

MINDCHAMPION LEARNING SYSTEM LIMITED
(FORMERLY KNOWN AS HOLE-IN-THE-WALL EDUCATION LIMITED)
STATEMENT OF ACCOUNTS FOR THE YEAR ENDED
MARCH 31, 2016

Price Waterhouse & Co Bangalore LLP

Chartered Accountants

INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF MINDCHAMPION LEARNING SYSTEMS LIMITED
(formerly known as Hole-in-the-Wall Education Limited)

Report on the Financial Statements

1. We have audited the accompanying financial statements of Mindchampion Learning Systems Limited (formerly known as Hole-in-the-Wall Education Limited) ("the Company"), which comprise the Balance Sheet as at March 31, 2016, the Statement of Profit and Loss, the Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

2. The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these financial statements to give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. 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 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 financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

3. Our responsibility is to express an opinion on these financial statements based on our audit.
4. We have taken into account the provisions of the Act and the Rules made thereunder including the accounting standards and matters which are required to be included in the audit report.
5. We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act and other applicable authoritative pronouncements issued by the Institute of Chartered Accountants of India. Those Standards and pronouncements require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.
6. An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the financial statements that give a true and fair view, in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the financial statements.

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Price Waterhouse & Co., Bangalore (a Partnership Firm) converted into Price Waterhouse & Co Bangalore LLP (a Limited Liability Partnership with LLP identity no: LLPIN AAC-6284) with effect from, August 25, 2014. Post its conversion to Price Waterhouse & Co Bangalore LLP, its ICAI registration number is 007567S/S-200012 (ICAI registration number before conversion was 007567S)

INDEPENDENT AUDITOR'S REPORT

To the Members of Mindchampion Learning Systems Limited

Report on the Financial Statements

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7. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the financial statements.

Opinion

8. In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2016, and its losses and its cash flows for the year ended on that date.

Report on Other Legal and Regulatory Requirements

9. As required by 'the Companies (Auditor's Report) Order, 2016', issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act (hereinafter referred to as the "Order"), and on the basis of such checks of the books and records of the Company as we considered appropriate and according to the information and explanations given to us, we give in the Annexure B a statement on the matters specified in paragraphs 3 and 4 of the Order.
10. 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, and the Cash Flow Statement dealt with by this Report are in agreement with the books of account
 - (d) In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
 - (e) On the basis of the written representations received from the directors as on March 31, 2016 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2016 from being appointed as a director in terms of Section 164 (2) of the Act.
 - (f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in Annexure A.
 - (g) With respect to the other matters to be included in the Auditors' Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our knowledge and belief and according to the information and explanations given to us:
 - i. The Company has disclosed the impact, if any, of pending litigations as at March 31, 2016 on its financial position in its financial statements – Refer Note 16;
 - ii. The Company did not have any long-term contracts including derivative contracts as at March 31, 2016.

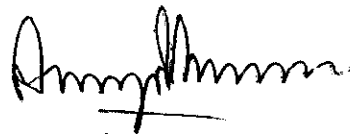


INDEPENDENT AUDITOR'S REPORT

To the Members of Mindchampion Learning Systems Limited
Report on the Financial Statements
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- iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company during the year ended March 31, 2016.

For Price Waterhouse & Co Bangalore LLP
Firm Registration Number: 007567S/S-200012
Chartered Accountants



Anupam Dhawan
Partner
Membership Number: 084451

Place: Gurgaon
Date: May 09, 2016

Annexure A to Independent Auditors' Report

Referred to in paragraph 10 of the Independent Auditors' Report of even date to the members of Mindchampion Learning Systems Limited (formerly known as Hole-in-the-Wall Education Limited) on the financial statements for the year ended March 31, 2016.

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

1. We have audited the internal financial controls over financial reporting of Mindchampion Learning Systems Limited (formerly known as Hole-in-the-Wall Education Limited) ("the Company") as of March 31, 2016 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

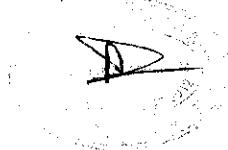
2. The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India (ICAI). 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 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 Act.

Auditors' Responsibility

3. Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting 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 deemed to be prescribed under section 143(10) of the Act to the extent applicable to an audit of internal financial controls, both applicable to an audit of internal financial controls and both issued by the ICAI. 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 was established and maintained and if such controls operated effectively in all material respects.
4. Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, 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.
5. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

Meaning of Internal Financial Controls Over Financial Reporting

6. A company's internal financial control over financial reporting 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 includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the



Annexure A to Independent Auditors' Report

Referred to in paragraph 10 of the Independent Auditors' Report of even date to the members of Mindchampion Learning Systems Limited (formerly known as Hole-in-the-Wall Education Limited) on the financial statements for the year ended March 31, 2016.

Page 2 of 2

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.

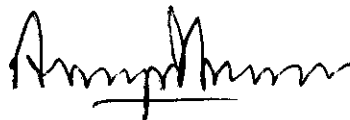
Inherent Limitations of Internal Financial Controls Over Financial Reporting

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

Opinion

8. In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2016, 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 Price Waterhouse & Co Bangalore LLP
Firm Registration Number: 007567S/S-200012
Chartered Accountants



Anupam Dhawan
Partner

Membership Number: 084451

Place: Gurgaon

Date: May 09, 2016

Annexure B to Independent Auditors' Report

Referred to in paragraph 9 of the Independent Auditors' Report of even date to the members of Mindchampion Learning Systems Limited (formerly known as Hole-in-the-Wall Education Limited) on the financial statements as of and for the year ended March 31, 2016

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

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

(c) The Company does not own any immovable properties. Therefore, the provisions of Clause 3(i)(c) of the said Order are not applicable to the Company.
- ii. (a) The inventory has been physically verified by the management during the year. In our opinion, the frequency of verification is reasonable.

(b) In our opinion, the procedures of physical verification of inventory followed by the management are reasonable and adequate in relation to the size of the Company and nature of its business.

(c) On the basis of our examination of the inventory records, in our opinion, the Company is maintaining proper records of inventory. The discrepancies noticed on physical verification of inventory as compared to books records were not material.
- iii. 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 Act. Therefore, the provisions of Clause 3(iii), (iii)(a), (iii)(b) and (iii)(c) of the said Order are not applicable to the Company.
- iv. The Company has not granted any loans or made any investments, or provided any guarantees or security to the parties covered under Section 185 and 186. Therefore, the provisions of Clause 3(iv) of the said Order are not applicable to the Company.
- v. The Company has not accepted any deposits from the public within the meaning of Sections 73, 74, 75 and 76 of the Act and the Rules framed there under to the extent notified.
- vi. Pursuant to the rules made by the Central Government of India, the Company is required to maintain cost records as specified under Section 148(1) of the Act in respect of its products. We have broadly reviewed the same, and are of the opinion that, prima facie, the prescribed accounts and records have been made and maintained. We have not, however, made a detailed examination of the records with a view to determine whether they are accurate or complete.
- vii. (a) According to the information and explanations given to us and the records of the Company examined by us, in our opinion, the Company is generally regular in depositing undisputed statutory dues in respect of Income tax, value added tax, sales tax, service tax and employees' state insurance, though there has been a slight delay in a few cases, and is regular in depositing undisputed statutory dues, including provident fund, and other material statutory dues, as applicable, with the appropriate authorities.

(b) According to the information and explanations given to us and the records of the Company examined by us, there are no dues of income-tax, sales-tax, value added tax which have not been deposited on account of any dispute.



Annexure B to Independent Auditors' Report

Referred to in paragraph 9 of the Independent Auditors' Report of even date to the members of Mindchampion Learning Systems Limited (formerly known as Hole-in-the-Wall Education Limited) on the financial statements as of and for the year ended March 31, 2016

- viii. According to the records of the Company examined by us and the information and explanation given to us, the Company has not defaulted in repayment of loans or borrowings to any financial institution or bank or Government or dues to debenture holders as at the balance sheet date.
- ix. The Company has not raised any moneys by way of initial public offer, further public offer (including debt instruments) and term loans. Accordingly, the provisions of Clause 3(ix) of the Order are not applicable to the Company.
- x. During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, we have neither come across any instance of material fraud by the Company or on the Company by its officers or employees, noticed or reported during the year, nor have we been informed of any such case by the Management.
- xi. The Company has paid/ provided for managerial remuneration in accordance with the requisite approvals mandated by the provisions of Section 197 read with Schedule V to the Act.
- xii. As the Company is not a Nidhi Company and the Nidhi Rules, 2014 are not applicable to it, the provisions of Clause 3(xii) of the Order are not applicable to the Company.
- xiii. The Company has entered into transactions with related parties in compliance with the provisions of Sections 177 and 188 of the Act. The details of such related party transactions have been disclosed in the financial statements as required under Accounting Standard (AS) 18, Related Party Disclosures specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
- xiv. The Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review. Accordingly, the provisions of Clause 3(xiv) of the Order are not applicable to the Company.
- xv. The Company has not entered into any non-cash transactions with its directors or persons connected with him. Accordingly, the provisions of Clause 3(xv) of the Order are not applicable to the Company.
- xvi. The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, the provisions of Clause 3(xvi) of the Order are not applicable to the Company.

For Price Waterhouse & Co Bangalore LLP
Firm Registration Number: 007567S/S-200012
Chartered Accountants



Anupam Dhawan
Partner
Membership Number: 084451

Place: Gurgaon
Date: May 09, 2016

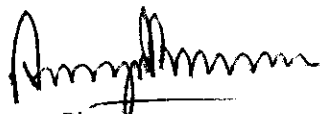
MINDCHAMPION LEARNING SYSTEMS LIMITED
(Formerly Known as Hole-in-the-Wall Education Limited)
Balance Sheet as at March 31, 2016

	Note	As at March 31, 2016 (Rs.)	As at March 31, 2015 (Rs.)
EQUITY AND LIABILITIES			
Shareholders' Funds			
Share Capital	2	190,640,719	10,000,070
Reserves and Surplus	3	(592,615,026)	(575,760,326)
Share Capital Pending Allotment	26	-	180,640,649
Non-Current Liabilities			
Long-Term Borrowings	4	929,700,000	929,700,000
Other Long-Term Liabilities	7	24,552,151	47,191,560
Long-Term Provisions	8	228,000	268,000
Current Liabilities			
Short-Term Borrowings	5	278,000,000	25,000,000
Trade Payables	6	-	-
-Total outstanding due of micro and small enterprises		4,883	-
-Total outstanding due of creditor other than micro and small enterprises		268,385,307	374,872,525
Other Current Liabilities	7	156,057,419	176,215,358
Short-Term Provisions	8	7,044,967	12,501,928
TOTAL		1,261,998,420	1,180,629,764
ASSETS			
Non-Current Assets			
Fixed Assets	9		
-Tangible Assets		53,959,049	109,266,306
-Intangible Assets		81,662,198	101,312,736
Long-Term Loans and Advances	11	58,114,793	36,142,438
Trade Receivables	12	74,069,338	297,540,496
Other Non-Current Assets	13	4,494,436	11,678,764
Current Assets			
Inventories	14	17,137,443	13,289,158
Trade Receivables	12	742,345,982	374,800,081
Cash and Bank Balances	15	68,249,920	3,274,344
Short-Term Loans and Advances	11	101,678,264	103,765,503
Other Current Assets	13	60,286,997	129,559,938
TOTAL		1,261,998,420	1,180,629,764

The accompanying Notes form an integral part of these financial statements


This is the Balance Sheet referred to in our report of even date


For Price Waterhouse & Co Bangalore LLP
Firm Registration No: 007567S/S-200012
Chartered Accountants

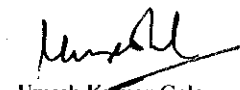

Anupam Dhawan
Partner
Membership No. 084451

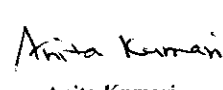
Place: Gurgaon
Date: May 09, 2016

For and on behalf of the Board


P. Rajendran
Director
DIN - 00042531


Rohit Kumar Gupta
Director
DIN - 05015180


Umesh Kumar Gola
Chief Financial Officer


Anita Kumari
Company Secretary

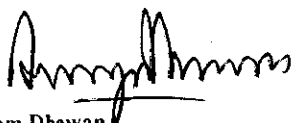
MINDCHAMPION LEARNING SYSTEMS LIMITED
(Formerly Known as Hole-in-the-Wall Education Limited)
Statement of Profit and Loss for the year ended March 31, 2016

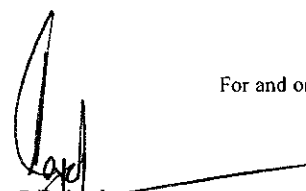
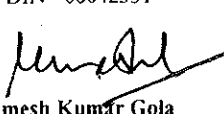
	Note	Year ended March 31, 2016 (Rs.)	Year ended March 31, 2015 (Rs.)
Income			
Revenue from Operations	18	1,064,460,617	1,413,729,404
Other Income	19	1,949,005	1,756,389
Total Revenue		1,066,409,622	1,415,485,793
Expenses			
Purchase of Traded Goods		118,648,257	186,884,813
Change in Inventory	14	(3,848,285)	(12,285,638)
Employee Benefits Expense	20	446,831,719	536,272,709
Professional & Technical Outsourcing Expenses		77,150,230	244,024,413
Finance Costs	22	27,450,324	7,750,996
Depreciation and Amortisation Expense	9	80,762,054	496,171,539
Other Expenses	23	338,954,249	414,084,667
Total Expenses		1,085,948,548	1,872,903,499
Loss before Exceptional items and Tax		(19,538,926)	(457,417,706)
Exceptional items (Net)	25	(2,684,226)	21,128,516
Loss before Tax		(16,854,700)	(478,546,222)
Tax expense:	10		(29,453,427)
-Deferred Tax (credit)			
Loss for the year		(16,854,700)	(449,092,795)
Earnings/ (Loss) per Equity Share (Face Value Rs. 10/- each):	30		
-Basic		(0.88)	(23.56)
-Diluted		(0.88)	(23.56)

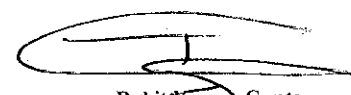
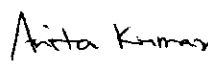
The accompanying Notes form an integral part of these financial statements
This is the Statement of Profit and Loss referred to in our report of even date

For Price Waterhouse & Co Bangalore LLP
Firm Registration No: 007567S/S-200012
Chartered Accountants

For and on behalf of the Board


Anupam Dhawan
Partner
Membership No. 084451


P. Rajendran
Director
DIN - 00042531

Umesh Kumar Gola
Chief Financial Officer

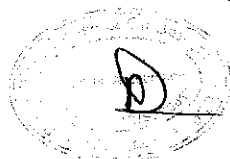

Rohit Kumar Gupta
Director
DIN - 05015180

Anita Kumari
Company Secretary

Place: Gurgaon
Date: May 09, 2016

MINDCHAMPION LEARNING SYSTEMS LIMITED
(Formerly Known as Hole-in-the-Wall Education Limited)

Cash Flow Statement for the year ended March 31, 2016

	Year ended March 31, 2016 (Rs.)	Year ended March 31, 2015 (Rs.)
A. CASH FLOW FROM OPERATING ACTIVITIES:		
Profit/ (Loss) before Tax and before Exceptional Items	(19,538,926)	(457,417,706)
Add / (Less):		
Depreciation and Amortisation	80,762,054	496,171,539
Provision for Doubtful Debts	18,090,399	11,844,213
Provision for Doubtful Advances	-	89,255
Provision for Slow/ Non-moving Inventory (Net)	-	500,000
Inventory Written off/(Written back)	1,543,556	-
Unrealised Foreign Exchange (Gain)/ Loss	(92,848)	18,402
Finance Cost	27,450,324	7,750,996
Interest Income	(38,160)	(128,524)
(Profit)/ Loss on sale of Fixed Assets	(304,586)	(899,245)
Provision / Other Liabilities Written Back	(1,211,468)	(575,361)
	126,199,271	514,771,275
Operating Profit before Working Capital Changes	106,660,345	57,353,569
Add/ (Less): Changes in Operating Working Capital:		
Increase/ (Decrease) in Trade Payables	(106,389,810)	285,805,367
Increase/ (Decrease) in Short Term Provisions	(5,456,962)	2,464,243
Increase/ (Decrease) in Long Term Provisions	(40,000)	(22,435)
Increase/ (Decrease) in Other Current Liabilities	(16,957,574)	5,204,809
Increase/ (Decrease) in Other Long Term Liabilities	(22,639,409)	(19,854,565)
(Increase)/ Decrease in Current Trade Receivables	(367,545,578)	(163,262,273)
(Increase)/ Decrease in Non Current Trade Receivables	209,760,331	(331,594,389)
(Increase)/ Decrease in Inventories	(5,391,841)	(6,768,638)
(Increase)/ Decrease in Short Term Loans and Advances	2,087,242	42,806,814
(Increase)/ Decrease in Long Term Loans and Advances	812,436	21,316,189
(Increase)/ Decrease in Other Current Assets	69,279,858	69,097,235
(Increase)/ Decrease in Other Bank Balances	(127,612)	(92,234)
(Increase)/ Decrease in Other Non-current Assets	7,284,326	14,071,282
	(235,324,593)	(80,828,595)
Cash generated from operations	(128,664,248)	(23,475,026)
Direct Tax- (paid)/ refund received (including TDS) (net)	(22,763,791)	(31,896,821)
Net Cash from Operating activities before exceptional items	(151,428,039)	(55,371,847)
B. CASH FLOW FROM INVESTING ACTIVITIES:		
Purchase of Fixed Assets (including Capital Work-in-progress, internally developed intangibles and Capital Advances)	(11,120,948)	(77,676,391)
Sale of Fixed Assets	1,916,033	-
Interest Received	31,242	170,478
Net Cash from/ (used) in Investing activities (B)	(9,173,673)	(77,505,913)



C. CASH FLOW FROM FINANCING ACTIVITIES:

Short Term Loan from Others		(21,475,680)
-Repaid during the year		(15,634,308)
Proceeds / (Payments) relating to Cash Credits (Net)	(27,450,324)	(2,320,289)
Interest Paid on Fixed Loan	278,000,000	25,000,000
Receipt of Inter Corporate Deposits	(25,000,000)	-
Payment of Inter Corporate Deposits	225,549,676	(14,430,277)
Net Cash from/ (used) in Financing activities (C)		
Net Increase/(Decrease) in Cash & Cash Equivalents (A) + (B) + (C)	64,947,964	(147,308,037)
Cash and Cash Equivalents as at the beginning of the year (Note 1)	2,943,847	251,884
Cash Flow due to acquisition of business (Note 2)	-	150,000,000
Cash and cash Equivalents as at the end of the year (Note 1)	67,891,811	2,943,847

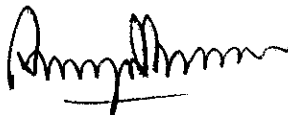
Notes:

1 Cash and Cash Equivalents

	As at	
	March 31, 2016	March 31, 2015
	(Rs.)	(Rs.)
Balance with banks		
Current Accounts	64,189,255	2,943,847
Cheques, drafts on hand	3,702,556	-
Cash and Cash Equivalents as at the end of the year	67,891,811	2,943,847

- 2 In previous year, the transfer of assets and liabilities pursuant to the Scheme of Arrangement (Refer Note 26) did not involve any cash flows except cash inflow of Rs.150 million towards acquisition of School Business Undertaking. Further, the cash flow statement for the year ended March 31,2015 was prepared considering the impact of acquisition of School Business Undertaking pursuant to the Scheme of Arrangement (Refer Note 26).
- 3 The above Cash flow statement has been prepared under the indirect method as set out in Accounting Standard 3 as notified under Section 211(3C) [Companies (Accounting Standards) Rules, 2006, as amended] and other relevant provisions of the Companies Act, 2013.
- 4 Figures in parenthesis indicate cash outgo.
- 5 Previous year figures have been regrouped/ recast wherever necessary to conform to the current year's classification.
- The accompanying Notes form an integral part of these financial statements


This is the Cash Flow Statement referred to in our report of even date
For Price Waterhouse & Co Bangalore LLP
Firm Registration No: 007567S/S-200012
Chartered Accountants

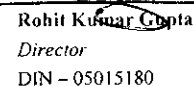



Anupam Dhawan
Partner
Membership No. 084451

Place: Gurgaon
Date: May 09, 2016

For and on behalf of the Board


P. Rajendran
Director
DIN - 00042531


Rohit Kumar Gupta
Director
DIN - 05015180


Umesh Kumar Gola
Chief Financial Officer


Anita Kumari
Company Secretary

1 CORPORATE INFORMATION

Mindchampion Learning Systems Limited (Formerly known as Hole-in-the-Wall Education Ltd.) ("the Company") which was set up in 2001 is 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 the Scheme of Arrangement between the NHT Limited and the Company, the School Business Undertaking (SLS) of NHT Limited was transferred to the Company w.e.f. May 23, 2015 from appointed date of April 1, 2014. (Refer Note 26). SLS is in the business of providing education and other related services to schools across India.

2 SIGNIFICANT ACCOUNTING POLICIES

2.1 Basis of Preparation

These financial statements have been prepared in accordance with the generally accepted accounting principles in India under the historical cost convention on accrual basis. Pursuant to the section 133 of the Companies Act, 2013, read with the rule 7 of the Companies (Accounts) Rules, 2014, till the standards of accounting or any addendum thereto are prescribed by the Central Government in consultation and recommendation of the National Financial Reporting Authority, the existing Accounting Standards notified under the Companies Act, 1956 shall continue to apply. Consequently, these financial statements have been prepared to comply in all material aspects with the accounting standards notified under Section 211(3C) [Companies (Accounting Standards) Rules, 2006, as amended] and other relevant provisions of the Companies Act, 2013 and/or 1956.

All assets and liabilities have been classified as current or non-current as per the Company's normal operating cycle and other criteria set out in the Schedule III to the Companies Act, 2013. Based on the nature of products 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 as 12 months for the purpose of current – non current classification of assets and liabilities.

2.2 Accounting policies adopted by the Company are detailed below:

i) Tangible Fixed Assets and Depreciation

Fixed Assets are stated at acquisition cost, net of accumulated depreciation and accumulated impairment losses, if any, except where they are taken over pursuant to an acquisition at a consolidated price. Individual fixed assets taken over pursuant to acquisition are recorded at their respective fair values on the date of acquisition based on a valuation carried out by an independent valuer.

Losses arising from the retirement of, and gains or losses arising from disposal of fixed assets which are carried at cost or fair values are recognised in the Statement of Profit and Loss.

Depreciation is provided on a pro-rata basis on the straight-line method over the estimated useful lives of the assets based on an evaluation by management expert or the rates prescribed under Schedule II to the Companies Act, 2013, whichever is higher, as follows:

Description of Asset	Current Year
Plant and Equipment including:	
- Computers, Printers and related Accessories	3 Years
- Computer Servers & 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 under employee benefits scheme except vehicles	3 years
Assets acquired under lease (Included under Plant & Equipment and Furniture & Fixtures)	Lease period or useful life, whichever is shorter
All other assets (including vehicles)	Rates prescribed under Schedule II to the Companies Act, 2013

Fixed Assets purchased for utilisation in implementing certain contractual obligations with the customers under a project are depreciated over the period of the contracts or useful life assessed as above, whichever is shorter.

ii) Intangible Fixed Assets and Amortisation

Expenses incurred on internal development of educational content and products are capitalised either individually or as a knowledge bank in the form of software, once their technical feasibility and ability to generate future economic benefits is established in accordance with the requirements of Accounting Standard 26, "Intangible Assets". Expenses incurred during the research phase till the establishment of commercial feasibility is charged to the Statement of Profit and Loss.

Intangible Fixed Assets are stated at acquisition cost, net of accumulated amortisation and accumulated impairment losses.

Amortisation is provided on a pro-rata basis on the straight-line method over the estimated useful lives of the assets determined as follows:

Description of Asset	Current Year
a) Contents and Products #	
- School based non - IT content	10 Years
- Others	3-5 Years
b) Software #	3-5 Years
c) Patents	3-5 years

Contents, products and software are technically evaluated each year for their useful economic life and the unamortised amount of the asset is charged to Statement of Profit and Loss as amortisation over their revised remaining useful life.



iii) Impairment of Assets

All assets other than inventories, investments and deferred tax asset, are reviewed for impairment, wherever events or changes in circumstances indicate that the carrying amount may not be recoverable. Assets whose carrying value exceeds their recoverable amount are written down to the recoverable amount.

iv) Inventory Valuation - Traded Goods

Inventories are valued at lower of cost or net realisable value. Cost is determined using weighted average method and includes applicable costs incurred in bringing inventories to their present location and condition.

v) Revenue Recognition

The revenue in respect of sale of courseware and other goods are recognised on dispatch / delivery of the material to the customer as per trade practice and agreed terms whereas the revenue from the training is recognised over the period of the course programs or as per the terms of agreement, as the case may be. Revenue is recognised net of trade discounts, value added tax and service tax as the case may be.

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

In respect of sale and lease back transactions, revenue is recognised on delivery of the product. Gain on sale on such transactions is recognised in the Statement of Profit and Loss over the lease period of the respective product.

vi) Other Income

Interest income is recognised on a time proportion basis taking into account the amount outstanding and the rate applicable.

vii) Employee Benefits

Gratuity

The Company provides for gratuity, a defined benefit retirement plan (the "Gratuity Plan") covering eligible employees in accordance with the Payment of Gratuity Act, 1972. The Gratuity Plan provides a lump sum payment to vested employees at retirement, death, incapacitation or termination of employment, of an amount based on the respective employee's salary and the tenure of employment. Company's liability is actuarially determined (using projected unit credit method) at the end of the year and any shortfall in the fund size maintained by the Trust set up by the holding Company, NIIT Limited, with Life Insurance Corporation of India (LIC) is charged/ credited to the Statement of Profit and Loss.

Compensated Absences

Liability in respect of compensated absences is provided both for encashable leave and those expected to be availed. The Company's liability is determined on the basis of an actuarial valuation (using projected unit credit method) at the end of the year. Actuarial losses/ gains are charged/ credited to the Statement of Profit and Loss in the year in which such losses/ gains arise.

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 unutilised entitlement at the year end.

Superannuation

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

Provident Fund

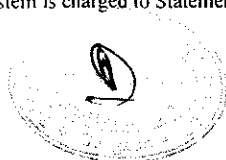
The Company makes defined contribution of Provident Fund to the trust "NIIT LIMITED EMPLOYEES' PROVIDENT FUND TRUST" ('the Trust') set up by the Holding Company. The Company's obligation is actuarially determined (using Projected Unit Credit Method) and provided for if circumstances indicate that the Trust may not be able to earn adequate return to cover the interest rate notified by the government. The Company's contribution towards Provident Fund is charged to the Statement of Profit & Loss.

Pension Scheme

The Company makes defined contribution to a government administered pension fund towards its pension plan on behalf of its employees. The Company has no further obligations beyond its monthly contributions and additionally, 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 the company has no further obligation. The Company's contribution towards Employee Pension System is charged to Statement of Profit and Loss.



viii) Foreign Currency Transactions

Transactions in foreign currency are booked at rates determined periodically which approximate the actual rates, and all monetary assets and liabilities in foreign currency are restated at the end of accounting period. Gain/loss arising out of fluctuations on realisation/payment or restatement is charged/credited to the Statement of Profit and Loss.

ix) Leases

Lease rental in respect of operating lease arrangements are charged to expense in the Statement of Profit and Loss on a straight line basis as per the terms of the related agreement.

x) Borrowing Cost

Borrowing costs are recognised in the Statement of Profit and Loss for the period in which they are incurred except where the cost is incurred during the construction of an asset that takes a substantial period to get ready for its intended use, in which case, it is capitalised.

xi) Taxation

Tax expense, comprising of both current tax and deferred tax is included in determining the net results for the year. Current Tax is measured at the amount expected to be paid to the tax authorities in accordance with the taxation laws prevailing in the respective jurisdiction. Minimum Alternate Tax (MAT) paid in excess of normal income tax is recognised as asset (MAT Credit entitlement) only to the extent, there is reasonable certainty that the Company shall be liable to pay tax as per the normal provisions of the Act in future. MAT Credit is utilised in the year when normal income tax is higher than the Minimum Alternate Tax (MAT). Deferred Tax is recognised for all timing differences, subject to consideration of prudence in respect of Deferred Tax Assets. Deferred tax assets are recognised and carried forward only to the extent that there is reasonable certainty of realisation of such timing difference. In situation, where the company has unabsorbed depreciation or carry forward losses under the law, all deferred tax assets are recognised to the extent that there is virtual certainty supported by convincing evidence that they can be reached against future taxable profits. At each Balancesheet date, the Company re-assess unrecognised deferred tax assets, if any.

xii) Provisions and Contingencies

The Company creates a provision when there is present obligation as a result of a past event that probably requires an outflow of resources and a reliable estimate can be made of the amount of obligation. Provisions are measured at the best estimate of the expenditure recognised to settle the present obligation at the balance sheet date and are not discounted to the present value.

Contingent Liabilities are disclosed when there is a possible obligation arising from past events, the existence of which will be confirmed only on the occurrence of one or more uncertain future events not wholly within the control of the Company or a present obligation that arises from past events where it is either not probable that an outflow of resource will be argued to settle or a reliable estimate of the amount cannot be made.

xiii) Earnings Per Share

The earnings considered in ascertaining the Company's earnings per share ('EPS') comprises the net profit after tax. The number of shares used in computing the Basic EPS is the weighted average number of shares outstanding during the year. The Diluted EPS is calculated on the same basis as Basic EPS, after adjusting for the effects of potential dilutive equity shares.

xiv) Cash and Cash Equivalents

Cash and cash equivalents includes cash on hand, demand deposits with banks, other short-term highly liquid investments with original maturities of three months or less.



MINDCHAMPION LEARNING SYSTEMS LIMITED
(Formerly Known as Hole-in-the-Wall Education Limited)
Notes to Financial Statements for the year ended March 31, 2016

2. SHARE CAPITAL	As at March 31, 2016 Rs.	As at March 31, 2015 Rs.
Authorised 20,000,000 Equity Shares of Rs. 10/- each (Previous year 20,000,000 Equity Shares of Rs. 10/- each)	200,000,000	200,000,000
10,000,000 Redeemable Preference Shares of Rs.10/- each (Previous year 10,000,000 Redeemable Preference Shares of Rs.10/- each)	100,000,000	100,000,000
	300,000,000	300,000,000
Issued 19,064,072 Equity Shares of Rs. 10/- each (Previous year - 1,000,007 Equity Shares of Rs. 10/- each)	190,640,719	10,000,070
	190,640,719	10,000,070
Subscribed and fully paid 19,064,072 Equity Shares of Rs. 10/- each (Previous year - 1,000,007 Equity Shares of Rs. 10/- each)	190,640,719	10,000,070
	190,640,719	10,000,070

2.1	Reconciliation of the number of shares outstanding	As at March 31, 2016		As at March 31, 2015	
		No. of shares	Value Rs.	No. of shares	Value Rs.
	Equity Shares				
	Shares outstanding at the beginning and at the end of the year	1,000,007	10,000,070	1,000,007	10,000,070
	Shares Issued during the year (Refer Note 26)	18,064,065	180,640,649	-	-
	Shares outstanding at the end of the year	19,064,072	190,640,719	1,000,007	10,000,070

2.2	Shares in respect of each class in the Company held by	Name of the company	Class of shares Equity/ Preference	As at March 31, 2016 No. of shares	As at March 31, 2015 No. of shares
	Holding company	NIIT Limited	Equity	19,064,072	1,000,007

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

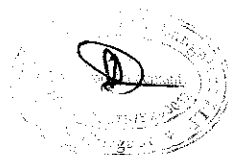
2.3	Shares held by each shareholder holding more than 5% shares	As at March 31, 2016'		As at March 31, 2015	
		% of holding	No. of shares	% of holding	No. of shares
	Equity Shares				
	NIIT Limited	100%	19,064,072	100%	1,000,007

2.4 Rights, preferences and restrictions attached to shares:-

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.

- 2.5 Share allotted as fully paid up pursuant to contract(s) without payment being received in cash (during the 5 years immediately preceding March 31, 2016) 18,064,065 equity share of Rs. 10 each were allotted on July 6, 2015 to NIIT Limited pursuant to the Scheme of Arrangement without payment (Refer Note 26).
- 2.6 Pursuant to the Scheme of Arrangement, the issued, subscribed and fully paid-up preference share capital stands cancelled, without any payment of the cancelled face value of the said shares to the shareholders of the Company (Refer Note 26).



MINDCHAMPION LEARNING SYSTEMS LIMITED
(Formerly Known as Hole-in-the-Wall Education Limited)
Notes to Financial Statements for the year ended March 31, 2016

3 RESERVES AND SURPLUS	(Rs.)	
	As at March 31, 2016	As at March 31, 2015
Securities Premium Reserve	20,000,000	20,000,000
Surplus/(Deficit) in Statement of Profit and Loss		
Balance Brought Forward from Previous year	(595,760,326)	(144,330,601)
Add: (Loss) for the year	(16,854,700)	(449,092,795)
Less: Appropriations		
Add:- Transitional impact consequent to change in useful lives of tangible fixed assets [Refer Note 9.1 (i)]	(612,615,026)	(2,336,930)
Total	(592,615,026)	(575,760,326)

4 LONG-TERM BORROWINGS	(Rs.)	
	As at March 31, 2016	As at March 31, 2015
UNSECURED		
Loan from Holding Company	29,700,000	29,700,000
Optionally Convertible Debentures (OCDs)	900,000,000	900,000,000
900,000 Optionally Convertible Debentures		
[Previous year 900,000 Optionally Convertible Debentures		
Pending allotment) of Rs. 1000/- each]		
Total	929,700,000	929,700,000

Notes:-

- a) The terms of repayments are as follows:-

Repayment Date	Rs.
August 25, 2017	9,000,000
September 17, 2017	6,000,000
September 25, 2017	500,000
November 25, 2017	2,700,000
December 3, 2017	2,500,000
February 24, 2018	1,000,000
February 24, 2018	2,500,000
March 29, 2018	5,500,000
	29,700,000

The loans carry an interest rate of 15% p.a. payable annually.

- b) Terms of OCDs

During the year the Company has allotted 900,000 OCDs aggregating to Rs.1000/- each in consideration for the transfer of undertaking pursuant to scheme (Refer Note 26). The OCDs carry a coupon rate of 0.5% p.a. payable annually and mature or convert to equity shares after 5 years from the date of issuance with a call and put option to seek premature redemption after 36 months from the date of allotment.

5 SHORT-TERM BORROWINGS	(Rs.)	
	As at March 31, 2016	As at March 31, 2015
UNSECURED		
Loan from Holding Company	278,000,000	25,000,000
	278,000,000	25,000,000

The terms of repayments are as follows:-

Repayment Date	Rs.
September 29, 2016	250,000,000
December 30, 2016	18,000,000
February 28, 2017	10,000,000
	278,000,000

The loans carry an interest rate of 12.15% p.a. payable annually.



MINDCHAMPION LEARNING SYSTEMS LIMITED
(Formerly Known as Hole-in-the-Wall Education Limited)
Notes to Financial Statements for the year ended March 31, 2016

6 TRADE PAYABLES

(Rs.)	
As at	
March 31, 2016	March 31, 2015
Current	
Due to Micro, Small and Medium Enterprises (Refer Note 6.1 below)	4,883
Due to Others	268,385,307
	374,872,525
	268,390,190
	374,872,525

Note:

- 6.1 Parties covered under Micro, Small and Medium Enterprises Development Act, 2006 (MSMED Act) 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:

(Rs.)		
Particulars	As at	
	March 31, 2016	March 31, 2015
a) The principal amount and the interest due thereon remaining unpaid to any supplier		
i) Principal amount	4,622	-
ii) Interest thereon	261	-
b) The amount of payment made to the supplier beyond the appointed day and the interest thereon, during an accounting year		
i) Principal amount	-	-
ii) Interest thereon	-	-
c) The amount of interest due and payable for the year of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under this Act	-	-
d) The amount of interest accrued and remaining unpaid at the end of accounting year	261	-
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	-	-

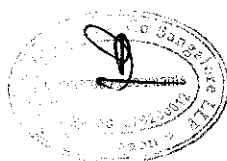
7 OTHER LIABILITIES

(Rs.)			
As at			
March 31, 2016	March 31, 2015	March 31, 2016	March 31, 2015
Long-Term		Current	
Security Deposits Payable	3,904,799	293,459	-
Deferred Revenue	305,791	745,935	15,717,301
Advances from Customers	20,341,561	46,152,166	63,955,823
Statutory Dues	-	-	32,283,799
Other Payables**	-	-	44,100,496
	24,552,151	47,191,560	156,057,419
			176,215,358

** include capital creditors and payable to employees.

8 PROVISIONS

(Rs.)			
As at			
March 31, 2016	March 31, 2015	March 31, 2016	March 31, 2015
Long-Term		Short-Term	
Provision for Employee Benefits (Refer Note 21)			
-Provision for Gratuity	-	2,385,967	3,966,928
-Provision for Compensated Absences	228,000	4,659,000	8,535,000
	228,000	7,044,967	12,501,928



MINDCHAMPION LEARNING SYSTEMS LIMITED
(Formerly Known as Hole-in-the-Wall Education Limited)

Notes to Financial Statements for the year ended March 31, 2016

9 FIXED ASSETS

(Amount in Rs.)

Description of Assets	DEPRECIATION AND AMORTISATION					NET BLOCK	
	Cost as on April 1, 2015	Additions during the year	Sales / Adj. during the year	As on April 1, 2015	For the year	Sales / Adj. during the year	Total as on March 31, 2016
i) Tangible							
Plant & Equipment	215,973,262	3,337,832	8,445,743	111,670,503	55,772,796	7,023,507	160,419,792
Lease Hold Improvements	1,186,942	298,795	2,864	984,436	148,392	2,851	1,129,977
Office Equipments	34,227,659	-	581,923	34,170,964	16,607	569,409	33,618,162
Furniture & Fixtures	57,428,695	745,747	18,803,555	52,724,349	2,226,366	18,712,848	36,237,867
Sub Total (a)	308,816,558	4,382,374	27,834,085	199,550,252	58,164,161	26,308,615	231,405,798
ii) Intangible							
Content/ Platform							
- Acquired	20,269,335	-	-	20,269,152	-	-	20,269,152
- Internally generated (Refer Note 32)	285,550,677	2,536,097	-	193,914,688	17,565,171	-	211,479,859
- Leased	11,745,572	-	-	11,745,569	-	-	11,745,569
Software Acquired	28,351,524	497,234	320,461	18,674,964	5,032,722	234,485	23,473,201
Goodwill on Business Acquisition	60,842,781	-	-	60,842,781	-	-	60,842,781
Patents	8,500,001	-	-	8,500,000	-	-	8,500,000
Sub Total (b)	415,259,890	3,033,331	320,461	313,947,154	22,597,893	234,485	336,310,562
Total (a+b)	724,076,448	7,415,705	28,154,546	513,497,406	80,762,054	26,543,100	567,716,360

The Company has computed the recoverable value using value in use method and has considered a discount rate of 17% to 18% p.a.



MINDCHAMPION LEARNING SYSTEMS LIMITED
(Formerly Known as Hole-in-the-Wall Education Limited)
Notes to Financial Statements for the year ended March 31, 2016

9.1 FIXED ASSETS (For Financial year 2014-15)

FINED ASSETS (For Financial year 2014-15)										Amount in ₹	
Description of Assets		DEPRECIATION AND AMORTISATION					NET BLOCK				
		Cost as on April 1, 2014	Additions during the year	Additions on scheme [Refer Note 26]	Sales / Adj. during the year	Total as on March 31, 2015	As on April 1, 2014	For the year	Sales / Adj. during the year	Total as on March 31, 2015	As on March 31, 2015
<u>(i) Tangible</u>											
Plant & Equipment		1,703,076	7,563,719	215,821,427	9,114,960	215,973,262	1,608,914	110,072,089	10,500	111,670,503	104,502,759
Lease Hold Improvements		-	183,812	1,063,955	60,825	1,186,942	-	984,436	-	984,436	202,806
Office Equipments		16,500	665,784	33,564,573	19,198	34,217,659	15,674	34,155,290	-	34,170,964	56,675
Furniture & Fixtures		55,500	18,696,947	39,111,220	434,972	57,428,695	52,726	52,671,623	-	52,724,349	4,704,349
Sub Total (a)		1,775,076	27,110,262	289,561,175	9,629,955	308,816,558	1,677,314	197,883,438	10,500	199,550,352	109,506,506
<u>(ii) Intangible</u>											
Content/ Platform		56,385	-	20,212,950	-	20,269,335	56,385	20,212,767	-	20,269,152	183
- Acquired		4,966,011	96,004,501	184,580,165	-	285,550,677	4,765,738	189,148,950	-	193,914,688	91,635,989
- Internally generated		-	-	11,745,572	-	11,745,572	-	11,745,569	-	11,745,569	3
- Leased		-	-	-	-	-	-	-	-	-	9,476,560
Software Acquired		-	87,389	29,077,466	813,331	28,351,524	-	18,674,964	-	18,674,964	-
Goodwill on Business Acquisition (Refer Note 26)		-	-	60,842,781	-	60,842,781	-	60,842,781	-	60,842,781	-
Patents		8,500,000	-	-	-	8,500,001	8,500,000	-	-	8,500,000	-
Sub Total (b)		13,522,396	96,091,890	306,458,935	813,331	415,259,890	13,322,123	300,625,031	-	313,947,154	10,312,736
Total (a+b)		15,297,472	123,202,152	596,020,110	10,443,286	724,076,448	14,999,437	498,508,469	10,500	513,497,406	210,579,042

Note -
(i) The Company has revised useful life of certain class of fixed assets as per the requirement of Schedule II of the Companies Act, 2013 and also revised residual value of fixed assets. As a result, the depreciation charge for the current year is higher by Rs. 536,899/- and opening retained earnings have increased by Rs. 2,336,910/-.
(ii) Depreciation for intangibles includes provision for impairment of content/platform and Goodwill on Business Acquisition amounting to Rs. 176,016,527 and Rs. 60,842,781 respectively. The Company has computed the recoverable value using value in use method and has considered a discount rate of 13.50 % p.a.
(iii) Depreciation includes provision for impairment of tangible assets aggregating Rs. 75,438,821 used for serving contracts with government and individual/chain schools respectively.



MINDCHAMPION LEARNING SYSTEMS LIMITED
(Formerly Known as Hole-in-the-Wall Education Limited)
Notes to Financial Statements for the year ended March 31, 2016

10 TAXATION

Detailed break-up of Deferred Tax Assets/Liabilities is as follows:-
 [Refer Note 2.2 (vi)]

	(Rs.)	
	As at	
	March 31, 2016	March 31, 2015
Deferred Tax Assets:		
Depreciation	77,791,963	78,731,381
Provision for doubtful debts and advances	38,521,565	34,944,893
Provision for non-moving inventories	745,980	1,291,620
Provision for Employee Benefits	9,174,418	11,329,097
Others (Carry Forward losses)	83,035,183	16,567,728
Total (A)	209,269,109	142,864,719
Deferred Tax Liability (B)	-	-
Timing differences not recognised (C)	209,269,109	142,864,719
Net Deferred Tax Assets (A-B-C)	-	-
(i) Timing differences not recognised in absence of virtual certainty of sufficient future taxable income.		
(ii) Deferred tax assets and liabilities have been offset as they relate to the same governing taxation laws.		

11 LOANS AND ADVANCES

	(Rs.)			
	As at			
	March 31, 2016	March 31, 2015	March 31, 2016	March 31, 2015
	Long-Term		Short-Term	
i) Capital Advances				
Unsecured, considered good	157,500	136,500	-	-
(A)	157,500	136,500	-	-
ii) Security Deposits Receivable				
Unsecured, considered good	953,992	249,934	1,025,078	1,455,378
(B)	953,992	249,934	1,025,078	1,455,378
iii) Advances recoverable in cash or in kind				
Unsecured, considered good (Refer Note 11.1 below)	14,082	1,530,576	100,653,186	102,310,125
Unsecured, considered doubtful	6,429,324	6,429,324	-	-
Less: Provision for doubtful advances	(6,429,324)	(6,429,324)	-	-
(C)	14,082	1,530,576	100,653,186	102,310,125
iv) Other Advances				
a) Advance payment of Fringe Benefit Tax	707,119	707,119	-	-
Less: Provision for Fringe Benefit Tax	(669,760)	(669,760)	-	-
	37,359	37,359	-	-
b) Advance Income Tax	56,951,860	34,188,069	-	-
	56,951,860	34,188,069	-	-
(D)	56,989,219	34,225,428	-	-
Total (A+B+C+D)	58,114,793	36,142,438	101,678,264	103,765,503

11.1 Short-term Loans and advances include balances with government authorities Rs. 1,176,878/- (previous year Rs. 2,138,872/-)



MINDCHAMPION LEARNING SYSTEMS LIMITED
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Notes to Financial Statements for the year ended March 31, 2016

(Rs.)

12 TRADE RECEIVABLES
(Unsecured)

	As at			
	March 31, 2016	March 31, 2015	March 31, 2016	March 31, 2015
	Non Current		Current	
a) Outstanding for a period exceeding six months from the date they are due for payment				
Considered good	-	-	253,212,352	42,047,465
Considered doubtful	101,371,042	55,263,997	-	-
Less: Provision for doubtful debts	(101,371,042)	(55,263,997)	-	-
(A)	-	-	253,212,352	42,047,465
b) Others				
Considered good	74,069,338	297,540,496	489,133,630	332,752,616
Considered doubtful	8,719,796	41,116,014	-	-
Less: Provision for doubtful debts	(8,719,796)	(41,116,014)	-	-
(B)	74,069,338	297,540,496	489,133,630	332,752,616
TOTAL (A+B)	74,069,338	297,540,496	742,345,982	374,800,081

12.1 MOVEMENT OF PROVISION FOR DOUBTFUL DEBTS

(Rs.)

	As at	
	March 31, 2016	March 31, 2015
Opening Provision	96,380,011	7,417,240
Add: Additional provision created*	18,090,399	88,972,729
Less: Provision written back**	(4,379,572)	(9,958)
Closing Provision	110,090,838	96,380,011

* Provision for doubtful debts amounting to Rs. Nil (Previous year Rs. 77,128,516) considered as exceptional item (Refer Note 25).

** Provision for doubtful debts written back amounting to Rs. 4,379,572 (Previous year Rs. Nil) considered as exceptional item (Refer Note 25).

13 OTHER ASSETS

	As at			
	March 31, 2016	March 31, 2015	March 31, 2016	March 31, 2015
	Non-Current		Current	
Non Current Bank Balances (Refer Note 15)	292,629	192,629	-	-
Unbilled Revenue	4,201,807	11,486,135	60,262,459	129,542,318
Interest Receivable	-	-	24,538	17,620
	4,494,436	11,678,764	60,286,997	129,559,938

(Rs.)

14 INVENTORIES (Valued at lower of Cost or Net Realisable Value)

	As at			
	March 31, 2016		March 31, 2015	
As at the end of the year				
Traded Goods				
a) Courseware and Training Material*	15,458,270		11,361,942	
b) Software/Hardware	1,679,173		1,927,216	
	17,137,443		13,289,158	
As at the beginning of the year				
Traded Goods				
a) Courseware and Training Material	11,361,942		-	
b) Software/Hardware	1,927,216		1,003,520	
	13,289,158		1,003,520	
Change in Inventory	(3,848,285)		(12,285,638)	

* Net of provision for non-moving inventories of Rs 2,256,444/- (Previous year Rs. 3,800,000/-).

2

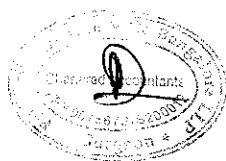
MINDCHAMPION LEARNING SYSTEMS LIMITED
(Formerly Known as Hole-in-the-Wall Education Limited)
Notes to Financial Statements for the year ended March 31, 2016

	(Rs.)	
15 CASH AND BANK BALANCES	As at	
	March 31, 2016	March 31, 2015
	Current	
Cash and Cash Equivalents:		
Balance with Banks		
-Current Accounts	64,189,255	2,943,847
Cheques, Drafts on hand	3,702,556	-
Sub Total (A)	67,891,811	2,943,847
Other Bank Balances:		
Bank Deposits*		
With original maturity of more than 3 months and upto 12 months	358,109	330,497
With original maturity of more than 12 months*	797,629	192,629
* Pledged as Margin money		
Sub Total (B)	650,738	523,126
Total (A+B)	68,542,549	3,466,973
Amount disclosed under "Other Non Current Assets" (Note 13) (C)	(292,629)	(192,629)
Total (A+B+C)	68,249,920	3,274,344

16 CONTINGENT LIABILITIES.	(Rs.)	
	March 31, 2016	March 31, 2015
1. Claims against the Company not acknowledged as debts:-		
- Sales Tax/ VAT	-	281,672
2. Other money for which the Company is contingently liable		
i. Guarantees issued to bankers outstanding at the end of the year amounting to Rs. 33,614,302/- (Previous year Rs. 33,514,302/-).		

17 CAPITAL AND OTHER COMMITMENTS

- (a) Estimated amount of contracts remaining to be executed on capital account (net of advances) not provided for Rs. 100,512/- (Previous year Rs. Rs. 204,929).
- (b) The Company has certain contracts with State Governments and schools under which the Company is required to transfer ownership of the fixed assets and equipments under leasing arrangement at the written down value which is expected to the nominal value, at the end of the contract term.



MINDCHAMPION LEARNING SYSTEMS LIMITED
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Notes to Financial Statements for the year ended March 31, 2016

	(Rs.)	
	Year ended	
	March 31, 2016	March 31, 2015
18 REVENUE FROM OPERATIONS		
Sale of Products :		
-Courseware and Training Material	121,761,086	201,755,840
-Hardware & Accessories	49,219,354	88,156,430
Sale of Services	893,480,177	1,123,817,134
Total	1,064,460,617	1,413,729,404

	(Rs.)	
	Year ended	
	March 31, 2016	March 31, 2015
19 OTHER INCOME		
Interest Income	38,160	128,524
Provision / Other Liabilities Written Back	1,211,468	575,361
Profit on Sale of Fixed Assets	304,586	899,245
Gain on Foreign Currency Translation and Transaction (net)	91,278	-
Other Non-Operating Income	303,513	153,259
Total	1,949,005	1,756,389

	(Rs.)	
	Year ended	
	March 31, 2016	March 31, 2015
20 EMPLOYEE BENEFITS EXPENSE		
(Refer Note 32)		
Salaries and Benefits	428,191,587	508,916,323
Contribution to Provident and other Funds	14,475,554	22,383,226
Staff Welfare	4,164,578	4,973,160
Total	446,831,719	536,272,709



MINDCHAMPION LEARNING SYSTEMS LIMITED
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Notes to the Financial Statements for the year ended March 31, 2016

21 EMPLOYEE BENEFITS

A) Defined Contribution Plans

The Company makes contribution towards Superannuation Fund and Pension Scheme to the defined contribution plans for eligible employees. The Company has charged the following costs in the Statement of Profit and Loss under "Employee Benefits Expense" in Note 20:-

Particulars	Year ended	
	March 31, 2016 (Rs.)	March 31, 2015 (Rs.)
- Employers' Contribution to Superannuation Fund	987,243	1,038,328
- Employers' Contribution to Employees Pension Scheme	8,927,534	10,153,685
- Employers' Contribution to Employees National Pension System	229,085	112,500

Contribution towards Superannuation Fund to the defined contribution plans includes following cost for Key Managerial Personnel:

Particulars	Year ended	
	March 31, 2016 (Rs.)	March 31, 2015 (Rs.)
- Employers' Contribution to Superannuation Fund	121,303	78,624
- Employers' Contribution to Employees Pension Scheme	20,483	11,455
- Employers' Contribution to Employees National Pension System	Nil	Nil

B) Defined Benefit Plans

I. Provident Fund

The Company makes contribution to the "NIIT LIMITED EMPLOYEES' PROVIDENT FUND TRUST" ("the Trust"), which is a defined benefit plan to the extent of interest shortfall, if any. The Company contributed Rs. 5,131,289/- (Previous year Rs.6,251,216/-) including Rs. 135,901/- (Previous year Rs.61,121/-) in respect of Key Managerial personnel during the year to the Trust.

The Company has an obligation to make good the shortfall, if any, between the return from the investments of the Trust and the notified interest rate. The Company's obligation in this regard is actuarially determined and provided for if the circumstances indicate that the Trust may not be able to generate adequate returns to cover the interest rates notified by the Government.

The guidance on implementing AS 15 Employee Benefits (revised 2005), issued by Accounting Standards Board (ASB) of The Institute of Chartered Accountants of India, states that benefits involving employer established provident fund trust, which require interest shortfall to be compensated by the employer is required to be considered as Defined Benefits Plans. The actuary has provided a valuation and based on the below mentioned assumptions, determined that there is no short fall as at the year end.

The details of fund and plan assets of the Trust are as follows (limited to the extent provided by the actuary):

Particulars	(Rs.)	
	As at March 31, 2016	As at March 31, 2015
Present value defined benefit obligation as at the beginning of the year	542,280	12,240
Add:-Impact due to acquisition of SLS Business	-	595,020
Current service cost	78,280	85,720
Interest Cost	42,030	56,170
Actuarial (gain)/ loss on obligations	(6,480)	(206,870)
Present Value Defined Benefit Obligations at the end of the year	656,110	542,280

(ii) Change in Fair Value of Assets

Particulars	(Rs.)	
	As at March 31, 2016	As at March 31, 2015
Fair value of plan assets as at the beginning of the year	8,206,010	130,200
Add:-Impact due to acquisition of SLS Business	-	7,696,030
Actuarial (loss) / gain on plan assets	3,722,920	379,780
Fair value of Plan Assets as at the end of the year	11,928,930	8,206,010

(iii) Estimated Net Asset/ Liability recognised in the Balance Sheet

Particulars	(Rs.)	
	As at March 31, 2016	As at March 31, 2015
Present value of defined benefit obligation	656,110	542,280
Fair Value of plan assets	11,928,930	8,206,010
Surplus (not recognised)	11,272,820	7,663,730
Net Asset/ (Liability) recognised in the Balance Sheet	-	-

(iv) Assumptions used in accounting for provident Fund:-

	Year Ended March 31, 2016	Year Ended March 31, 2015
Discount Rate (Per Annum)	7.75%	7.75%
Expected return on Plan Assets	8.60%	8.60%
Expected guaranteed interest rate	8.60%	8.60%

I Compensated Absences

(Rs.)

Particulars	As at	
	March 31, 2016	March 31, 2015
i) Change in Present value of Obligation:-		
Present value of obligation as at the beginning of the year	8,803,000	309,840
Add:-Impact of Merger of SLS Business	-	9,872,900
Current service cost*	2,495,730	2,927,770
Past Service cost	(1,973,000)	-
Interest Cost	681,380	941,900
Benefits Paid	(22,000)	-
Actuarial (gain)/ loss on Obligations	(5,098,110)	(5,249,410)
Present value of obligation as at the end of the year	4,887,000	8,803,000
Classification		
Short-Term	4,659,000	8,535,000
Long-Term	228,000	268,000
Total	4,887,000	8,803,000

(Rs.)

	As at	
	March 31, 2016	March 31, 2015
ii) Assumptions used in accounting for Compensated Absences:-		
Discount Rate (per annum)	7.75%	7.75%
Future Salary Increase		
-For First 5 Years	8.00%	7.00%
-Thereafter	8.00%	7.00%
Estimates of future salary increase (cost to the Company) considered in actuarial valuation, takes into account inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market.		

III. Gratuity Fund

(Rs.)

Particulars	As at	
	March 31, 2016	March 31, 2015
i) Change in Present value of Obligation:-		
Present value of obligation as at the beginning of the year	10,336,000	236,510
Add:-Impact of acquisition of SLS Business	-	7,088,400
Interest cost	679,018	677,560
Current service cost	1,680,900	1,046,620
Addition on account of transfer of employees from holding company	209,700	-
Benefits paid	(3,150,000)	(2,500,580)
Actuarial (gain)/ loss on obligations	(2,649,580)	3,787,490
Present value of obligation as at the end of the year	7,106,038	10,336,000
ii) Change in Plan Assets:-		
Fair value of Plan Assets as at the beginning of the year	6,369,072	547,200
Add:-Impact of acquisition of SLS Business	-	6,943,020
Expected return on Plan Assets	466,609	736,750
Contributions*	781,000	695,000
Addition on account of transfer of employees from holding company	209,700	-
Benefits Paid	(3,150,000)	(2,500,580)
Actuarial (loss) / gain on Plan Assets	43,690	(52,318)
Fair value of Plan Assets as at the end of the year	4,720,071	6,369,072

*Actuary's estimates of contributions for the next financial year is Rs. 3,626,000/- (Previous year Rs. 5,929,000/-).



(Rs.)

Particulars	As at				
	March 31, 2016	March 31, 2015	March 31, 2014	March 31, 2013	March 31, 2012
iii) Amount of Asset/ (obligation) recognised in the Balance Sheet:-					
Fair value of Plan Assets as at the end of the year	4,720,071	6,369,072	547,203	1,529,950	1,463,700
Present value of obligation as at the end of the year	7,106,038	10,336,000	236,510	496,000	447,000
Asset/ (obligation) recognised in Balance Sheet	(2,385,967)	(3,966,928)	310,693	1,033,950	1,016,700

(Rs.)

	Year ended	
	March 31, 2016	March 31, 2015
iv) Net Gratuity Cost recognised in Statement of Profit and Loss:-		
Current service cost	1,680,900	1,046,620
Interest cost	679,018	677,560
Expected return on Plan Assets	(466,609)	(736,750)
Net Actuarial (gain)/ loss recognised during the year	(2,693,270)	3,839,808
Expense/(Credit) recognised in the Statement of Profit and Loss*	(799,961)	4,827,238
Actual return on plan assets	510,188	684,231

*Included Rs.214,764 (Previous years 52,904 towards contribution for Key Managerial Personnel)

*The above cost is included under "Employee Benefits Expense" in Note 20

	Year ended	
	March 31, 2016	March 31, 2015
v) Assumptions used in accounting for gratuity plan:-		
Discount Rate (Per annum)	7.75%	7.75%
Future Salary Increase	6.00%	6.00%
Expected Rate of return on plan assets	9.10%	9.00%
Estimates of future salary increase considered in actuarial valuation, take account inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market.		

vi) 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 of India 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 composition of plan assets held, assessed risk of asset management, historical result of the return on plan assets.



MINDCHAMPION LEARNING SYSTEMS LIMITED
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Notes to the Financial Statements for the year ended March 31, 2016

		(Rs.)
22	FINANCE COSTS	Year ended
		March 31, 2016 March 31, 2015
	Interest Expense	27,450,324 7,750,996
		<u>27,450,324</u> <u>7,750,996</u>

		(Rs.)
23	OTHER EXPENSES (Refer Note 32)	Year ended
		March 31, 2016 March 31, 2015
	Equipment Hiring	164,087,866 180,976,863
	Freight and Cartage	9,511,528 13,583,953
	Rent	15,501,230 21,311,783
	Rates and Taxes	56,692 4,000
	Power & Fuel	4,416,920 4,833,773
	Communication	4,980,582 6,270,811
	Legal and Professional (Refer Note- 24)	13,071,033 8,068,385
	Management Cost Recovery by Holding Company	32,149,135 75,891,981
	Traveling and Conveyance	24,590,758 25,054,149
	Provision for Doubtful Debts	18,090,399 11,844,213
	Provision for Doubtful Advances	- 89,255
	Insurance	- 992,092
	Repairs and Maintenance	
	- Plant and Machinery	954,121 1,394,186
	- Buildings	342,921 353,435
	- Others	3,965,993 4,075,042
	Consumables	26,149,750 25,690,064
	Loss on Foreign Currency Translation and Transaction (net)	- 21,350
	Security and Administration Services	2,150,005 1,102,487
	Bank Charges	1,456,724 1,660,030
	Marketing & Advertising Expenses	15,808,849 27,292,252
	Sundry Expenses	1,669,743 3,574,563
		<u>338,954,249</u> <u>414,084,667</u>



MINDCHAMPION LEARNING SYSTEMS LIMITED
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Notes to the Financial Statements for the year ended March 31, 2016

		(Rs.)
		Year ended
24 PAYMENT TO AUDITORS	March 31, 2016	March 31, 2015
Statutory Auditors		
- Audit Fee	590,000	400,000
- Reimbursement of expenses (including service tax)	139,594	71,912
	<u>729,594</u>	<u>471,912</u>

		(Rs.)
		Year ended
25 EXCEPTIONAL ITEMS (Income)/ Expenditure	March 31, 2016	March 31, 2015
Reduction in Preference Share Capital	-	(56,000,000)
Provision for Doubtful Debts/(Written back)	(4,379,572)	77,128,516
Provision for Bonus	1,695,346	-
	<u>(2,684,226)</u>	<u>21,128,516</u>

- (i) During the current year, the Company has created additional provision of Rs. 1,695,346/- for bonus related to the period April 1, 2014 to March 31, 2015 pursuant to retrospective amendment to "The Payment of Bonus Act, 1965" notified on January 1, 2016.
- (ii) During the previous year, the Company had cancelled 56,000,000 Non Convertible Cumulative Redeemable Preference Shares of Rs. 10/- each fully paid-up Pursuant to the Scheme of Arrangement (Refer Note 26).
- (iii) During the previous year, owing to significant delays in collections on account of claim disputed by government and other customers, persistent followup and management's consequent defocus from government and other contracts, the Company made provisions aggregating Rs. 77,128,516/- , against which an amount of Rs. 4,379,572/- have been written back this year on account of collections.



26 Scheme of Arrangement

During last year, The Board of Directors at their meeting held on August 26, 2014 approved a Composite Scheme of Arrangement ('the Scheme') between NIIT Limited and its erstwhile subsidiaries Scantech Evaluation Services Limited ('SESL'), Evolv Services Limited ('ESL'), NIIT Online Learning Limited ('NOLI') (also, collectively referred to as 'the transferor companies') and the Company and their respective shareholders and creditors under sections 391 to 394 of the Companies Act, 1956, for streamlining of the group structure, consolidation of business operations and reduction in costs.

Pursuant to the Scheme, the School Business Undertaking of NIIT Limited, as defined in the Scheme ('the Undertaking'), was transferred to the company for a lumpsum consideration of Rs. 1,080.64 Million retrospectively with effect from April 1, 2014 ('the appointed date'). The Scheme was approved by the shareholders and the Hon'ble High Court of Judicature at Delhi ('the Hon'ble High Court') on January 31, 2015 and May 8, 2015 respectively. The Scheme came into effect upon filing of the order of the Hon'ble High Court with the Registrar of Companies on May 23, 2015 ('the effective date').

Pursuant to the Scheme, the excess of consideration over fair values of the assets as determined under an independent valuation of the Undertaking comprising fixed assets, trade receivable, cash and bank balances and other assets and the aggregate of the transferred liabilities was debited to the Goodwill. The Goodwill arising on such transfer, was determined as below:

Particulars	Amount (Rs.)
Consideration Given	1,080,640,649
Less : Fair Value of assets acquired	
Fixed Assets	535,177,329
Capital Work -in -Progress	57,294,734
Inventories	6,017,000
Trade Receivables (net)	256,562,128
Cash and Bank balances	150,000,000
Loans and Advances	167,116,669
Other current/non-current assets	224,196,971
Total assets	1,396,364,831
Liabilities transferred-	
Borrowings	21,475,680
Deferred tax liabilities	29,453,427
Current Liabilities and Provisions	292,246,060
Total liabilities	343,175,167
Net Assets	1,053,189,664
Net Loss	27,450,985
Add :- Expenditure towards stamp duty	33,391,796
Goodwill	60,842,781

The consideration was discharged by the issuance of 18,064,065 Equity Shares of Rs. 10/- each fully paid up and 900,000 Optionally Convertible Debentures (OCDs) of Rs. 1,000/- each fully paid at a coupon rate of 0.5% for a period of 5 years from the date of allotment wherein the debenture holders shall have the right to convert such OCDs into equity shares at the expiry of third year from the date of allotment, as approved by the Board of Directors of the Company in their meeting held on May 25, 2015.

Upon Scheme becoming effective and with effect from the appointed date, the paid up preference share capital was cancelled along with all obligations pertaining to cumulative dividend without any payment of the cancelled value of the said shares to the shareholders, i.e. NIIT Limited. Accordingly, the amount aggregating Rs. 56,000,000/- was classified as an exceptional item.



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Notes to the Financial Statements for the year ended March 31, 2016

27 CIF VALUE OF IMPORTS

(Rs.)

Particulars	Year ended	
	March 31, 2016	March 31, 2015
Purchase of Traded Goods	2,365,142	171,975

28 EXPENDITURE IN FOREIGN CURRENCY

(Rs.)

Particulars	Year ended	
	March 31, 2016	March 31, 2015
Professional and Technical Outsourcing Expense	-	2,505
Others	195,381	-

29 EARNINGS IN FOREIGN CURRENCY

(Rs.)

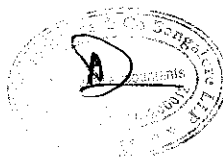
Particulars	Year ended	
	March 31, 2016	March 31, 2015
Export of Services & Products	199,039	2,370,970

30 EARNINGS PER SHARE

(Rs.)

Particulars	Year ended	
	March 31, 2016	March 31, 2015
Net Profit (Loss) As per Profit and loss account	(16,854,700)	(449,092,795)
Profit/(Loss) attributable to Equity Shareholders (Rs. INR) - (A)	(16,854,700)	(449,092,795)
Weighted average number of Equity Shares outstanding during the year (Nos.) - (B)	19,064,072	19,064,072
Nominal Value of Equity Shares (Rs.)	10/-	10/-
Basic Earning / (loss) per Share (Rs.) (A/B)	(0.88)	(23.56)
Add:-Effect of Potential Dilutive Share (being Optionally Convertible Debentures)	76,684,932	-
Weighted average Shares outstanding considered for determining Diluted Earnings/(loss) per Share (Nos.) (C)	95,749,004	19,064,072
Profit/(loss) after considering increased earnings of Dilutive shares (D)	(11,855,844)	(449,092,795)
Diluted Earnings/(loss) per Share (Rs.) (D/C)*	(0.88)	(23.56)

* As the impact of dilution is anti-dilutive, the basic and diluted earning/(loss) per share remains the same.



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Notes to the Financial Statements for the year ended March 31, 2016

27 CIE VALUE OF IMPORTS

(Rs.)

Particulars	Year ended	
	March 31, 2016	March 31, 2015
Purchase of Traded Goods	2,365,142	171,975

28 EXPENDITURE IN FOREIGN CURRENCY

(Rs.)

Particulars	Year ended	
	March 31, 2016	March 31, 2015
Professional and Technical Outsourcing Expense	-	2,505
Others	195,381	-

29 EARNINGS IN FOREIGN CURRENCY

(Rs.)

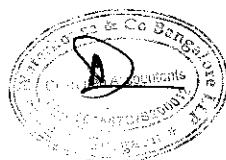
Particulars	Year ended	
	March 31, 2016	March 31, 2015
Export of Services & Products	199,039	2,370,970

30 EARNINGS PER SHARE

(Rs.)

Particulars	Year ended	
	March 31, 2016	March 31, 2015
Net Profit (Loss) As per Profit and loss account	(16,854,700)	(449,092,795)
Profit/(Loss) attributable to Equity Shareholders (Rs. INR) - (A)	(16,854,700)	(449,092,795)
Weighted average number of Equity Shares outstanding during the year (Nos.) - (B)	19,064,072	19,064,072
Nominal Value of Equity Shares (Rs.)	10/-	10/-
Basic Earning / (loss) per Share (Rs.) (A/B)	(0.88)	(23.56)
Add:-Effect of Potential Dilutive Share (being Optionally Convertible Debentures)	76,684,932	-
Weighted average Shares outstanding considered for determining Diluted Earnings/(loss) per Share (Nos.) (C)	95,749,004	19,064,072
Profit/(loss) after considering increased earnings of Dilutive shares (D)	(11,855,844)	(449,092,795)
Diluted Earnings/(loss) per Share (Rs.) (D/C)*	(0.88)	(23.56)

*As the impact of dilution is anti-dilutive, the basic and diluted earning/(loss) per share remains the same.



MINDCHAMPION LEARNING SYSTEMS LIMITED
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Notes to the Financial Statements for the year ended March 31, 2016

31 RELATED PARTY TRANSACTIONS AS PER ACCOUNTING STANDARD 18:

A. Related party relationship where control exists:

Holding Company - NIIT Limited

B. Fellow Subsidiaries

- 1 NIIT Online Learning Limited (Amalgamated with NIIT Limited w.e.f May 23, 2015 from appointed date April 1, 2014)
- 2 Scantech Evaluation Services Limited (Amalgamated with NIIT Limited w.e.f May 23, 2015 from appointed date April 1, 2014)
- 3 Evolv Services Limited (Amalgamated with NIIT Limited w.e.f May 23, 2015 from appointed date April 1, 2014)
- 4 NIIT Yuva Jyoti Limited
- 5 NIIT Institute of Process Excellence Limited
- 6 NIIT Institute of Finance Banking and Insurance Training Limited
- 7 NIIT Ltd, UK
- 8 NIIT Antilles NV, Netherlands Antilles
- 9 NIIT Malaysia Sdn. Bhd, Malaysia
- 10 NIIT GC Ltd (formerly NIIT TVE Ltd, Mauritius), Mauritius
- 11 NIIT China (Shanghai) Limited, Shanghai, China
- 12 NIIT Wu Xi Service Outsourcing Training School, China
- 13 Chongqing NIIT Education Consulting Limited, China
- 14 Wu Xi NIIT Information Technology Consulting Limited, China
- 15 Changzhou NIIT Information Technology Consulting Limited, China
- 16 Su Zhou NIIT Information Technology Consulting Limited, China
- 17 NIIT (USA) Inc, USA
- 18 NIIT Ventures Inc., USA (Amalgamated with NIIT (USA) Inc., USA w.e.f. December 1, 2014)
- 19 PT NIIT Indonesia, Indonesia (Under Liquidation)
- 20 NIIT West Africa Limited, Nigeria
- 21 Qingdao NIIT Information Technology Co., Ltd., China
- 22 Chongqing An Dao Education Consulting Limited, China
- 23 Zhangjiagang NIIT Information Services Ltd., China
- 24 Chengmai NIIT information technology Co., Ltd., China
- 25 NIIT (Ireland) Ltd, Ireland
- 26 Dafeng NIIT information technology Co., LTD
- 27 Guizhou NIIT information technology consulting Co., LTD
- 28 NIIT Learning Solutions (Canada) Limited

C. Other related parties with whom the Company has transacted:

Key Managerial Personnel

- 1 Mr. Purnendu Hota – Manager (Till July 6, 2015)
- 2 Ms. Tulika Sinha – Manager (from July 6, 2015 till November 16, 2015)
- 3 Mr. Umesh Kumar Gola-Chief Financial Officer (Appointed w.e. f. July 6, 2015)
- 4 Mr. Gavin Debreo- Chief Executive Officer (Appointed w.e. f. November 11, 2015)

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

- 1 NIIT Institute of Information Technology
- 2 NIIT Foundation (formerly known as NIIT Education Society)
- 3 NIIT University



MINDCHAMPION LEARNING SYSTEMS LIMITED

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Notes to the Financial Statements for the year ended March 31, 2016

(D) Details of significant transactions with the Related Parties carried out in ordinary course of business:-

(Amount in Rs.)

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 {Refer note (a) below}	870,823 (41,250)	135,210 -	5,467,276 -	- -	6,473,309 (41,250)
Sale of services- Revenue {Refer note (b) below}	61,140 -	- (1,079,301)	1,598,268 (3,802,871)	- -	1,659,408 (4,882,172)
Recovery of Expenses From {Refer note (c) below}	1,689,986 -	84,364 -	- -	- -	1,774,350 -
Purchase of Services	- (95,536)	- -	- -	- -	- (95,536)
Management Cost Recovery- Other Expenses	28,219,732 (75,625,143)	- -	- -	- -	28,219,732 (75,625,143)
Recovery of Employee Benefits expenses by {Refer note (b) below}	419,411 (6,952)	- -	- -	- -	419,411 (6,952)
Recovery of Expenses By {Refer note (d) below}	23,486,096 (30,449,742)	- -	- (322,320)	- -	23,486,096 (30,772,062)
Recovery of Professional & Technical Outsourcing Expenses by	9,480 (182)	- -	- -	- -	9,480 (182)
Remuneration to Key Managerial Personnel {Refer note (e) below}	- -	- -	- -	7,788,007 (2,576,488)	7,788,007 (2,576,488)
Interest Expense- Finance Cost	26,434,218 (5,433,342)	- -	- -	- -	26,434,218 (5,433,342)
Loan Taken	278,000,000 (25,000,000)	- -	- -	- -	278,000,000 (25,000,000)
Loan Repaid	25,000,000 -	- -	- -	- -	25,000,000 -

Details of outstanding balances with related parties:

Particulars	Payables As at 31.03.2016 (Rs.)	Payables As at 31.03.2015 (Rs.)	Receivables As at 31.03.2016 (Rs.)	Receivables As at 31.03.2015 (Rs.)	Loan Payable As at 31.03.2016 (Rs.)	Loan Payable As at 31.03.2015 (Rs.)
Holding Company	2,184,503	65,777,676	1,747,330	Nil	307,700,000	54,700,000
Fellow Subsidiaries	-	-	217,353	-	-	-
Key Managerial Personnel	192,666	144,865	1,801	-	-	-
Parties in which Key Managerial Personnel of the Holding Company are interested (refer note f below)	-	-	991,426	134,117	-	-



MINDCHAMPION LEARNING SYSTEMS LIMITED

(Formerly Known as Hole-in-the-Wall Education Limited)

Notes to the Financial Statements for the year ended March 31, 2016

Notes:-

Previous year figures are given in Parenthesis

(a) Sale of Goods- Revenue

Fellow Subsidiaries

-NIIT Antilles NV Rs.135,210/- (Previous year Rs.Nil)

Parties in which Key Managerial Personnel of Holding Company are interested

-NIIT Foundation Rs. 5,467,276/- (Previous year Rs. Nil)

(b) Sale of Services- Revenue

Fellow Subsidiaries

-NIIT Antilles NV Rs. Nil (Previous year 1,079,301)

Parties in which Key Managerial Personnel of Holding Company are interested

-NIIT Foundation Rs. 1,079,406/- (Previous year Rs. 2,842,871/-)

-NIIT University Rs. 518,862/- (Previous year Rs. 960,000/-)

c) Includes Recovery of expenses from :

-NIIT Antilles NV Rs.84,364/- (Previous year Rs.Nil)

d) Includes Recovery of Expenses by:

-NIIT University is Rs. Nil (Previous year Rs. 322,320)

e) Includes Remuneration Paid to:

-Purnendu Kumar Hota Rs. 658,777/-(Previous year Rs.2,576,488)

-Tulika Sinha Rs.2,241,081 (Previous year Rs.Nil)

-Umesh Kumar Gola Rs.2,336,640 (Previous year Rs.Nil)

-Gavin Dabreo Rs.2,551,509 (Previous year Rs.Nil)

f) Receivables from include:

-NIIT Foundation Rs. 991,426/- (Previous year Rs. 134,117/-)

-NIIT Antilles NV Rs.217,353/- (Previous year Rs.Nil)

-Umesh Kumar Gola Rs. 1,801/- (Previous year Rs.Nil)

g) The Company has an unavailed credit facilities of Rs. 30 Million (Previous year Rs. 30 Million) out of the fund based working capital limits of the holding company.

h) The holding company has committed operational and financial supports to the Company (Refer Note 36).

A handwritten signature in black ink is written over a circular, faded stamp. The signature appears to be 'D' followed by a flourish. The stamp is mostly illegible but seems to contain some text around the perimeter.

MINDCHAMPION LEARNING SYSTEMS LIMITED
(Formerly Known as Hole-in-the-Wall Education Limited)
Notes to the Financial Statements for the year ended March 31, 2016

- 37 Previous year figures have been regrouped/ reclassified to conform the current year classification
Signatures to Notes '1' to '37' of these financial statements.


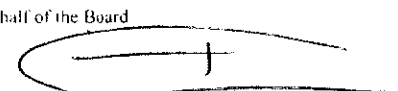
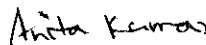
For Price Waterhouse & Co Bangalore LLP
Firm Registration No: 007567S/S-200012
Chartered Accountants



Anupam Dhawan
Partner
Membership No. 084451

Place: Gurgaon
Date: May 09, 2016

For and on behalf of the Board


P. Rajendran
Director
DIN : 00042531
Umesh Kumar Gola
Chief Financial Officer
Rohit Kumar Gupta
Director
DIN - 05015180
Anita Kumari
Company Secretary