6,902,000
Total Provision	25,000	76,000	17,379,299	18,238,271

13 Other Liabilities

	As at			
	March 31, 2020	March 31, 2019	March 31, 2020	March 31, 2019
	Non - current		Current	
Contract Liabilities (Refer note 29)				
-Deferred Revenue	30,079	2,299,499	8,264,432	11,341,197
-Advances from Customers	-	-	20,166,487	11,420,436
Statutory Dues*	-	-	12,054,993	9,542,936
Total other liabilities	30,079	2,299,499	40,485,912	32,304,569

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

MINDCHAMPION LEARNING SYSTEMS LIMITED
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Notes to the Financial Statements for the year ended March 31, 2020

(All amounts in Rs., unless otherwise stated)

14 Revenue From Operations	Year ended	
	March 31, 2020	March 31, 2019
Sale of Products :		
-Courseware and Training Material	100,843,032	161,020,968
-Hardware & Accessories	32,855,923	32,807,569
Sale of Services	111,786,817	157,474,379
- Discounts & Rebates	(7,560)	(163,150)
	245,478,212	351,139,766
Timing of revenue recognition		
Goods transferred at a point in time	133,691,395	193,665,387
Services transferred over time	111,786,817	157,474,379
Total revenue from contracts with customers	245,478,212	351,139,766

15 Other Income	Year ended	
	March 31, 2020	March 31, 2019
Interest Income on Bank Deposits carried at amortized cost	55,675	689,599
Interest Income - Others	981,444	11,040,032
Net gain on Investment carried at fair value through profit or loss	633,542	902,455
Gain on Sale of Property, Plant & Equipment (net)	244,202	120,744
Gain on foreign currency translation and transaction (net)	307,593	-
Other Non-Operating Income	5,718,479	13,894,162
	7,940,935	26,646,992

16 Employee Benefits Expenses#	Year ended	
	March 31, 2020	March 31, 2019
Salary, Wages and Bonus	181,319,568	190,724,966
Contribution to Provident and other Funds (Refer note 24)	11,936,367	9,861,791
Share Based Payments*	216,970	1,946,111
Staff Welfare expense	3,349,291	2,953,161
	196,822,196	205,486,029

Net of Rs. 3,814,434 (Previous year Rs. 6,125,753) capitalized in intangible assets (Refer note 30).

*Share Based Payments Expenses are payable to the Holding Company

MINDCHAMPION LEARNING SYSTEMS LIMITED

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Notes to the Financial Statements for the year ended March 31, 2020

(All amounts in Rs., unless otherwise stated)

17	Finance Costs	Year ended	
		March 31, 2020	March 31, 2019
	Interest Expense	32,372,934	31,833,354
	Interest on lease liabilities [Refer note 28(ii)]	81,322	-
	Other Borrowing Costs	1,290,984	2,250,000
		33,745,240	34,083,354

18	Other Expenses*	Year ended	
		March 31, 2020	March 31, 2019
	Equipment Hiring	375,029	557,230
	Freight and Cartage	6,170,319	7,275,644
	Rent	8,898,767	9,928,232
	Rates and Taxes	-	1,563,275
	Power & Fuel	1,951,996	2,030,488
	Communication	2,695,307	4,164,870
	Legal and Professional (Refer note 19)	10,692,117	12,881,354
	Management Cost Recovery by Holding Company (Refer note 26)	8,049,546	14,067,551
	Travelling and Conveyance	26,986,734	27,817,048
	Allowance for Doubtful Debts	11,193,272	17,918,141
	Allowance for Doubtful Advances and Deposits	31,450	220,034
	Insurance	6,628	12,619
	Repairs and Maintenance		
	- Plant and Machinery	455,518	1,048,430
	- Buildings	133,389	164,447
	- Others	2,051,221	3,002,074
	Consumables	3,263,878	4,552,334
	Loss on Foreign Currency Translation and Transaction (net)	-	33,430
	Security and Administration Services	721,599	835,636
	Bank Charges	81,890	62,500
	Marketing & Advertising Expenses	2,102,273	6,484,162
	Sundry Expenses	907,619	466,085
		86,768,552	115,085,584

* Net of Rs. 66,935 (Previous year Rs. 410,331) capitalized in intangible assets (Refer note 30).

19	Payment To Auditors (included in legal and professional fees)	Year ended	
		March 31, 2020	March 31, 2019
	As Auditor		
	- Audit Fee	523,800	485,000
	- Certification Fee	50,000	50,000
	- Reimbursement of expenses (inclusive of taxes)	155,419	144,910
		729,219	679,910

20	Exceptional Items	Year ended	
		March 31, 2020	March 31, 2019
	Reversal of allowance for doubtful debts [Refer note-(i) below]	-	13,266,011
	Liabilities written back [Refer note-(ii) below]	-	2,108,677
	Provision for Doubtful recoverable in government projects [Refer note-(iv) below]	(31,790,845)	-
	Provision for Impairment on Intangible assets [Refer note-(iii) below]	(31,132,237)	-
	Provision for Doubtful debts [Refer note-(iii) below]	(10,837,781)	-
	Total	(73,760,863)	15,374,688

- (i) During the previous year, the Company had written back Rs. 13,266,011 on account of collections received from customers against which provision were created in earlier years under the same head.
- (ii) During the previous year, the Company had written back old liabilities an amount of Rs. 2,108,677 which was no longer required.
- (iii) The Company has considered the possible effects that may result from COVID-19 on the carrying value of assets and created an additional provision for doubtful debts of Rs. 10,837,781 and amortization of Rs. 31,132,237 towards intangible assets (Refer note 31).
- (iv) During the year, the Company has discontinued Government and strategic alliances operations and made a provision for Doubtful debts amounting to Rs. 31,790,845.

MINDCHAMPION LEARNING SYSTEMS LIMITED

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Notes to the Financial Statements for the year ended March 31, 2020

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21 Income tax expense

(a) Income tax expense

	Year ended	
	March 31, 2020	March 31, 2019
Current tax		
Current tax on profits for the year	-	-
Adjustments for current tax of prior periods	-	867,127
Total current tax expense	-	867,127
Deferred tax		
Write off / (Increase) in minimum alternate tax credit	18,689,797	(867,127)
Total deferred tax expense/(benefit)	18,689,797	(867,127)
Income tax expense	18,689,797	-

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

	Year ended	
	March 31, 2020	March 31, 2019
Loss before Tax	(247,704,608)	(60,659,135)
Reversal of Minimum alternate tax credit	18,689,797	-
Total deferred tax expense/(benefit)	18,689,797	-

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

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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, 2020		March 31, 2019	
	FVTPL	Amortised cost	FVTPL	Amortised cost
Financial assets				
Investments	-	-	12,229,925	-
Trade receivables	-	147,249,368	-	259,169,189
Cash and bank balances	-	19,360,789	-	20,348,213
Other financial assets	-	2,224,848	-	1,904,820
Total financial assets	-	168,835,005	12,229,925	281,422,222
Financial liabilities				
Borrowings	-	300,000,000	-	250,000,000
Trade payables	-	196,078,415	-	187,603,191
Lease liabilities	-	536,285	-	-
Other financial liabilities	-	26,702,785	-	26,898,236
Total financial liabilities	-	523,317,485	-	464,501,427

As of March 31, 2020 and March 31, 2019, 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 nature of these instruments.

For other financial assets and liabilities that are measured at amortised cost, the carrying amounts approximate the fair value.

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 , trade and other receivables, and cash and short-term deposits that derive directly from its operations.

The Company is exposed to market risk, credit risk and liquidity risk. The Company's senior management oversees the management of these risks. The Company's senior management is supported by a financial risk committee that advises on financial risks and the appropriate financial risk governance framework for the Company. The financial risk committee provides assurance to the Company's senior management that the Company's financial risk activities are governed by appropriate policies and procedures and that financial risks are identified, measured and managed in accordance with the Company's policies and risk objectives. It is the Company's policy that no trading in derivatives for speculative purposes may be undertaken. The Board of Directors reviews and agrees policies for managing each of these risks, which are summarised below:

(A) Credit risk

Credit risk refers to the risk of default on its obligation by the counter party resulting in a financial loss. The maximum exposure to the credit risk at the reporting date is primarily from trade receivables amounting to Rs. 147,249,368 and Rs. 259,169,189 as of March 31, 2020 and March 31, 2019, respectively and unbilled revenue amounting to Rs. 1,742,185 and Rs. 690,545 as of March 31, 2020 and March 31, 2019, respectively. Trade receivables and unbilled revenue are typically unsecured and are derived from revenue earned through government customers and other corporate customers. The Company has used the expected credit loss model to assess the impairment loss or gain on trade receivables and unbilled revenue, and has provided it wherever appropriate. The following table gives the movement in allowance for expected credit loss:

Reconciliation of loss allowance provision – Trade receivables

Particulars	Amount in Rs.
Loss allowance as on April 01, 2018	117,416,320
Less: Adjustments against Bad Debts written off	(2,266,420)
Add: Provision for Expected credit loss	17,918,141
Less: Doubtful debts written back through exceptional	(13,266,011)
Loss allowance as on March 31, 2019	119,802,030
Less: Adjustments against Bad Debts written off	-
Add: Provision for Expected credit loss	11,193,274
Add: Additional provisional created through exceptional	42,628,626
Loss allowance as on March 31, 2020	173,623,930

(B) Liquidity risk

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

(i) Maturities of financial liabilities

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

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

The table below provides details regarding the contractual maturities of significant financial liabilities as at March 31, 2019:

Particulars	Less than 1 year	Between 1 and 2 years	Between 2 and 5 years	Total
Borrowings	-	-	250,000,000	250,000,000
Trade payables	187,603,191	-	-	187,603,191
Other financial liabilities	26,798,236	-	100,000	26,898,236
Total non-derivative liabilities	214,401,427	-	250,100,000	464,501,427

(C) Market risk

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

(i) Interest rate risk

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

(ii) Foreign currency risk

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

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

	As at March 31, 2020			As at March 31, 2019		
	USD	SGD	QAR	USD	SGD	QAR
Financial assets						
Trade receivables	2,106,810	106,023	-	1,529,015	3,473,745	-
Financial liabilities						
Trade payables	965,083	-	-	-	-	195,853

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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, 2020	March 31, 2019
Employers' Contribution to Provident Fund	3,705,352	2,956,366
Employers' Contribution to Superannuation Fund	731,363	673,974
Employers' Contribution to Employees Pension Scheme	4,335,838	3,404,721
Employers' Contribution to Employee National Pension System	224,814	218,610
Total	8,997,367	7,253,671

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:

Particulars	Year ended	
	March 31, 2020	March 31, 2019
Employers' Contribution to Provident Fund	251,088	159,156
Employers' Contribution to Superannuation Fund	274,527	186,894
Employers' Contribution to Employees Pension Scheme	30,000	18,760
Employers' Contribution to Employee National Pension System	138,450	125,130
Total	694,065	489,940

B) Defined Benefit Plans

1. Provident Fund

The Company makes contributions to the "NIIT LIMITED EMPLOYEES' PROVIDENT FUND TRUST" ("the Trust"), in respect of employees deputed from the Holding Company. The plan has been classified as a Defined Benefit plan in accordance with Ind AS-19 'Employee Benefits'. During the year the Company contributed Rs. 3,705,352/- (Previous year Rs. 2,956,366/-) to the Trust. The Company has an obligation to make good the shortfall, if any, between the return from the investments of the Trust and the notified interest rate. The Company's obligation in this regard is actuarially determined and provided for if the circumstances indicate that the Trust may not be able to generate adequate returns to cover the interest rates notified by the Government. Based on actuarial valuation carried out, there is no shortfall to be provided by the Company.

C) Defined Benefit Plans

I. Gratuity Fund - Funded

Particulars	As at	
	March 31, 2020	March 31, 2019
i) Change in Present value of Obligation:-		
Present value of obligation as at beginning of the year	12,568,000	10,917,880
Interest cost	903,000	765,000
Current service cost	2,119,000	1,961,120
Acquisition (credit) / cost	(25,000)	231,000
Benefits paid from plan assets	(230,000)	(1,448,000)
Actuarial (gain)/ loss - experience	(3,191,000)	(128,000)
Actuarial (gain)/ loss - financial assumptions	227,000	269,000
Present value of obligation as at the year end	12,371,000	12,568,000

Particulars	As at	
	March 31, 2020	March 31, 2019
ii) Change in value of Plan Assets		
Fair value of Plan Assets as at the beginning of the year	1,231,729	2,261,729
Acquisition adjustment	(25,000)	231,000
Expected return on Plan Assets	83,000	118,000
Contributions	47,972	80,000
Benefits Paid	(230,000)	(1,448,000)
Return on plan assets (greater) / less than discount rate	5,000	(11,000)
Fair value of Plan Assets as at the end of the year	1,112,701	1,231,729

MINDCHAMPION LEARNING SYSTEMS LIMITED

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Notes to the Financial Statements for the year ended March 31, 2020

(All amounts in Rs., unless otherwise stated)

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

	Fair value of Plan Assets as at the end of the year	Present value of obligation as at the end of the year	Assets/ (Liability) recognised in Balance Sheet
As at March 31, 2020	1,112,701	12,371,000	(11,258,299)
As at March 31, 2019	1,231,729	12,568,000	(11,336,271)

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

Particulars	Year ended	
	March 31, 2020	March 31, 2019
Current service cost	2,119,000	1,961,120
Interest cost	820,000	647,000
Expense recognised in the Statement of Profit and Loss	2,939,000	2,608,120

Estimated contributions for the year ended on March 31, 2021 is Rs. 11,258,299 (Previous year Rs. 11,336,271)

v) Gratuity Cost recognised through Other Comprehensive Income:-

Particulars	Year ended	
	March 31, 2020	March 31, 2019
Actuarial loss - experience	(3,191,000)	(128,000)
Actuarial loss - financial assumptions	227,000	269,000
Return on plan assets (greater) / less than discount rate	(5,000)	11,000
Expense recognised through other comprehensive loss	(2,969,000)	152,000

vi) Assumptions used in accounting for gratuity plan:-

	As at	
	March 31, 2020	March 31, 2019
Discount Rate (Per Annum)	6.50%	7.25%
Future Salary Increase	2% for FY 2020-21, 8% thereafter	11% for FY 2019-20, 8% thereafter
Expected Rate of return on plan assets	7.85%	7.65%

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, 2020	March 31, 2020	March 31, 2020
Discount rate	0.50%	(599,000)	647,000
Salary growth rate	0.50%	638,000	(598,000)
Withdrawal rate	5.00%	(739,000)	782,000

	Impact on defined benefit obligation		
	Change in assumption	Increase in assumption	Decrease in assumption
	March 31, 2019	March 31, 2019	March 31, 2019
Discount rate	0.50%	(529,000)	570,000
Salary growth rate	0.50%	562,000	(527,000)
Withdrawal rate	5.00%	(466,000)	480,000

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

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

	March 31, 2020	March 31, 2019
Scheme of insurance - conventional products	100%	100%

Risk exposure

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

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

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Notes to the Financial Statements for the year ended March 31, 2020

(All amounts in Rs., unless otherwise stated)

25 Loss Per Share

	Year ended	
	March 31, 2020	March 31, 2019
Loss attributable to Equity Shareholders (A)	(266,394,405)	(60,659,135)
Weighted average number of Equity Shares outstanding during the year (Nos.) – (B)	69,064,072	69,064,072
Nominal Value of Equity Shares (Rs.)	10	10
Basic loss per Share (Rs.) (A/B)	(3.86)	(0.88)
Diluted loss per Share (Rs.) (A/B)	(3.86)	(0.88)

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 (Under Voluntary Liquidation w.e.f. February 19, 2020)
- 3 NIIT Institute of Process Excellence Limited (Under Voluntary Liquidation w.e.f. February 19, 2020)
- 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 (subsidiary of entity at serial no. 11)
- 13 PT NIIT Indonesia, Indonesia (under liquidation)
- 14 NIIT China (Shanghai) Limited, Shanghai
- 15 NIIT Wuxi Service Outsourcing Training School, China (Memorandum of Understanding was executed to sell on April 1, 2017)- (Under Closure)
- 16 Wuxi NIIT Information Technology Consulting Limited, China (agreement to sell entered on March 31, 2018)
- 17 Su Zhou NIIT Information Technology Consulting Limited, China (subsidiary of entity at serial no. 16)
- 18 Changzhou NIIT Information Technology Consulting Limited, China (subsidiary of entity at serial no. 16)
- 19 Zhangjiagang NIIT Information Services Limited, China (Closed w.e.f. August 12, 2019)
- 20 Chengmai NIIT Information Technology Company Limited, China (Under Closure)
- 21 Chongqing An Dao Education Consulting Limited, China
- 22 Chongqing NIIT Education Consulting Limited, China (Under Closure)
- 23 NIIT (NingXia) Education Technology Company Limited, China
- 24 Guizhou NIIT information technology consulting Co., Limited, China
- 25 NIIT (Guizhou) Education Technology Co., Limited, China

C. Other related parties with whom the Company has transacted

a. Key Managerial Personnel

- 1 Mr. Umesh Kumar Gola (Chief Financial Officer)
- 2 Mr. Gravin Debreo (Chief Executive officer upto June 30, 2018)
- 2 Ms. Leena Khokha (Manager w.e.f. December 31, 2018)
- 3 Mr. Vijay K Thadani (Non Executive Director)
- 4 Mr. P Rajendran (Non Executive Director)
- 5 Mr. Sapnesh Kumar Lalla (Non Executive Director)
- 6 Mr. Amit Roy (Non Executive Director)
- 7 Mr. Anand Sudarshan (Non Executive Independent Director)
- 8 Ms. Lata Vaidyanathan (Non Executive Independent Director)

b. Parties in which the Key Managerial Personnel are interested

- 1 NIIT Foundation (formerly known as NIIT Education Society)
- 2 NIIT University (a body corporate in which two Non-Executive Directors of the Company are members of its governing body).

D. Key Management Personnel compensation

	Year ended	
	March 31, 2020	March 31, 2019
Short-term employee benefits	6,592,725	6,615,480
Post-employment benefits	1,011,875	792,968
Share based payments	445,800	165,920
Sitting Fees paid to Non Executive Directors	400,000	440,000
Total compensation	8,450,400	8,014,368

E. Terms and conditions

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

MINDCHAMPION LEARNING SYSTEMS LIMITED

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Notes to the Financial Statements for the year ended March 31, 2020

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., unless otherwise stated)

Nature of Transactions	Holding Company	Parties in which Key Managerial Personnel are interested	Total
Sale of Goods- Revenue	836,888 (1,178,068)	2,415,987 (3,516,262)	3,252,875 (4,694,330)
Sale of services- Revenue	- -	- (215,600)	- (215,600)
Recovery of Expenses From	244,444 (248,969)	- -	244,444 (248,969)
Management Cost Recovery- Other Expenses	8,049,546 (13,106,387)	- -	8,049,546 (13,106,387)
Corporate Guarantee Charges- Other Borrowing Costs	1,290,984 (2,250,000)	- -	1,290,984 (2,250,000)
Recovery of Employee Benefits expenses by	216,970 (2,295,265)	- -	216,970 (2,295,265)
Recovery of Expenses By	14,449,048 (15,705,391)	- -	14,449,048 (15,705,391)
Interest Expense- Finance Cost	32,214,972 (31,000,000)	- -	32,214,972 (31,000,000)
Loan Taken	50,000,000 (250,000,000)	- -	50,000,000 (250,000,000)
Loan Repaid	- (250,000,000)	- -	- (250,000,000)

G. Details of outstanding balances with related parties:

Particulars	Holding Company	Parties in which Key Managerial Personnel are interested	Key Managerial Personnel	Total
i) Trade Payables				
March 31, 2020	48,845,089	-	-	48,845,089
March 31, 2019	(21,191,475)	-	-	(21,191,475)
ii) Trade Receivables				
March 31, 2020	-	440,436	-	440,436
March 31, 2019	-	(2,571,286)	-	(2,571,286)
iii) Other Payables				
March 31, 2020	3,615,077	-	625,684	4,240,761
March 31, 2019	-	-	(542,431)	(542,431)
iv) Loan payables				
March 31, 2020	300,000,000	-	-	300,000,000
March 31, 2019	(250,000,000)	-	-	(250,000,000)

Previous year figures are given in parenthesis.

- H.** The Company has availed corporate guarantee issued by Holding company of Rs. 50,000,000 (Previous year Rs. 450,000,000) for working capital limits .
- I.** The Holding company has committed operational and financial supports to the Company.

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Notes to the Financial Statements for the year ended March 31, 2020

(All amounts in Rs., 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.

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

28 Leases

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

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

Particulars	Year ended	
	March 31, 2020	March 31, 2019
In respect of premises*	8,898,767	9,928,232
In respect of equipments**	320,276	416,154
Total	9,219,043	10,344,386

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

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

(ii) The effect of adoption Ind AS 116 is as follows:

The following are the carrying amount of right-of-use assets recognised and movement during the year :-

Particulars	Vehicle	Total
As at April 1, 2019	1,209,419	1,209,419
Additions	72,476	72,476
Deletion	-	-
Depreciation	(766,694)	(766,694)
As at March 31, 2020	515,201	515,201

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

Particulars	Total
As at April 1, 2019	1,209,419
Additions	72,476
Deletion	-
Accretion of interest	81,322
Payments	(826,932)
As at March 31, 2020	536,285

The following is the break-up of current and non-current lease liabilities as of March 31, 2020

Particulars	Total
Current Lease liabilities	307,142
Non Current Lease liabilities	229,143
Total	536,285

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

Particulars	Total
Depreciation expense of right of use assets	766,694
Interest expense on Lease liabilities	81,322
Total	848,016

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

Particulars	Total
Less than one year	307,142
One to Two years	133,243
More than Two years	95,900
Total	536,285

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Notes to the Financial Statements for the year ended March 31, 2020

(All amounts in Rs., unless otherwise stated)

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

	Year ended	
	March 31, 2020	March 31, 2019
a. Disaggregated revenue information		
Type of Services		
Sale of Courseware and Training Material	100,835,472	160,857,818
Sale of Hardware & Accessories	32,855,923	32,807,569
Sale of Services	111,786,817	157,474,379
	245,478,212	351,139,766
Timing of Revenue Recognition		
Goods (Courseware, Training Material, Hardware & Accessories) transferred at a point in time	133,691,395	193,665,387
Services transferred over time (Training Services)	111,786,817	157,474,379
	245,478,212	351,139,766
b. Trade receivables and Contract Balances		
Trade Receivables	147,249,368	259,169,189
Contract Assets	1,742,185	690,545
Contract Liabilities	28,460,998	25,061,132
	177,452,551	284,920,866

Trade receivables are non-interest bearing and are generally on terms of 60 - 90 days. As on date a sum of Rs. 53,821,900 (Previous year Rs.17,918,141) is recognised as provision for expected credit losses on trade receivables.

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

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

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

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

	Year ended	
	March 31, 2020	March 31, 2019
Revenue as per contracted price	249,682,879	353,302,916
Adjustments		
Sales Return	-4,197,107	-2,000,000
Discount	-7,560	-163,150
	245,478,212	351,139,766

d. Performance obligation and remaining performance obligation

The remaining performance obligation disclosure provides the aggregate amount of the transaction price yet to be recognized as at the end of the reporting period and an explanation as to when the Company expects to recognize these amounts in revenue. As on March 31, 2020, there were no remaining performance obligation as the same is satisfied upon delivery of goods/services.

- 30** 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, 2020	March 31, 2019
Opening Intangible assets under development	25,024,150	38,206,353
Add:-Expenditure during the year		
Salary and other Employee Benefits	3,814,434	6,125,753
Professional & Technical Outsourcing Expenses	5,453,437	8,227,214
Rent	-	82,781
Other Expenses	66,935	327,550
Less:-Intangible Capitalised during the year	(25,024,150)	(27,945,501)
Closing Balance at the end of the year	9,334,806	25,024,150

- 31** COVID 19 pandemic has severely impacted businesses around the world and is causing a slowdown of economic activity. Requirements of social distancing and various restrictions imposed by government across geographies, have caused unprecedented disruptions to normal business operations. The Company has carried out detailed assessment of its liquidity position and possible effects that may result from COVID 19 on the carrying value of its assets including Investment, Property plant & equipment, Intangible assets Trade receivables, Unbilled revenue and Deferred tax assets etc. as at the date of financial statement. In developing the assumption relating to possible future uncertainties due to pandemic, the Company, as on the date of approval of these financial statements has relied on the available information. The Company has performed sensitivity analysis on the assumptions used and based on the detailed evaluation of the current estimates following are the estimated impact considered on the carrying value of these assets as on March 31, 2020:

Additional provision for doubtful debts amounting to Rs 10,837,781 disclosed under exceptional expenses as per note 20.

Impairment of intangibles amounting to Rs. 31,132,237 disclosed as exceptional expense as per note 20.

- 32** The net worth of the Company is eroded as at March 31, 2020. 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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Notes to the Financial Statements for the year ended March 31, 2020

- 33** Previous year figures have been regrouped / reclassified to conform the current year classification.

Signatures to Notes '1' to '33' of these Financial Statements.

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

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

Sanjay Bachchani
Partner
Membership No. 400419

P Rajendran
Director
DIN - 00042531

Amit Roy
Director
DIN - 07138197

Place: Gurugram
Date: May 29, 2020

Umesh Kumar Gola
Chief Financial Officer

Shashi Ranjan Kumar
Company Secretary

Place: Gurugram
Date: May 29, 2020