Mindchampion Learning Systems Limited

Statutory Audit for the year ended March 31, 2019

S.R. BATLIBOI & ASSOCIATES LLP
Chartered Accountants

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Golf View Corporate Tower - B
Sector - 42, Sector Road
Gurugram - 122 002, Haryana, India
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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, 2019, 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 ("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, 2019, 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.

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 and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

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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 loss, 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.

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Gurugram

- 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, 2019 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2019 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;

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(g) In our opinion, the managerial remuneration for the year ended March 31, 2019 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;

(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

S.R. Batliboi & Associates LLP * Gurugram *

Sanjay Bachchani
Partner
Membership Number: 400419

Place: Gurugram
Date: April 30, 2019

Annexure 2

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

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, 2019 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.

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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.

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.

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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, 2019, 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

S.R. Batliboi & Associates LLP * Gurugram *

Sanjay Bachchani
Partner
Membership Number: 400419

Place: Gurugram
Date: April 30, 2019

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 & equipment.

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

(c) According to the information and explanations given by the management, there are no immovable properties, included in property, plant & 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, 2019 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.

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(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, 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 duty of custom is 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.

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(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

S.R. Batliboi & Associates LLP
Gurugram

Sanjay Bachchani
Partner
Membership No.: 400419

Place: Gurugram
Date: April 30, 2019

MINDCHAMPION LEARNING SYSTEMS LIMITED
CIN: U72200DL2001PLC111674
Balance Sheet as at March 31, 2019

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

	Notes	As at March 31, 2019	As at March 31, 2018
ASSETS			
Non-current assets			
Property, plant and equipment	3	2,908	5,812
Intangible assets	4	58,366	56,586
Intangible assets under development	4	25,024	38,206
Financial assets			
Trade receivables	5 (ii)	1,569	425
Other financial assets	5 (iii)	274	1,816
Deferred tax assets (net)	6	18,690	17,823
Income Tax Assets (net)	6 (i)	44,495	77,502
Other non-current assets	8	110	716
Total non-current assets		**151,436**	**198,886**
Current assets			
Inventories	7	39,788	34,417
Financial assets			
Investments	5 (i)	12,230	-
Trade receivables	5 (ii)	257,601	290,948
Cash and cash equivalents	5 (iv)	20,348	83,803
Other financial assets	5 (iii)	1,632	49,115
Other current assets	8	19,604	23,184
Total current assets		**351,203**	**481,467**
TOTAL ASSETS		**502,639**	**680,353**
EQUITY AND LIABILITIES			
EQUITY			
Equity share capital	9	690,641	690,641
Other equity	10	(705,417)	(644,611)
TOTAL EQUITY		**(14,776)**	**46,030**
LIABILITIES			
Non-current liabilities			
Financial liabilities			
Borrowings	11(i)	250,000	-
Other financial liabilities	11(iii)	100	4,638
Long Term Provisions	12	76	81
Other non-current liabilities	13	2,299	6,177
Total non-current liabilities		**252,475**	**10,896**
Current liabilities			
Financial liabilities			
Borrowings	11(i)	-	250,000
Trade payables	11(ii)		
(a) Total outstanding dues of micro enterprises and small enterprises		1,276	6
(b) Total outstanding dues other than (a) above		186,326	272,927
Other financial liabilities	11(iii)	26,795	26,252
Provisions	12	18,238	13,999
Other current liabilities	13	32,305	60,243
Total current liabilities		**264,940**	**623,427**
TOTAL LIABILITIES		**517,415**	**634,323**
TOTAL EQUITY AND LIABILITIES		**502,639**	**680,353**

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

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

Sanjay Bachchani
Partner
Membership No. 400419

S.R. Batliboi & Associates LLP
Gurugram

Place: Gurugram
Date: April 30, 2019

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

P Rajendran
Director
DIN - 00042531

Amit Roy
Director
DIN - 07138197

Umesh Kumar Gola
Chief Financial Officer

Aviral Bhargava
Company Secretary

Mindchampion Learning Systems Ltd.
Gurgaon

Place: Gurugram
Date: April 30, 2019

MINDCHAMPION LEARNING SYSTEMS LIMITED
CIN: U72200DL2001PLC111674
Statement of Profit and Loss for the year ended March 31, 2019

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

	Notes	March 31, 2019	March 31, 2018
Income			
Revenue from operations	14	351,140	592,673
Other income	15	26,647	25,669
Total income		377,787	618,342
Expenses			
Purchase of stock-in-trade		74,498	109,394
Changes in inventories of stock-in-trade	7	(5,371)	(19,794)
Employee benefits expenses	16	205,486	294,141
Finance costs	17	34,084	60,162
Depreciation and amortisation expense	3 and 4	30,039	42,751
Other expenses	18	115,080	178,980
Total expenses		453,816	665,634
Loss before exceptional items and tax		(76,029)	(47,292)
Exceptional items (net)	20	15,375	-
Loss before Tax		(60,654)	(47,292)
Income tax expense:	21		
Current tax		867	5,344
Deferred tax		(867)	(5,266)
Loss for the year		(60,654)	(47,370)
Other comprehensive Income / (loss)			
Items that will not be reclassified subsequently to profit or loss			
a) Remeasurement of the defined benefit obligation		(152)	(2,612)
Other comprehensive loss for the year		(152)	(2,612)
Total comprehensive loss for the year		(60,806)	(49,982)
Earnings / (Loss) per equity share (Face Value Rs. 10/- each):	25		
-Basic		(0.88)	(0.91)
-Diluted		(0.88)	(0.91)

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

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

Sanjay Bachchani
Partner
Membership No. 400419

Place: Gurugram
Date: April 30, 2019

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

P Rajendran
Director
DIN - 00042531

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Chief Financial Officer

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Company Secretary

Place: Gurugram
Date: April 30, 2019

S.R. Batliboi & Associates LLP * Gurugram *

Mindchampion Learning Systems Ltd. Gurgaon

MINDCHAMPION LEARNING SYSTEMS LIMITED
CIN: U72200DL2001PLC111674
Statement of changes in equity for the year ended March 31, 2019

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

a) Equity Share Capital

Particulars	Numbers	Amount
Equity share of Rs. 10 each issued, subscribed and fully paid		
Balance as at April 1, 2017	19,064,072	190,641
Issue of equity share capital	50,000,000	500,000
Balance as at March 31, 2018	69,064,072	690,641
Issue of equity share capital (note 9)	-	-
Balance as at March 31, 2019	69,064,072	690,641

b) Other Equity

	Reserves and surplus		Other reserves	
	Securities premium	Retained earnings	Other equity	Total
Balance as at April 1, 2017	20,000	(760,946)	414,087	(326,859)
Loss for the year	-	(47,370)	-	(47,370)
Other comprehensive loss	-	(2,612)	-	(2,612)
Total Comprehensive loss for the year	-	(49,982)	-	(49,982)
Increase / decrease in equity instrument of compound financial instrument (OCDs)	-	-	(263,270)	(263,270)
Expense for issue of equity share capital	-	-	(4,500)	(4,500)
Balance as at March 31, 2018	20,000	(810,928)	146,317	(644,611)
Balance as at April 1, 2018	20,000	(810,928)	146,317	(644,611)
Loss for the year	-	(60,654)	-	(60,654)
Other comprehensive loss	-	(152)	-	(152)
Total Comprehensive loss for the year	-	(60,806)	-	(60,806)
Balance as at March 31, 2019	20,000	(871,734)	146,317	(705,417)

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

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

Sanjay Bachchani
Partner
Membership No. 400419

S.R. Batliboi & Associates LLP Gurugram

Place: Gurugram
Date: April 30, 2019

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

P Rajendran
Director
DIN - 00042531

Amit Roy
Director
DIN - 07138197

Umesh Kumar Gola
Chief Financial Officer

Aviral Bhargava
Company Secretary

Place: Gurugram
Date: April 30, 2019

Mindchampion Learning Systems Ltd. Gurgaon

MINDCHAMPION LEARNING SYSTEMS LIMITED

CIN: U72200DL2001PLC111674

Statement of Cash Flow for the year ended March 31, 2019

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

	Year ended March 31, 2019		Year ended March 31, 2018	
A. Cash Flow From Operating Activities:				
Loss before exceptional items and tax		**-76,029**		**-47,292**
Adjustments to reconcile (loss) before tax to net cash flows:				
Depreciation and amortisation	30,039		42,751	
Allowance for doubtful debts	17,918		30,037	
Inventory written off/(written back)	-1,780		3,210	
Unrealised foreign exchange (gain)/ loss	160		-23	
Finance cost	34,084		60,162	
Interest income	-11,730		-8,466	
Profit on sale of property, plant and equipment	-121		-1,589	
Profit on sale of current investment	-902		-90	
		67,668		125,992
Operating profit/ (loss) before working capital changes		**-8,361**		**78,700**
Working Capital Adjustments:				
(Decrease) in trade payables	-85,297		-1,637	
Increase in short term provisions	4,087		245	
(Decrease) in long term provisions	-5		-32	
(Decrease) in other current liabilities	-27,482		-65,614	
(Decrease) in other non-current financial liabilities	-4,538		-3,113	
(Decrease) in other non-current liabilities	-3,878		-856	
Increase/ (decrease) in other current financial liabilities	2,652		-4,492	
Decrease in current trade receivables	28,885		173,916	
(Increase)/ decrease in non current trade receivables	-1,144		2,299	
(Increase) in inventories	-3,591		-23,004	
Decrease in other non-current financial assets	1,479		795	
Decrease in other current financial assets	47,485		47,313	
(Increase)/ decrease in other non-current assets	-87		12	
Decrease in other current assets	3,580		6,846	
Decrease in other bank balances	63	-37,791	377	133,055
Cash (used in) / generated from operations		**-46,152**		**211,755**
Direct taxes paid (net of refunds)		32,140		-11,746
Net Cash (Outflow) / Inflow from operating activities (A)		**-14,012**		**200,009**
B. Cash Flow From Investing Activities:				
Purchase of property, plant and equipments (including capital work-in-progress, internally developed intangibles and capital advances)		-15,496		-39,796
Proceeds from sale of property, plant and equipment		121		1,606
Interest received		11,344		2,488
Purchase of Mutual Funds		-134,001		-49,000
Proceeds from sale of Mutual Funds		122,673		49,090
Net Cash outflow in investing activities (B)		**-15,359**		**-35,612**

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Mindchampion Learning Systems Ltd. Gurgaon

MINDCHAMPION LEARNING SYSTEMS LIMITED
CIN: U72200DL2001PLC111674
Statement of Cash Flow for the year ended March 31, 2019

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

	March 31, 2019	March 31, 2018
C. Cash Flow From Financing Activities:		
Payment of deferred lease obligation	-	(51,684)
Repayments of OCDs	-	(100,000)
Repayments of borrowings	-	(50,000)
Interest paid on cash credit, borrowings and others	(34,084)	(29,005)
Expense for issue of equity share capital	-	(4,500)
Net Cash outflow in financing activities (C)	**(34,084)**	**(235,189)**
Net (Decrease) in Cash & Cash Equivalents (A) + (B) + (C)	**(63,455)**	**(70,792)**
Cash and Cash Equivalents at the beginning of the financial year	83,803	154,595
Cash and Cash Equivalents as at the end of the financial year	**20,348**	**83,803**
Reconciliation of cash and cash equivalents as per the cash flow statement		
Cash and Cash Equivalents as per above comprise of the following [Note 5(iii)]		
Balance with Banks		
-Current Accounts	15,076	80,053
-Cheques and Drafts on hand	5,272	3,750
	20,348	**83,803**

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

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

Sanjay Bachchani
Partner
Membership No. 400419

S.R. Batliboi & Associates LLP * Gurugram *

Place: Gurugram
Date: April 30, 2019

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

P Rajendran
Director
DIN - 00042531

Amit Roy
Director
DIN - 07138197

Umesh Kumar Gola
Chief Financial Officer

Aviral Bhargava
Company Secretary

Place: Gurugram
Date: April 30, 2019

Mindchampion Learning Systems Ltd. Gurgaon

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

The financial statements were authorized for issue by the Board of Directors of the Company on April 30, 2019.

(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.

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Liabilities

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

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

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

Operating cycle

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

d) Revenue recognition

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

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

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

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

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

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

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

e) Other Income

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

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f) **Segment reporting**

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

g) **Income taxes**

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

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

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

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

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.

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iii) Impairment of financial assets

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

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

j) Cash and cash equivalents

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

k) Trade receivables

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

l) Inventories: Traded goods

Traded goods are stated at the lower of cost or net realisable value. Cost of traded goods comprises cost of purchases and all other costs incurred in bringing the inventories to their present location and condition. Costs are assigned to individual items of inventory on the basis of 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 lifes of the assets. The depreciation charge for each period is recognised in the statement of profit and loss . The residual values is considered as nil.

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

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

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

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n) Intangible assets

Computer software - 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.

Education content / products - Internally generated

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

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

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

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

Amortisation methods and periods

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

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

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 Companys of assets (cash-generating units). Non-financial assets that suffered an impairment are reviewed for possible reversal of the impairment at the end of each reporting period.

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

p) Trade and other payables

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

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).

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

r) Provisions

Provisions are measured at the present value of management's best estimate of the expenditure required to settle the present obligation at the end of the reporting period. The discount rate used to determine the present value is a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The increase in the provision due to the passage of time is recognised as interest expense.

s) Employee benefits

i) Short-term obligations

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

ii) Other long-term employee benefit obligations

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

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

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.

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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 it's pension plan on behalf of its employees. The Company has no further obligations beyond its monthly contributions. The contribution towards Employee Pension Scheme is charged to Statement of Profit and Loss.

National Pension System

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

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.

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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.

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

2.2 Recent accounting pronouncements

Ind AS 116 Leases: On March 30, 2019, Ministry of Corporate Affairs has notified Ind AS 116, Leases. Ind AS 116 will replace the existing leases Standard, Ind AS 17 Leases, and related Interpretations. The Standard sets out the principles for the recognition, measurement, presentation and disclosure of leases for both parties to a contract i.e., the lessee and the lessor. Ind AS 116 introduces a single lessee accounting model and requires a lessee to recognize assets and liabilities for all leases with a term of more than 12 months, unless the underlying asset is of low value. Currently, operating lease expenses are charged to the statement of profit & loss. The Standard also contains enhanced disclosure requirements for lessees. Ind AS 116 substantially carries forward the lessor accounting requirements in Ind AS 17.

The effective date for adoption of Ind AS 116 is annual periods beginning on or after April 1, 2019. The standard permits two possible methods of transition:

- Full retrospective – Retrospectively to each prior period presented applying Ind AS 8 Accounting Policies, Changes in Accounting Estimates and Errors
- Modified retrospective – Retrospectively, with the cumulative effect of initially applying the Standard recognized at the date of initial application.

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Under modified retrospective approach, the lessee records the lease liability as the present value of the remaining lease payments, discounted at the incremental borrowing rate and the right of use asset either as:
- Its carrying amount as if the standard had been applied since the commencement date, but discounted at lessee's incremental borrowing rate at the date of initial application or
- An amount equal to the lease liability, adjusted by the amount of any prepaid or accrued lease payments related to that lease recognized under Ind AS 17 immediately before the date of initial application

Certain practical expedients are available under both the methods.
The effect on adoption of Ind AS 116 would be insignificant in the Company's financial statements.

Ind AS 12 Appendix C, Uncertainty over Income Tax Treatments: On March30, 2019, Ministry of Corporate Affairs has notified Ind AS 12 Appendix C, Uncertainty over Income Tax Treatments which is to be applied while performing the determination of taxable profit (or loss), tax bases, unused tax losses, unused tax credits and tax rates, when there is uncertainty over income tax treatments under Ind AS 12. According to the appendix, companies need to determine the probability of the relevant tax authority accepting each tax treatment, or group of tax treatments, that the companies have used or plan to use in their income tax filing which has to be considered to compute the most likely amount or the expected value of the tax treatment when determining taxable profit (tax loss), tax bases, unused tax losses, unused tax credits and tax rates. The standard permits two possible methods of transition –
i) Full retrospective approach – Under this approach, Appendix C will be applied retrospectively to each prior reporting period presented in accordance with Ind AS 8 – Accounting Policies, Changes in Accounting Estimates and Errors, without using hindsight and
ii) Retrospectively with cumulative effect of initially applying Appendix C recognized by adjusting equity on initial application, without adjusting comparatives.
The effective date for adoption of Ind AS 12 Appendix C is annual periods beginning on or after April 1, 2019. The Company will adopt the standard on April 1, 2019 and has decided to adjust the cumulative effect in equity on the date of initial application i.e. April 1, 2019 without adjusting comparatives. The Company does not have any impact on account of this amendment.

Amendment to Ind AS 12 – Income taxes: On March 30, 2019, Ministry of Corporate Affairs issued amendments to the guidance in Ind AS 12, 'Income Taxes', in connection with accounting for dividend distribution taxes. The amendment clarifies that an entity shall recognise the income tax consequences of dividends in profit or loss, other comprehensive income or equity according to where the entity originally recognised those past transactions or events. Effective date for application of this amendment is annual period beginning on or after April1, 2019. The Company does not have any impact on account of this amendment.

Amendment to Ind AS 19 – Employee Benefits (plan amendment, curtailment or settlement): On March 30, 2019, Ministry of Corporate Affairs issued amendments to Ind AS 19, 'Employee Benefits', in connection with accounting for plan amendments, curtailments and settlements.
The amendments require an entity:
- to use updated assumptions to determine current service cost and net interest for the remainder of the period after a plan amendment, curtailment or settlement; and
- to recognise in profit or loss as part of past service cost, or again or loss on settlement, any reduction in a surplus, even if that surplus was not previously recognised because of the impact of the asset ceiling. Effective date for application of this amendment is annual period beginning on or after 1 April 2019. The Company does not have any impact on account of this amendment.

Amendments to Ind AS 109 - Financial Instruments (Prepayment Features with Negative Compensation): Under Ind AS 109, a debt instrument can be measured at amortised cost or at fair value through other comprehensive income, provided that the contractual cash flows are 'solely payments of principal and interest on the principal amount outstanding' (the SPPI criterion) and the instrument is held within the appropriate business model for that classification. The amendments to Ind AS 109 clarify that a financial asset passes the SPPI criterion regardless of the event or circumstance that causes the early termination of the contract and irrespective of which party pays or receives reasonable compensation for the early termination of the contract.
The amendments should be applied retrospectively and are effective for annual periods beginning on or after 1 April 2019. These amendments have no impact on the financial statements of the Company.

Amendments to Ind AS 23 - Borrowing Costs: The amendments clarify that an entity treats as part of general borrowings any borrowing originally made to develop a qualifying asset when substantially all of the activities necessary to prepare that asset for its intended use or sale are complete.
An entity applies those amendments to borrowing costs incurred on or after the beginning of the annual reporting period in which the entity first applies those amendments. An entity applies those amendments for annual reporting periods beginning on or after 1 April 2019. Since the Company's current practice is in line with these amendments, the Company does not expect any effect on its financial statements.

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

3 Property, Plant and Equipment

Particulars	Plant & Equipments	Leasehold Improvements	Furniture & Fixtures	Office Equipments	Total
Year end March 31, 2018					
Gross carrying amount					
Opening gross carrying amount	54,020	356	2,620	18	**57,014**
Additions	2,773	248	220	-	**3,241**
Disposals	38,328	9	2,047	3	**40,387**
Closing Gross Carrying Amount	**18,465**	**595**	**793**	**15**	**19,868**
Accumulated Depreciation					
Opening accumulated depreciation	34,891	146	1,660	15	**36,712**
Depreciation charged during the year	16,646	152	916	3	**17,717**
Disposals	38,315	9	2,046	3	**40,373**
Closing accumulated depreciation	**13,222**	**289**	**530**	**15**	**14,056**
Net Carrying Amount	**5,243**	**306**	**263**	-	**5,812**
Year end March 31, 2019					
Grossing Carrying amount					
Opening gross carrying amount	18,465	595	793	15	**19,868**
Additions	970	-	-	-	**970**
Disposals	204	74	8	-	**286**
Closing Gross Carrying Amount	**19,231**	**521**	**785**	**15**	**20,552**
Accumulated Depreciation					
Opening accumulated depreciation	13,222	289	530	15	**14,056**
Depreciation charged during the year	3,623	144	106	-	**3,873**
Disposals	204	74	7	-	**285**
Closing accumulated depreciation	**16,641**	**359**	**629**	**15**	**17,644**
Net Carrying Amount	**2,590**	**162**	**156**	-	**2,908**

4. Intangible Assets

Particulars	Educational Content/ Products Internally Generated (footnote i)	Software Acquired	Total Intangibles other than assets under Development	Intangible Assets under Development (footnote i)	Total Intangibles including asset under Development
Year end March 31, 2018					
Gross carrying amount					
Opening gross carrying amount	95,646	7,460	**103,106**	1,370	**104,476**
Additions	-	-	-	36,836	**36,836**
Disposals	-	3,831	**3,831**	-	**3,831**
Closing Gross Carrying Amount	**95,646**	**3,629**	**99,275**	**38,206**	**137,481**
Accumulated Amortisation and Impairment					
Opening accumulated depreciation	17,445	4,038	**21,483**		**21,483**
Amortisation charge for the year	21,722	3,312	**25,034**	-	**25,034**
Disposals	-	3,828	**3,828**	-	**3,828**
Closing accumulated amortisation	**39,167**	**3,522**	**42,689**	-	**42,689**
Net Carrying Amount	**56,479**	**107**	**56,586**	**38,206**	**94,792**
Year end March 31, 2019					
Gross carrying amount					
Opening gross carrying amount	95,646	3,629	**99,275**	38,206	**137,481**
Additions	27,946	-	**27,946**	14,764	**42,710**
Transfer	-	-	-	(27,946)	**(27,946)**
Disposals	-	1	**1**	-	**1**
Closing Gross Carrying Amount	**123,592**	**3,628**	**127,220**	**25,024**	**152,244**
Accumulated Amortisation and Impairment					
Opening accumulated depreciation	39,167	3,522	**42,689**	-	**42,689**
Amortisation charge for the year (footnote ii)	26,059	107	**26,166**	-	**26,166**
Disposals	-	1	**1**	-	**1**
Closing accumulated amortisation	**65,226**	**3,628**	**68,854**	-	**68,854**
Net Carrying Amount	**58,366**	-	**58,366**	**25,024**	**83,390**

(i) Refer Note 30 for cost incurred during the year on internally generated intangible assets.
(ii) Amortisation includes provision for impairment of intangible assets aggregating to Rs. 1,550 thousands.

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5 Financial Assets

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

5 (i) Investments

	As at March 31, 2019 (Current)	As at March 31, 2018
Quoted		
Investment in Mutual Funds*	12,230	-
Total	**12,230**	-

* Investment in Mutual Funds are at fair value, which are as follows:

Investment in Mutual Funds - Quoted	March 31, 2019 Units	March 31, 2019 Value	March 31, 2018 Units	March 31, 2018 Value
JM Financial	79,356	4,062	-	-
HDFC Mutual Fund	2,220	8,168	-	-
Total	81,576	12,230	-	-

5 (ii) Trade Receivables
(Refer Note 26)

	Non Current March 31, 2019	Non Current March 31, 2018	Current March 31, 2019	Current March 31, 2018
Unsecured, considered good*	1,569	425	257,601	290,948
Unsecured, considered impaired	-	-	119,802	117,417
Less: Allowance for doubtful debts (Expected credit loss)	-	-	(119,802)	(117,417)
Total	**1,569**	**425**	**257,601**	**290,948**

* Trade Receivables includes receivables from Related Parties amounting to Rs. 2,571 thousands (Previous year Rs. 9,013 thousands)

5 (iii) Other Financial Assets

	Non Current March 31, 2019	Non Current March 31, 2018	Current March 31, 2019	Current March 31, 2018
Security Deposits Receivable				
- Secured, considered good	30	1,509	913	979
Unbilled Revenue	-	-	691	48,110
Interest Receivable	-	-	28	26
Long term deposits with bank				
- With original maturity of more than 12 months	244	307	-	-
Total	**274**	**1,816**	**1,632**	**49,115**

5 (iv) Cash And Cash Equivalents

	As at March 31, 2019	As at March 31, 2018
Balance with banks		
-Current Accounts	15,076	80,053
Cheques and drafts on hand	5,272	3,750
Total	**20,348**	**83,803**

5(v) Contingent Liabilities

a. Other money for which the Company is contingently liable

i. Guarantees issued to bankers outstanding at the end of the year amounting to Nil (Previous year Rs. 34,002 thousands).

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

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

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6 Deferred tax assets (Net)

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

	As at	
The balance comprises temporary differences attributable to:	**March 31, 2019**	**March 31, 2018**
Minimum alternate tax credit entitlement	18,690	17,823
Net Deferred tax assets	**18,690**	**17,823**

Reconciliation of deferred tax assets

	Minimum alternate tax credit entitlement
Opening balance as at April 01, 2017	12,557
Tax income/(expense) recognised during the year	5,266
Closing balance as at March 31, 2018	**17,823**
Tax income/(expense) recognised during the year	867
Closing balance as at March 31, 2019	**18,690**

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.

6 (i) Income Tax Assets (Net)

	As at	
	March 31, 2019	**March 31, 2018**
Advance Income Tax	63,184	95,325
Less : Provision for Income Tax	(18,689)	(17,823)
	44,495	77,502

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

	As at	
7 Inventories	**March 31, 2019**	**March 31, 2018**
As at the end of the year		
Traded Goods		
a) Education and Training Material*	35,939	29,127
b) Software	3,849	5,290
	39,788	**34,417**
As at the beginning of the year		
Traded Goods		
a) Education and Training Material	29,127	6,808
b) Software	5,290	7,815
	34,417	**14,623**
(Increase) / Decrease in Inventory	**-5,371**	**-19,794**

* Net of provision for non-moving inventories of Rs 3,405 thousand (Previous year Rs 5,185 thousand)

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

8 Other Assets

		As at			
		March 31, 2019	March 31, 2018	March 31, 2019	March 31, 2018
		Non - current		Current	
i) Capital Advances					
Unsecured, considered good		-	693	-	-
	(A)	-	693	-	-
ii) Advances recoverable in cash or in kind					
Unsecured, considered good		110	23	16,891	17,226
Unsecured, considered impaired		-	-	190	2,109
Less: Allowance for doubtful advances		-	-	(190)	(2,109)
	(B)	110	23	16,891	17,226
b) Other taxes recoverable		-	-	2,713	5,958
	(C)	-	-	2,713	5,958
Total other assets (A+B+C)		110	716	19,604	23,184

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

9 Equity share capital

a) Authorised equity share capital

Particulars	Equity shares		Redeemable preference shares	
	Number of shares	Amount	Number of shares	Amount
As at April 01, 2017 (Face Value)	**20,000,000**	**200,000**	**10,000,000**	**100,000**
Increase during the year	50,000,000	500,000	-	-
As at March 31, 2018 (Face Value)	**70,000,000**	**700,000**	**10,000,000**	**100,000**
Increase during the year	-	-	-	-
As at March 31, 2019 (Face Value)	**70,000,000**	**700,000**	**10,000,000**	**100,000**

b) Movement in equity share capital

Particulars	Equity shares	
	Number of shares	Amount
As at April 01, 2017 (Face Value)	**19,064,072**	**190,641**
Increase during the year	50,000,000	500,000
As at March 31, 2018 (Face Value)	**69,064,072**	**690,641**
Increase during the year	-	-
As at March 31, 2019 (Face Value)	**69,064,072**	**690,641**

c) Detail of class of shares held by the Company

	Name of the Company	Class of shares Equity/	March 31, 2019 No. of shares	March 31, 2018 No. of shares
Holding Company	NIIT Limited	Equity	69,064,072	69,064,072

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

Particulars	As at March 31, 2019		As at March 31, 2018	
	No. of shares	% of holding	No. of shares	% of holding
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, 2019

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

10 Other Equity

	As at March 31, 2019	As at March 31, 2018
Securities Premium	20,000	20,000
Retained Earnings	(871,734)	(810,928)
Other equity	146,317	146,317
Total reserves and surplus	**(705,417)**	**(644,611)**

10(i) Reserves And Surplus

	As at March 31, 2019	As at March 31, 2018
a) Securities Premium		
Balance at the beginning of the year	20,000	20,000
Balance at the end of the year (A)	**20,000**	**20,000**
b) Retained Earnings		
Balance at the beginning of the year	(810,928)	(760,946)
Loss for the year	(60,654)	(47,370)
Other comprehensive loss	(152)	(2,612)
Balance at the end of the year (B)	**(871,734)**	**(810,928)**
Total Reserves and Surplus (C) (A+B)	**(851,734)**	**(790,928)**

10(ii) Other Reserves

	As at March 31, 2019	As at March 31, 2018
a) Other equity		
Balance at the beginning of the year	146,317	414,087
Increase / decrease in equity instrument of compound financial instrument (OCDs)	-	(263,270)
Expenses for issue of equity share capital	-	(4,500)
Balance at the end of the year (D)	**146,317**	**146,317**
Total (C+D)	**(705,417)**	**(644,611)**

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11 Financial Liabilities	As at		As at	
11(i) Borrowings	March 31, 2019	March 31, 2018	March 31, 2019	March 31, 2018
	Non - current		Current	
Unsecured				
From related parties				
Loans from Holding Company *	250,000	-	-	250,000
Sub Total (A)	**250,000**	-	-	**250,000**
Total	**250,000**	-	-	**250,000**

* The Company has outstanding loan of Rs. 250,000 thousand (March 31, 2018 year Rs. 250,000 thousand) from its holding company, NIIT Limited, at an interest rate sum of bank floating 1 year MCLR and fixed spread of 3.15% per annum. The loan outstanding in the previous year has been renewed for another period for 3 years i.e March 28, 2022.

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

11(ii) Trade Payables (Refer Note 26)	As at March 31, 2019	As at March 31, 2018
	Current	
Trade payables to other than micro and small enterprises	165,135	224,605
Trade payables to micro and small enterprises	1,276	6
Trade payables to related parties	21,191	48,322
Total trade payables	**187,602**	**272,933**

Parties covered under Micro, Small and Medium-Enterprises Development Act, 2006 (MSMED Act) for the year ended March 31, 2019 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, 2019	March 31, 2018
a) the principal amount and the interest due thereon remaining unpaid to any supplier		
i) Principal amount	1,195	5
ii) Interest thereon	81	1
b) the amount of payment made to the supplier beyond the appointed day and the interest thereon, during an accounting year		
i) Principal amount	16,022	72
ii) Interest thereon	610	-
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	81	1
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 (Refer Note 26)	As at March 31, 2019	March 31, 2018	March 31, 2019	March 31, 2018
	Non - current		Current	
Security Deposits Payable	100	4,638	-	-
Other Payables *	-	-	26,795	26,252
Total other financial liabilities	**100**	**4,638**	**26,795**	**26,252**

* Includes Payable to Employees amounting to Rs. 25,030 thousand (Previous year Rs. 23,827 thousand) out of which Payables to Key Managerial Person amounting to Rs. 542 thousand (Previous year Rs. 308 thousand).

12 Provisions	As at March 31, 2019	March 31, 2018	March 31, 2019	March 31, 2018
	Non - current		Current	
Provision for Employee Benefits :				
-Provision for Gratuity	-	-	11,336	8,656
-Provision for Compensated Absences*	76	81	6,902	5,343
Total Provision	**76**	**81**	**18,238**	**13,999**

* During the year expense charged / (credited) amounting on account of compensated absences Rs. 1,883 thousand (March 31, 2018, Rs (125) thousand) and benefits paid in Rs. 329 thousand (March 31, 2018 Rs 469 thousand).

13 Other Liabilities	As at March 31, 2019	March 31, 2018	March 31, 2019	March 31, 2018
	Non - current		Current	
Deferred Revenue	2,299	6,177	11,342	21,016
Advances from Customers	-	-	11,421	17,713
Statutory Dues	-	-	9,542	21,514
Total other liabilities	**2,299**	**6,177**	**32,305**	**60,243**

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

14 Revenue From Operations	Year ended March 31, 2019	Year ended March 31, 2018
Sale of Products :		
-Courseware and Training Material	161,021	179,765
-Hardware & Accessories	32,808	45,160
Sale of Services	157,474	367,748
- Discounts & Rebates	(163)	-
	351,140	592,673
Timing of revenue recognition		
Goods transferred at a point in time	193,666	224,925
Services transferred over time	157,474	367,748
Total revenue from contracts with customers	351,140	592,673

15 Other Income	Year ended March 31, 2019	Year ended March 31, 2018
Interest Income	11,730	8,466
Profit from Sale of Current Investment	902	90
Gain on Sale of Property, Plant & Equipment (net)	121	1,589
Gain on foreign currency translation and transaction (net)	-	32
Other Non-Operating Income	13,894	15,492
	26,647	25,669

16 Employee Benefits Expenses	Year ended March 31, 2019	Year ended March 31, 2018
Salaries and Benefits	190,725	277,053
Contribution to Provident and other Funds	9,861	11,481
Employees Stock Option Expenses*	1,946	422
Welfare and Other expenses	2,954	5,185
	205,486	294,141

*Employees Stock Options Expenses are payable to the Holding Company

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

17	Finance Costs	Year ended March 31, 2019	Year ended March 31, 2018
	Interest Expense	31,834	57,912
	Other Borrowing Costs	2,250	2,250
		34,084	60,162

18	Other Expenses	Year ended March 31, 2019	Year ended March 31, 2018
	Equipment Hiring	557	170
	Freight and Cartage	7,276	11,415
	Rent	9,928	10,672
	Rates and Taxes	1,563	22
	Power & Fuel	2,030	2,171
	Communication	4,164	5,389
	Legal and Professional	12,881	8,372
	Management Cost Recovery by Holding Company	14,068	22,146
	Travelling and Conveyance	27,816	29,595
	Allowance for Doubtful Debts	17,918	30,037
	Bad debts Written off	-	2,661
	Allowance for Doubtful Advances and Deposits	220	-
	Professional & Technical Outsourcing Expenses	-	29,131
	Insurance	13	12
	Repairs and Maintenance		
	- Plant and Machinery	1,048	1,830
	- Buildings	164	179
	- Others	3,002	2,369
	Consumables	4,553	13,214
	Loss on Foreign Currency Translation and Transaction (net)	34	-
	Security and Administration Services	835	929
	Bank Charges	62	307
	Marketing & Advertising Expenses	6,484	5,993
	Sundry Expenses	464	2,366
		115,080	178,980

19	Payment To Auditors	Year ended March 31, 2019	Year ended March 31, 2018
	As Auditor		
	- Audit Fee	485	485
	- Certification Fee	50	-
	- Reimbursement of expenses (inclusive of taxes)	145	131
		680	616

20	Exceptional Items	Year ended March 31, 2019	Year ended March 31, 2018
	Reversal of allowance for doubtful debts	13,266	-
	Liabilities written back	2,109	-
	Total	15,375	-

(i) During the year, the Company had written back Rs. 13,266 thousand on account of collections received from customers against which provision were created in earlier years under the above head.

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MINDCHAMPION LEARNING SYSTEMS LIMITED

CIN: U72200DL2001PLC111674

Notes to the Financial Statements for the year ended March 31, 2019

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

21 Income tax expense

(a) Income tax expense

	Year ended	
	March 31, 2019	**March 31, 2018**
Current tax		
Current tax on profits for the year	-	5,266
Adjustments for current tax of prior periods	867	78
Total current tax expense	**867**	**5,344**
Deferred tax		
Increase in minimum alternate tax credit	-867	-5,266
Total deferred tax expense/(benefit)	**-867**	**-5,266**
Income tax expense	**-**	**78**

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

	Year ended	
	March 31, 2019	**March 31, 2018**
Loss before Tax	-60,654	-47,292
Tax at the Indian tax rate of (FY 2018-19 27.82%) (FY 2017-18 27.82%) *	-	-
Tax effect of amounts which are not deductible (taxable) in calculating taxable income:		
Adjustment for Taxes relating to earlier years	-	78
Income tax expense	-	78

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

(This space has been intentionally left blank)

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

22 Fair value measurements

(i) Fair value hierarchy

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

Level 1: Level 1 hierarchy includes financial instruments measured using quoted prices. This includes listed equity instruments, traded bonds and mutual funds that have quoted price. The fair value of all equity instruments (including bonds) which are traded in the stock exchanges is valued using the closing price as at the reporting period. The mutual funds are valued using the closing net asset value.
Level 2: The fair value of financial instruments that are not traded in an active market (for example foreign exchange forward contracts) is determined using valuation techniques which maximize the use of observable market data and rely as little as possible on entity-specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.
Level 3: If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3. This is the case for unlisted equity securities, contingent consideration and indemnification asset included in level 3.

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

(ii) Valuation technique used to determine fair value

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

Financial instruments by category and hierarchy of measurement

	As at	
	March 31, 2019	March 31, 2018
	Amortised cost	Amortised cost
Financial assets		
Trade receivables	259,170	291,373
Cash and bank balances	20,348	83,803
Other financial assets	1,906	50,931
Total financial assets	**281,424**	**426,107**
Financial liabilities		
Borrowings	250,000	250,000
Trade payables	187,602	272,933
Other financial liabilities	26,895	30,890
Total financial liabilities	**464,497**	**553,823**

As of March 31, 2019 and March 31, 2018 , the fair value of cash and bank balances, trade receivables, other current financial assets and liabilities, borrowings, trade payables approximate their carrying amount largely due to the short term nature of these instruments. For other financial assets and liabilities that are measured at amortised cost, the carrying amounts approximate the fair value.

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

23 Financial risk management

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

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

(A) Credit risk

Credit risk refers to the risk of default on 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. 259,170 thousand and Rs. 291,373 thousand as of March 31, 2019 and March 31, 2018, respectively and unbilled revenue amounting to Rs. 691 thousand and Rs. 48,110 thousand as of March 31, 2019 and March 31, 2018, respectively. Trade receivables and unbilled revenue are typically unsecured and are derived from revenue earned through subsidiaries, government customers and other corporate customers. The Company has used the expected credit loss model to assess the impairment loss or gain on trade receivables and unbilled revenue, and has provided it wherever appropriate. The following table gives the movement in allowance for expected credit loss:

Reconciliation of loss allowance provision – Trade receivables

Particulars	Amount in Rs.
Loss allowance on April 01, 2017	151,470
Changes in loss allowance*	-34,053
Loss allowance on March 31, 2018	**117,417**
Changes in loss allowance*	2,385
Loss allowance on March 31, 2019	**119,802**

* During the year Company has writen back allowance for doubtful debts for amounting to Rs. 15,533 thousand (March 31, 2018 Rs. 64,090 thousand) and further allowance for doubtful debt charged in the statement of profit and loss for amounting to Rs. 17,918 thousand (March 31, 2018 Rs. 30,037 thousand).

(B) Liquidity risk

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

(i) Maturities of financial liabilities

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

Particulars	Less than 1 year	Between 1 and 2 years	Between 2 and 5 years	Total
Borrowings	-	-	250,000	250,000
Trade payables	187,602	-	-	187,602
Other financial liabilities	26,795	-	100	26,895
Total non-derivative liabilities	**214,397**	-	**250,100**	**464,497**

The table below provides details regarding the contractual maturities of significant financial liabilities as at March 31, 2018:

Particulars	Less than 1 year	Between 1 and 2 years	Between 2 and 5 years	Total
Borrowings	250,000	-	-	250,000
Trade payables	272,933	-	-	272,933
Other financial liabilities	26,252	-	4,638	30,890
Total non-derivative liabilities	**549,185**	-	**4,638**	**553,823**

(C) Market risk

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

(i) Interest rate risk

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

(ii) Foreign currency risk

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

The Company's exposure to foreign currency risk at the end of the reporting period expressed in Rs. thousand, are as follows

	As at March 31, 2019			As at March 31, 2018	
	USD	SGD	QAR	USD	SGD
Financial assets					
Trade receivables	1,529	3,47[illegible]	-	1,145	3,403
Financial liabilities					
Trade payables	-		196	-	-

USD: United States Dollar, SGD: Singapore Dollar, QAR: Qatari Riyal

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

24 Employee Benefits

A) Defined Contribution Plans

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

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

Particulars	Year ended March 31, 2019	Year ended March 31, 2018
Employers' Contribution to Provident Fund	2,956	3,545
Employers' Contribution to Superannuation Fund	673	707
Employers' Contribution to Employees Pension Scheme	3,406	5,124
Employers' Contribution to Employee National Pension System	218	320
Total	**7,253**	**9,696**

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

	Year ended March 31, 2019	Year ended March 31, 2018
Employers' Contribution to Provident Fund	159	116
Employers' Contribution to Superannuation Fund	187	150
Employers' Contribution to Employees Pension Scheme	19	15
Employers' Contribution to Employee National Pension System	125	109
	490	**390**

B) Defined Benefit Plans

I. Gratuity Fund - Funded

Particulars	As at March 31, 2019	As at March 31, 2018
i) Change in Present value of Obligation:-		
Present value of obligation as at beginning of the year	10,918	8,266
Interest cost	765	510
Current service cost	1,961	1,452
Acquisition (credit) / cost	231	65
Benefits paid from plan assets	-1,448	-1,972
Actuarial (gain)/ loss - experience	-128	849
Actuarial (gain)/ loss - financial assumptions	269	1,748
Present value of obligation as at the year end	**12,568**	**10,918**

	As at March 31, 2019	As at March 31, 2018
ii) Change in value of Plan Assets		
Fair value of Plan Assets as at the beginning of the year	2262	3029
Acquisition adjustment	231	65
Expected return on Plan Assets	118	177
Contributions	80	978
Benefits Paid	(1448)	(1972)
Return on plan assets (greater) / less than discount rate	(11)	(15)
Fair value of Plan Assets as at the end of the year	**1232**	**2262**

iii) Amount of Asset/ (Obligation) recognised in the Balance Sheet:-	Fair value of Plan Assets as at the end of the year	Present value of obligation as at the end of the year	Assets/ (obligation) recognised in Balance Sheet
As at March 31, 2019	1,232	12,568	-11,336
As at March 31, 2018	2,262	10,918	-8,656

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

Particulars	Year ended March 31, 2019	Year ended March 31, 2018
Current service cost	1,961	1,452
Interest cost	647	333
Expense recognised in the Statement of Profit and Loss	**2,608**	**1,785**

Estimated contributions for the year ended on March 31, 2020 is Rs. 11,336 thousands (Previous year Rs. 8,656 thousands)

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

v) Gratuity Cost recognised through Other Comprehensive Income:-

Particulars	Year ended March 31, 2019	Year ended March 31, 2018
Actuarial loss - experience	-128	849
Actuarial loss - financial assumptions	269	1,748
Return on plan assets (greater) / less than discount rate	11	15
Expense recognised through other comprehensive loss	152	2,612

vi) Assumptions used in accounting for gratuity plan:-

	As at March 31, 2019	As at March 31, 2018
Discount Rate (Per Annum)	7.25%	7.50%
Future Salary Increase	11% for FY 2019-20, 8% thereafter	11% for first 2 years, 8% thereafter
Expected Rate of return on plan assets	7.65%	8.25%

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, 2019	March 31, 2019	March 31, 2019
Discount rate	0.50%	-529	570
Salary growth rate	0.50%	562	-527
Withdrawal rate	5.00%	-466	480

	Impact on defined benefit obligation		
	Change in assumption	Increase in assumption	Decrease in assumption
	March 31, 2018	March 31, 2018	March 31, 2018
Discount rate	0.50%	-451	485
Salary growth rate	0.50%	479	-449
Withdrawal rate	5.00%	-380	382

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, 2019	March 31, 2018
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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(All amounts in Rs. thousands, unless otherwise stated)

25 Loss Per Share

	Year ended March 31, 2019	Year ended March 31, 2018
Loss attributable to Equity Shareholders (A)	(60,654)	(47,370)
Weighted average number of Equity Shares outstanding during the year (Nos.) – (B)	69,064,072	51,940,784
Nominal Value of Equity Shares (Rs.)	10	10
Basic loss per Share (Rs.) (A/B)	(0.88)	(0.91)
Diluted loss per Share (Rs.) (A/B)	(0.88)	(0.91)

26 Related Party Transactions

A. Related party relationship where control exists:

Holding Company - NIIT Limited

B. Fellow Subsidiaries

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

C. Other related parties with whom the Company has transacted

a. Key Managerial Personnel

1 Gavin Debreo (Chief Executive Officer upto June 30, 2018)
2 Umesh Kumar Gola (Chief Financial Officer)
3 Leena Khokha (Manager w.e.f. December 31, 2018)

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

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

D. Key Management Personnel compensation

	March 31, 2019	March 31, 2018
Short-term employee benefits	6,615	12,686
Post-employment benefits	793	742
Share based payments	166	-
Total compensation	**7,574**	**13,428**

E. Terms and conditions

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

The average interest rate on the borrowings during the year is 12.4% (March 31, 2018 was 12%).

All outstanding balances are unsecured and are repayable in cash.

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26 Related Party Transactions (Contd.)

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

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

Nature of Transactions	Holding Company	Fellow Subsidiaries	Parties in which Key Managerial Personnel of Holding Company are interested	Key Managerial Personnel	Total
Sale of Goods- Revenue	1,178	-	3,516	-	4,694
	-	-	(1,989)	-	(1,989)
Sale of services- Revenue	-	-	216	-	216
	-	-	-	-	-
Recovery of Expenses From	249	-	-	-	249
	(261)	-	(3)	-	(264)
Management Cost Recovery- Other Expenses	13,106	-	-	-	13,106
	(22,522)	-	-	-	(22,522)
Corporate Guarantee Charges- Other Borrowing Costs	2,250	-	-	-	2,250
	(2,250)	-	-	-	(2,250)
Recovery of Employee Benefits expenses by	2,295	-	-	-	2,295
	-	-	-	-	-
Recovery of Expenses By	15,705	-	-	-	15,705
	(15,556)	-	-	-	(15,556)
Remuneration to Key Managerial Personnel	-	-	-	7,574	7,574
	-	-	-	(13,428)	(13,428)
Interest Expense- Finance Cost	31,000	-	-	-	31,000
	(25,105)	-	-	-	(25,105)
Issuance of Equity share capital	-	-	-	-	-
	(500,000)	-	-	-	(500,000)
OCDs Repaid	-	-	-	-	-
	(100,000)	-	-	-	(100,000)
Loan Taken	250,000	-	-	-	250,000
	(300,000)	-	-	-	(300,000)
Loan Repaid	250,000	-	-	-	250,000
	(50,000)	-	-	-	(50,000)

G. Details of outstanding balances with related parties:

Particulars	Holding Company	Fellow Subsidiaries	Parties in which Key Managerial Personnel of Holding Company are interested	Key Managerial Personnel*	Total
i) Payables					
March 31, 2019	21,191	-	-	542	21,733
March 31, 2018	(48,322)	-	-	(308)	(48,630)
ii) Receivables					
March 31, 2019	-	-	2,571	-	2,571
March 31, 2018	(7,562)	-	(1,451)	-	(9,013)
iii) Loan payables					
March 31, 2019	250,000	-	-	-	250,000
March 31, 2018	(250,000)	-	-	-	(250,000)

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

H. The Company has availed corporate guarantee issued by Holding company of Rs. 450,000 thousand (Previous year Rs. 450,000 thousand) for working capital limits .

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

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

27 Segment Information

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

28 Leases

Operating Leases:

The Company has entered into leases for office premises, 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, 2019	**March 31, 2018**
In respect of premises*	9,084	9,905
In respect of equipments**	416	129
In respect of vehicles	844	767
Total	**10,344**	**10,801**

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

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

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

a. Disaggregated revenue information

	March 31, 2019
Type of Services	
Sale of Courseware and Training Material	160,858
Sale of Hardware & Accessories	32,808
Sale of Services	157,474
	351,140
Timing of Revenue Recognition	
Goods (Courseware, Training Material, Hardware & Accessories) transferred at a point in time	193,666
Services transferred over time (Training Services)	157,474
	351,140

b. Trade receivables and Contract Customers

Trade Receivables	259,170
Unbilled Revenue	691
	259,861

Trade receivables are non-interest bearing and are generally on terms of 60 - 90 days. Rs. 17,918 thousands was 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. 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, 2019, 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, 2019	**March 31, 2018**
Opening Capital Work-in-Progress	38,206	1,371
Add:-Expenditure during the year		
Salary and other Employee Benefits	6,126	9,933
Professional & Technical Outsourcing Expense	8,227	26,312
Rent	83	292
Other Expenses	328	298
Less:-Intangible Capitalised during the year	(27,946)	-
Closing Balance at the end of the year	**25,024**	**38,206**

31 The net worth of the Company is eroded as at March 31, 2019. However based on the future business projections of School business and the future outlook of the Company, the Board of Directors of the Company are confident that the Company is expected to witness improved performance in following years. Further, the holding company NIIT Limited has committed operational and financial supports to the Company. Accordingly Company's Financial Statements have been prepared on an going concern basis.

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MindChampion Learning Systems Ltd. Gurgaon

MINDCHAMPION LEARNING SYSTEMS LIMITED
CIN: U72200DL2001PLC111674
Notes to the Financial Statements for the year ended March 31, 2019

32 Previous year figures have been regrouped / reclassified to conform the current year classification.

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

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

Sanjay Bachchani
Partner
Membership No. 400419

Place: Gurugram
Date: April 30, 2019

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

P Rajendran
Director
DIN - 00042531

Amit Roy
Director
DIN - 07138197

Umesh Kumar Gola
Chief Financial Officer

Aviral Bhargava
Company Secretary

Place: Gurugram
Date: April 30, 2019