

Brain4ce Education Solutions Private Limited  
Standalone Balance Sheet

Particulars	Note	As at 31 March 2021 ₹	As at 31 March 2020 ₹
<b>A. EQUITY AND LIABILITIES</b>			
<b>1 Shareholder's funds</b>			
(a) Share capital	3.1	80,27,220	79,79,370
(b) Reserves and surplus	3.2	(21,15,45,158)	(3,68,37,550)
<b>2 Share application money pending allotment</b>	3.3	-	37,05,752
<b>3 Non-Current liabilities</b>			
(a) Long term borrowings	3.4	2,10,17,220	3,81,58,095
(b) Long term provisions	3.5	73,64,624	68,20,335
(c) Other long term liabilities	3.6	-	1,23,987
<b>4 Current liabilities</b>			
(a) Short-term borrowings	3.7	2,10,00,000	-
(b) Trade payables	3.8		
(i) total outstanding dues of micro enterprises and small enterprises		-	-
(ii) total outstanding dues of creditors other than micro enterprises and small enterprises		12,48,49,556	11,23,27,527
(c) Other current liabilities	3.9	14,84,53,635	17,27,26,830
(d) Short term provisions	3.10	27,14,628	24,05,032
<b>Total</b>		<b>12,18,81,725</b>	<b>30,74,09,378</b>
<b>B. ASSETS</b>			
<b>1 Non current assets</b>			
(a) Property, plant and equipment			
(i) Tangible assets	3.11	57,29,379	1,11,76,635
(ii) Intangible assets	3.11	62,202	7,76,664
(b) Non-current Investment	3.12	-	-
(c) Deferred tax assets (net)	3.13	79,69,342	10,82,51,228
(d) Long term loans and advances	3.14	1,37,64,401	3,03,61,150
<b>2 Current assets</b>			
(a) Trade receivables	3.15	2,46,55,641	2,71,79,459
(b) Cash and cash equivalents	3.16	1,45,97,858	4,25,73,522
(c) Bank balances other than (b) above	3.16	1,31,77,621	6,25,46,136
(d) Short term loan and advances	3.17	3,27,13,531	1,99,28,183
(e) Other current assets	3.18	92,11,750	46,16,401
<b>Total</b>		<b>12,18,81,725</b>	<b>30,74,09,378</b>

Significant accounting policies & Notes to accounts 1 & 2  
The accompanying notes form an integral part of the standalone financial statements

In terms of our report attached  
For Deloitte Haskins & Sells  
Chartered Accountants



Ananthi Amarnath  
Partner  
Membership No. 209252

Place: Chennai  
Date: October 30, 2021

for and on behalf of the Board of Directors of  
Brain4ce Education Solutions Private Limited



R Rangarajan  
Director  
DIN: 00591483



K Praveen Kumar  
Director  
DIN: 00591450

Place: Chennai  
Date: October 30, 2021

**Brain4ce Education Solutions Private Limited**  
**Standalone Statement of Profit and loss account**

Particulars	Note	For the year ended 31 March, 2021 ₹	For the year ended 31 March, 2020 ₹
<b>Revenue from operations</b>			
(a) Revenue from Operations	3.19	79,96,69,029	70,16,76,942
(b) Other Income	3.2	51,44,949	25,87,269
<b>Total Revenue</b>		<b>80,48,13,977</b>	<b>70,42,64,211</b>
<b>Expenses</b>			
(a) Employee benefits expense	3.21	33,13,97,187	36,27,60,619
(b) Finance cost	3.22	65,78,349	57,38,121
(c) Depreciation and amortisation expense	3.11	70,15,252	1,05,87,153
(d) Other expenses	3.23	57,24,68,402	55,53,19,826
<b>Total expenses</b>		<b>91,74,59,191</b>	<b>93,44,05,719</b>
<b>Loss before tax</b>		<b>(11,26,45,215)</b>	<b>(23,01,41,508)</b>
<b>Tax expense</b>			
(a) Current tax		-	-
(b) Deferred tax charge / (credit)	3.13	10,02,81,886	(6,81,13,188)
<b>Loss for the year</b>		<b>(21,29,27,101)</b>	<b>(16,20,28,320)</b>
<b>Earning per equity share</b>	3.31		
Basic		(291.83)	(222.18)
Diluted		(291.83)	(222.18)

Significant accounting policies & Notes to accounts 1 & 2  
The accompanying notes form an integral part of the standalone financial statements

As per our report of even date  
**For Deloitte Haskins & Sells**  
**Chartered Accountants**

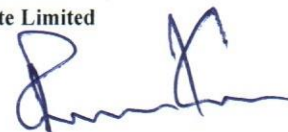
for and on behalf of the Board of Directors of  
**Brain4ce Education Solutions Private Limited**



**Ananthi Amarnath**  
Partner  
Membership No. 209252



**R Rangarajan**  
Director  
DIN: 00591483


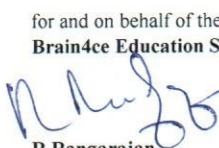



**K Praveen Kumar**  
Director  
DIN: 00591450

**Place: Chennai**  
**Date: October 30, 2021**

**Place: Chennai**  
**Date: October 30, 2021**

Brain4ce Education Solutions Private Limited  
Standalone Cash Flow Statement

Particulars	For the year ended 31 March, 2021	For the year ended 31 March, 2020
<b>A. Cash Flows from operating activities</b>		
Loss before tax	(11,26,45,215)	(23,01,41,508)
<b>Adjustments for:</b>		
Depreciation and amortisation expense	70,15,252	1,05,87,153
Interest Expense on Borrowings	55,72,583	48,53,257
Employee stock option compensation cost	2,71,16,837	2,91,15,615
Bad Debts written off	28,46,599	29,09,524
(Credit) / Debit balances written back / off	(1,15,566)	1,67,926
Interest income	(33,30,278)	(25,24,963)
Interest on Income-tax refund	(4,85,207)	-
Loss / (Profit) on sale of fixed assets	5,65,017	(22,041)
<b>Operating profit / (loss) before working capital changes</b>	<b>(7,34,59,978)</b>	<b>(18,50,55,037)</b>
<b>Changes in working capital</b>		
<b>Adjustments for (increase) / decrease in operating assets:</b>		
Trade receivables	(3,22,781)	23,79,982
Short term loan and advances	(7,21,594)	(88,74,610)
Other current assets	(48,39,891)	(76,08,928)
Long term loans and advances	1,65,96,749	(46,06,079)
<b>Adjustments for increase / (decrease) in operating liabilities:</b>		
Trade payables	1,26,37,595	1,95,85,271
Other long term liabilities	(1,23,987)	(11,82,578)
Other current liabilities	(2,35,50,623)	11,65,68,486
Short-term provisions	3,09,596	3,08,12,657
Long-term provisions	5,44,289	21,62,270
	<b>(7,29,30,625)</b>	<b>(3,58,18,567)</b>
Income taxes paid (net of refund)	(1,15,78,547)	(75,28,676)
<b>Net Cash generated/(used) in operating activities</b>	<b>(8,45,09,172)</b>	<b>(4,33,47,243)</b>
<b>B. Cash Flows from investing activities</b>		
Purchase of property, plant and equipment	(17,68,734)	(99,66,290)
Sale of property, plant and equipment	3,50,183	86,863
Investment in Bank deposits	-	(5,16,96,136)
Proceeds from redemption of bank deposits	4,93,68,515	-
Interest income	35,74,820	24,63,702
<b>Net Cash generated/(used) by investing activities</b>	<b>5,15,24,784</b>	<b>(5,91,11,861)</b>
<b>C. Cash Flows from financing activities</b>		
Long-term borrowings	(1,71,40,875)	57,75,336
Short-term borrowings	2,10,00,000	-
Proceeds from issue of equity shares	1,800	1,800
Proceeds from issue of preference shares	74,42,953	7,56,83,422
Interest Expense on Borrowings	(62,95,154)	(47,26,904)
<b>Net Cash generated/(used) by financing activities</b>	<b>50,08,724</b>	<b>7,67,33,654</b>
Net Increase/(Decrease) in Cash and Cash Equivalents	(2,79,75,664)	(2,57,25,450)
Cash and Cash Equivalents at the beginning of the year (refer note 3.15)	4,25,73,522	6,82,98,973
<b>Cash and Cash Equivalents at the end of the year (refer note 3.15)</b>	<b>1,45,97,858</b>	<b>4,25,73,522</b>
Significant accounting policies & Notes to accounts The accompanying notes form an integral part of the standalone financial statements	1 & 2	
As per our report of even date attached		
<b>For Deloitte Haskins &amp; Sells Chartered Accountants</b>	for and on behalf of the Board of Directors of <b>Brain4ce Education Solutions Private Limited</b>	
		
<b>Ananthi Amarnath</b> Partner Membership No. 209252	<b>R Rangarajan</b> Director DIN: 00591483	<b>K Praveen Kumar</b> Director DIN: 00591450
<b>Place: Chennai</b> <b>Date: October 30, 2021</b>	<b>Place: Chennai</b> <b>Date: October 30, 2021</b>	

**Brain4ce Education Solutions Private Limited**  
**Notes to Standalone Financial Statements for the year ended 31<sup>st</sup> March,2021.**

**1. About the company**

The Company was incorporated on 13 May 2011 under the Indian Companies Act, 1956 vide Corporate Identity Number: U80200KA2011PTC094081. The Company is engaged in the business of providing online training and coaching services.

**2. Significant Accounting Policies**

**2.1 Basis of Preparation**

These standalone financial statements have been prepared in accordance with the Generally Accepted Accounting Principles in India (Indian GAAP), under the historical cost conversion, on accrual basis of accounting and comply with the mandatory Accounting Standards (AS) as prescribed under section 133 of the Companies Act 2013 (Act) read with rule 7 of the Companies (Accounts) rule, 2014 and the provisions of the Act (to the extent notified and applicable). These standalone financial statements are prepared and presented in Indian rupees unless otherwise stated.

The Company is a Small and Medium Sized Company (SMC) as defined in the general instructions in respect of accounting standards specified of the Companies Act, 2013 ("the Act"), read with rule 7 of the Companies (Accounts) Rules, 2014.

**2.2 Current and non-current classification**

All assets and liabilities are classified into current and non-current.

**Assets**

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

- a. It is expected to be realised in, or is intended for sale or consumption in, the companies normal operating cycle;
- b. It is held primarily for the purpose of being traded;
- c. It is expected to be realised within 12 months after the reporting date; or
- d. It is cash or a cash equivalent unless it is restricted from being exchanged or used to settle a liability for at least 12 months after the balance sheet date.

Current assets include the current portion of non-current financials assets. All other assets are classified as non-current assets.

**Liabilities**

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

- a. It is expected to be settled in the Companies normal operating cycle;
- b. It is held primarily for the purpose of being traded;
- c. Is due to be settled within 12 months after the reporting date; or
- d. The Company does not have an unconditional right to defer settlement of liability for at least 12 months after the reporting date. Terms of a liability that could, at the option of the counter party, result in its settlement by the issue of equity instruments do not affect its classification.

Current liabilities include current operation of non-current liabilities.



**Brain4ce Education Solutions Private Limited**  
**Notes to Standalone Financial Statements for the year ended 31<sup>st</sup> March,2021.**

All other liabilities are classified as non-current assets.

**Operating cycle**

Operating cycle is a time between the acquisition of assets for processing and their realisation in the cash or cash equivalents. Based on this, the Company has ascertained less than 12 months as its operating cycle and hence 12 months has been considered for the purpose of current – non current classifications of assets and liabilities.

**2.3 Use of Estimates:**

The preparation of standalone financial statements in conformity with general accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent liabilities at the date of the standalone financial statements and the results of operations during the reporting period end. Although these estimates are based upon management's best knowledge of current events and actions, actual results could differ from these estimates.

**2.4 Revenue Recognition**

Revenue from services is recognized as and when related services are performed unless significant future uncertainties exist and to the extent that is probable that the economic benefits will flow to the Company and the revenue can be reliably measured. Revenue is primarily derived from online coaching classes. It is recognized on the contract terms and is recognized over the period of subscription on a straight-line basis.

**B2C revenue recognition:**

For Self Paced courses – Revenue is recognized on the date of sale  
For Live Courses and Master courses - Revenue is recognized over the period of actual duration of course from the start date.

**PGP Revenue recognition:**

Revenue is recognized over the period of 11 months from the date of batch allocation.

**B2B revenue recognition:**

Revenue is recognised as and when Invoice is issued against the services provided.

Unbilled revenue included in other current assets represents cost and earnings in excess of billings as at the end of the reporting year.

Deferred revenue included in current liabilities represents billings in excess of revenue recognized.

- **Interest** on deployment of funds is recognised using the time proportionate method based on the underlying interest rates.



## **2.5 Property, Plant & Equipment**

### **Recognition and initial measurement:**

Property, plant and equipment, are carried at cost less accumulated depreciation and impairment losses, if any. The cost of property, plant and equipment comprises its purchase price, borrowing costs if capitalisation criteria are met, net of any trade discounts and rebates, any import duties and other taxes (other than those subsequently recoverable from the tax authorities), the expenditure incurred on start-up and commissioning of the project, including the expenditure incurred on test runs and experimental production, are capitalised as an indirect element of the construction cost, any directly attributable expenditure for making the asset ready for its intended use and other incidental expenses.

### **Depreciation and useful lives:**

Depreciation on property, plant and equipment has been provided on the written down value method over their useful lives estimated by the Company. The Company estimates the useful life of items of property, plant and equipment as follows:

<b>Description of the asset</b>	<b>Useful Life</b>
Office Equipment	5 years
Furniture & Fixture	10 years
Computers & Computer Software	3 years
Motor Vehicles	8 years

The Company believes the useful lives as given above best represent the useful life of these assets based on internal assessment where necessary, which is different from the useful lives as prescribed under Part C of schedule II of the Companies Act, 2013.

## **2.6 Impairment of property, plant and equipment and intangible assets**

Property, plant and equipment and intangible assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. Whenever the carrying amount of an asset exceeds its recoverable amount, an impairment loss is recognized in the income statement. The recoverable amount is the higher of an asset's net selling price and value in use. The net selling price is the amount obtained from the sale of an asset in an arm's length transaction while value in use is the present value of estimated future cash flows expected to arise from the continuing use of an asset and from its disposal at the end of its useful life. Recoverable amounts are estimated for individual assets or if not possible, for the cash generating unit. Impairment loss recognized, if any, in earlier accounting periods is reversed, to the extent it is recoverable if there is a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognized.



## **2.7 Employees retirement benefits**

### **(a) Short-term benefits – Leave encashment:**

Leave encashment is a defined benefit for which liability is provided based on actuarial valuation at the balance sheet date using projected unit credit method carried out by independent actuary. Actuarial gains and losses are recognised in the statement of profit and loss in the period in which they arise.

### **(b) Long-term Defined Contribution Plan - Provident Fund:**

All employees have the option to receive benefits from a provident fund, which is defined contribution plan. Both the employee and employer make monthly contribution to the plan equal to 12% of the eligible employee salary, which are remitted to the Government's provident fund. The company has no further obligation under this plan beyond its monthly contribution.

### **(c) Long-term Defined Benefit Plan – Gratuity:**

Gratuity is a defined benefit for which liability is provided based on actuarial valuation at the balance sheet date using projected unit credit method carried out by independent actuary. Actuarial gains and losses are recognised in the statement of profit and loss in the period in which they arise.

## **2.8 Taxation**

Tax expense comprises current and deferred. Current income tax is measured at the amount expected to be paid to the tax authorities in accordance with the Indian Income Tax Act, 1961. Deferred income taxes reflect the impact of current year timing differences between taxable income and accounting income for the year and reversal of timing differences of earlier years.

Minimum Alternate Tax (MAT) paid in accordance with the tax laws, which gives future economic benefits in the form of adjustment to future income tax liability, is considered as an asset if there is convincing evidence that the Company will pay normal income tax. Accordingly, MAT is recognised as an asset in the Balance Sheet when it is highly probable that future economic benefit associated with it will flow to the Company.

Deferred tax is measured based on the tax rates and the tax laws enacted or substantively enacted at the balance sheet date. Deferred tax assets are recognised only to the extent that there is reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realized. If the company has carry forward of unabsorbed depreciation and tax losses, deferred tax assets are recognised only if there is virtual certainty that such deferred tax assets can be realised against future taxable profits. Unrecognized deferred tax assets of earlier years are re-assessed and recognised to the extent that it has become reasonably certain that future taxable income will be available against which such deferred tax assets can be realized.

## **2.9 Earnings per share:**

Basic earnings per share is calculated by dividing the net profit or loss for the year attributable to equity shareholders (after deducting preference dividends and attributable taxes) by the weighted average number of equity shares outstanding during the period. Diluted EPS comprises weighted average shares considered



**Brain4ce Education Solutions Private Limited**  
**Notes to Standalone Financial Statements for the year ended 31<sup>st</sup> March,2021.**

for deriving Basic EPS, and also the weighted average number of equity shares which could have been issued on the conversion of all dilutive potential equity shares.

**2.10 Employee Stock Compensation Cost:**

Stock options granted to the employees under the stock option scheme established are evaluated as per the accounting treatment stated in the Guidance Note on Employee Share Based Payments issued by the Institute of Chartered Accountants of India. Accordingly, the excess of Fair value of the stock options as on the date of grant over the exercise price of the options is recognized as deferred employee compensation and is charged to profit and loss account on graded vesting basis over the vesting period of the options.

**2.11 Provisions:**

Provision is recognised when, as a result of obligating events, there is a present obligation that probably requires an outflow of resources and a reliable estimate can be made of the amount of obligation. The disclosure of contingent liability is made when, as a result of obligating events, there is a possible obligation or a present obligation that may, but probably will not, require an outflow of resources.

No provision or disclosure is made when, as a result of obligating events, there is a possible obligation or present obligation where the possibility of likelihood of an outflow of resources is remote. Provision for warranty costs are estimated on the basis of historical information and management estimates regarding possible future incidence based on products. The foregoing evaluations are inherently uncertain, as they require material estimates. Consequently, actual warranty costs will differ from the estimated amounts and could require necessary adjustment in subsequent years.

**2.12 Foreign currency transactions**

**(a) Initial Recognition**

Foreign currency transactions are recorded in the reporting currency by applying to the foreign currency amount the exchange rate between the reporting currency and the foreign currency prevalent on the date of the transaction.

**(b) Conversion**

Foreign currency monetary items are reported using the year end closing rate. Non-monetary assets which are carried at historical cost denominated in foreign currency are reported using the exchange rate at the date of the transaction.

**(c) Exchange differences**

Exchange differences arising on the settlement of monetary items or on the non-monetary items at rates different from those at which they were initially recorded during the year or reported in previous standalone financial statements are recognized as income or expenses.





**Brain4ce Education Solutions Private Limited**  
**Notes to Standalone Financial Statements for the year ended 31<sup>st</sup> March,2021.**

**2.13 Leases**

Lease arrangements where the risks and rewards incidental to ownership of an asset substantially vest with the lessor are recognised as operating leases. Lease rentals under operating leases are recognised in the Statement of Profit and Loss on a straight-line basis over the lease term.

**2.14 Cash flow statement**

Cash flows are reported using the indirect method, whereby profit / (loss) before extraordinary items and tax is adjusted for the effects of transactions of non-cash nature and any deferrals or accruals of past or future cash receipts or payments. The cash flows from operating, investing and financing activities of the Company are segregated based on the available information.

**2.15 Borrowing costs**

Borrowing costs include interest, amortization of ancillary costs incurred and exchange differences arising from foreign currency borrowings to the extent they are regarded as an adjustment to the interest cost. Costs in connection with the borrowing of funds to the extent not directly related to the acquisition of qualifying assets are charged to the Statement of Profit and Loss over the tenure of the loan. Borrowing costs, allocated to and utilised for qualifying assets, pertaining to the period from commencement of activities relating to construction / development of the qualifying asset upto the date of capitalisation of such asset are added to the cost of the assets. Capitalisation of borrowing costs is suspended and charged to the Statement of Profit and Loss during extended periods when active development activity on the qualifying assets is interrupted.

**2.16 Provisions and contingent liabilities**

A provision is recognised when the Company has a present obligation as a result of past events and it is probable that an outflow of resources will be required to settle the obligation in respect of which a reliable estimate can be made. Provisions (excluding retirement benefits) are not discounted to their present value and are determined based on the best estimate required to settle the obligation at the balance sheet date. These are reviewed at each balance sheet date and adjusted to reflect the current best estimates. Contingent liabilities are disclosed in the Notes. Contingent assets are not recognised in the financial statements.

**2.17 Segment Reporting**

The Company identifies primary segments based on the dominant source, nature of risks and returns and the internal organisation and management structure. The operating segments are the segments for which separate financial information is available and for which operating profit / loss amounts are evaluated regularly by the executive Management in deciding how to allocate resources and in assessing performance. The company has only one operating segment which is online coaching.



3.1 - Share Capital

(a) Number and amount of shares authorised, issued, subscribed, fully paid-up, subscribed and fully not paid and par value of shares:

Particulars	As at 31 March, 2021	As at 31 March, 2020
<b>Authorised</b>		
10,50,000 (March 31, 2020: 10,50,000) Equity shares of Rs.10 each with voting rights	1,05,00,000	1,05,00,000
1,50,000 (March 31, 2020: 1,50,000) Preference shares of Rs.10 each with voting rights	15,00,000	15,00,000
<b>Total</b>	<b>1,20,00,000</b>	<b>1,20,00,000</b>
<b>Issued, Subscribed and fully paid up</b>		
7,29,628 (March 31, 2020: 7,29,448) shares of Rs.10 each fully paid up	72,96,280	72,94,480
38,760 (March 31, 2020: 38,760) Series Seed Compulsorily Convertible Preference Shares of Rs.10 each fully paid up	3,87,600	3,87,600
34,334 (March 31, 2020: 29,729) Series Bridge 0.0001% Non-cumulative Non-Participatory Compulsorily Convertible preference Shares of Rs.10 each fully paid up	3,43,340	2,97,290
<b>Total</b>	<b>80,27,220</b>	<b>79,79,370</b>

(b) Reconciliation of the shares outstanding at the beginning and at the end of the reporting period:

Class of shares: Equity Shares

Particulars	As at 31 March, 2021		As at 31 March, 2020	
	No.	Amount	No.	Amount
Number of shares at the beginning of the year	7,29,448	72,94,480	7,29,268	72,92,680
Shares issued during the year*	180	1,800	180	1,800
<b>Number of shares at the end of the year</b>	<b>7,29,628</b>	<b>72,96,280</b>	<b>7,29,448</b>	<b>72,94,480</b>

\* During the year, 180 equity shares having face value of Rs.10 were issued at a premium of Rs.239.58.

Class of shares: Preference Shares

Series Seed Compulsorily convertible preference shares ("CCPS")

Particulars	As at 31 March, 2021		As at 31 March, 2020	
	No.	Amount	No.	Amount
Number of shares at the beginning of the year	38,760	3,87,600	38,760	3,87,600
Preference shares issued during the year	-	-	-	-
<b>Number of shares at the end of the year</b>	<b>38,760</b>	<b>3,87,600</b>	<b>38,760</b>	<b>3,87,600</b>

Series Bridge Non Cumulative Non Participatory Compulsorily convertible preference shares ("NCCPS")

Particulars	As at 31 March, 2021		As at 31 March, 2020	
	No.	Amount	No.	Amount
Number of shares at the beginning of the year	29,729	2,97,290	-	-
Preference shares issued during the year <sup>^</sup>	4,605	46,050	29,729	2,97,290
<b>Number of shares at the end of the year</b>	<b>34,334</b>	<b>3,43,340</b>	<b>29,729</b>	<b>2,97,290</b>

<sup>^</sup> During the year, 4605 preference shares of face value Rs.10 was issued at a premium of Rs.2,411. The total securities premium on this issue was Rs.11,148,705

(c) Rights, preferences and restrictions:

The company has one class of equity shares having a par value of Rs.10/- each. Each share holder is entitled to one vote per share. All shareholders have equal right to dividend when declared. In the event of liquidation of the company, equity share holders will be entitled to receive remaining assets of the company after distribution of all preferential amounts. Assets remaining after preferential distribution shall be distributed to equity share holders in proportion to the number of equity shares held by each share holder.

(d) Terms/ rights attached to the Compulsorily convertible preference shares

Series Seed Compulsorily convertible preference shares ("CCPS")

The Company has one class of Preference share i.e. Series Seed Compulsorily convertible preference shares ("CCPS") that carry cumulative dividend @ 0.001% p.a. Series Seed CCPS are convertible into equity share of the Company for preference share held, at any time, at the option of the holder. The conversion ratio is 1:1 (One is to One). The Preference Shares carry a tenure of Nineteen years & eleven months and are automatically converted to equity shares at the end of the tenure (if not already converted by the holder). The preference shareholders enjoy preference rights towards dividend distribution and liquidation events, in accordance with the Shareholder Agreement and Articles of Association of the Company. Each Shareholder of Series Seed CCPS is entitled to one vote per share having pari passu voting rights with the existing Equity shares.

### 3.1 - Share Capital

#### Series Bridge Non Cumulative Non Participatory Compulsorily convertible preference shares ("NCCPS")

The Company has another class of Preference share i.e. Series Bridge Non Cumulative Non Participatory Compulsorily convertible preference shares ("NCCPS") that carry cumulative dividend @ 0.0001% p.a. The Bridge Investor shall have the option of converting the Subscription Securities at any time prior to the happening of any of the events as mentioned below, from the date of issuance of these Subscription Securities, at an initial conversion ratio of 1:1 (One is to One). The conversion ratio shall be based on the terms and conditions detailed in the Letter of subscription executed by and between the company and the Series Bridge Investor.

The Subscription Securities shall be mandatorily/compulsorily converted into equity shares of the Company upon the occurrence of any of the following events, whichever happens earlier:

- (i) Mandatory Conversion Event\*; or
- (ii) Expiry of June 30, 2021; or
- (iii) Upon the Company undertaking an initial public offer.

\*For the purpose of this Clause, "Mandatory Conversion Event" shall mean the Company raising additional capital of at least INR 35,00,00,000/- (Indian Rupees Thirty Five Crores only) by primary issuance of new securities of the Company, or occurrence of a merger, amalgamation or acquisition of the Company, post completion of the issuance and allotment of Series Bridge Securities. In the event of occurrence of any event as mentioned above, the Company shall at the relevant time automatically proceed for conversion.

The Company entered into an agreement with Veranda Learning Solutions Limited (VLS) as of August 30, 2021 for acquisition of all the shares of the company. As per the terms of the agreement, the above CCPS and NCCPS have been converted into equity shares at 1.21:1 and 0.73:1 respectively. The increase in conversion ratio of NCCPS is due to bonus issue done before the conversion.

#### (e) Aggregate number of bonus shares issued and shares issued for consideration other than cash during the period of five years immediately preceding the reporting date

Particulars	Aggregate number of shares	
	As at 31 March, 2021	As at 31 March, 2020
Equity shares allotted as fully paid bonus shares by capitalization of securities premium in the ratio of 65 shares for each share held	7,13,700	7,13,700
Equity Shares allotted on exercise of options granted under the employee stock option plan (ESOP) wherein part consideration was received in form of employee services	4,948	4,768

#### (f) Details of shareholders holding more than 5% of the share capital of the company:

Particulars	As at 31 March, 2021		As at 31 March, 2020	
	Number of Shares	% of Holding	Number of Shares	% of Holding
<b>Equity shares</b>				
Kapil Tyagi	2,68,574	36.81%	2,68,574	36.82%
Lovleen Bhatia	2,68,574	36.81%	2,68,574	36.82%
Abhishek Vinod Singh	45,922	6.29%	45,922	6.30%
Nitin Kumar Verma	45,922	6.29%	45,922	6.30%
Leo Capital Fund I	36,888	5.06%	-	-
<b>Series Seed Compulsorily convertible preference shares ("CCPS")</b>				
Leo Capital	36,888	95.17%	36,888	95.17%
<b>Series Bridge Non Cumulative Non Participatory Compulsorily convertible preference shares ("NCCPS")</b>				
Rajul Garg	4,128	12.02%	4,128	13.89%
Kapil Tyagi	2,064	6.01%	2,064	6.94%
Lovleen Bhatia	2,064	6.01%	2,064	6.94%
Jitendar Tayal	2,065	6.01%	2,065	6.95%
Vinod Panditrao Deshmukh	2,065	6.01%	2,065	6.95%

**Brain4ce Education Solutions Private Limited**  
**Notes to the standalone financial statements**

**3.2 - Reserves and Surplus**

Particulars	As at 31 March, 2021 ₹	As at 31 March, 2020 ₹
<b>(a) Securities Premium Account</b>		
Balance as at the beginning of the year	13,81,40,452	6,59,86,728
Add: Premium on shares issued during the year	1,11,45,780	7,21,53,724
<b>Balance as at the end of the year</b>	<b>14,92,86,232</b>	<b>13,81,40,452</b>
<b>(b) Share options outstanding account</b>		
Balance as at the beginning of the year	8,08,24,314	5,21,85,804
Add: Amounts recorded on grants / modifications / cancellations during the year	5,66,48,203	6,93,69,109
Less: Written back to statement of Profit and Loss during the year	(1,68,64,768)	(97,01,921)
Less : Transferred to Securities premium account upon exercise	(43,125)	(4,77,105)
Less: Deferred stock compensation expense	(1,26,66,598)	(3,05,51,573)
<b>Balance as at the end of the year</b>	<b>10,78,98,027</b>	<b>8,08,24,314</b>
<b>(c) Surplus / (deficit) i.e. balance in the statement of profit and loss account</b>		
Balance as at the beginning of the year	(25,58,02,316)	(9,37,73,996)
Loss during the year	(21,29,27,101)	(16,20,28,320)
<b>Balance as at the end of the year</b>	<b>(46,87,29,417)</b>	<b>(25,58,02,316)</b>
<b>Total</b>	<b>(21,15,45,158)</b>	<b>(3,68,37,550)</b>

**3.3 - Share Application Money pending allotment**

Particulars	As at 31 March, 2021	As at 31 March, 2020
Amount of Share application money pending allotment	-	37,05,752
Number of shares invited	-	1,710
Amount of premium	-	36,88,653
The Company is required to complete the allotment formalities by*	-	10-May-20

\* The allotment formalities were completed during the year.

**Brain4ce Education Solutions Private Limited**  
**Notes to the standalone financial statements**

Particulars	As at 31 March, 2021 ₹	As at 31 March, 2020 ₹
<b>3.4- Long term Borrowings</b>		
<b>Term Loans</b>		
<b>Vehicle loans</b>		
- From Bank - Secured (Secured against hypothecation of vehicles and further secured by the personal guarantee of the promoter directors of the company. Defaults in instalments - Nil. Loans are repayable over a period of 60 monthly instalments and the interest rate ranges from 8.25% to 9.25%).	9,34,032	17,86,758
<b>Business loans</b>		
- From Bank - Secured (Secured against current and future property plant & equipment and further secured by the personal guarantee of the promoter directors of the company. Defaults in instalments - Nil. Loans are repayable over a period 48 monthly instalments accordingly and the interest rate ranges from 8.25% to 9.25%)	2,00,83,188	3,63,71,337
<b>Total</b>	<b>2,10,17,220</b>	<b>3,81,58,095</b>
<b>3.5 - Long term provisions</b>		
<b>Provision for employee benefits</b>		
Provision for Gratuity (refer Note 3.25a)	73,64,624	68,20,335
<b>Total</b>	<b>73,64,624</b>	<b>68,20,335</b>
<b>3.6 - Other long term liabilities</b>		
Rent equalisation reserve	-	1,23,987
<b>Total</b>	<b>-</b>	<b>1,23,987</b>

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**Brain4ce Education Solutions Private Limited**  
**Notes to the standalone financial statements**

Particulars	As at 31 March, 2021 ₹	As at 31 March, 2020 ₹
<b>3.7 - Short-term borrowings</b>		
<b>Unsecured</b>		
Loan from private financial institution	10,00,000	-
Loan from Directors (refer Note 3.25) (Loan repayable on demand at interest @8% per annum)	2,00,00,000	-
<b>Total</b>	<b>2,10,00,000</b>	<b>-</b>
<b>3.8 - Trade payables</b>		
Trade Payables		
- total outstanding dues of micro enterprises and small enterprises	-	-
- total outstanding dues of creditors other than micro enterprises and small enterprises	12,48,49,556	11,23,27,527
<b>Total</b>	<b>12,48,49,556</b>	<b>11,23,27,527</b>
<b>3.9 - Other current liabilities</b>		
Current Maturities of Long-term debt		
Secured loan from Bank - Vehicle Loans	8,52,726	7,82,119
Secured loan from Bank - Business Loans	1,27,81,913	1,27,71,558
Statutory liabilities	2,04,95,232	52,86,644
Unearned revenue	11,34,23,916	15,35,05,906
Interest Payable	3,45,729	3,76,842
Other Liabilities	5,54,119	3,761
<b>Total</b>	<b>14,84,53,635</b>	<b>17,27,26,830</b>
<b>3.10- Short term provisions</b>		
Provision for Gratuity (refer note 3.25a)	13,91,325	9,75,022
Provision for Leave Encashment (refer note 3.25b)	13,23,303	14,30,010
<b>Total</b>	<b>27,14,628</b>	<b>24,05,032</b>

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Brain4ce Education Solutions Private Limited  
Notes to the standalone financial statements

**3.11 - Property, Plant & Equipment:**

Particulars	Tangible assets				Intangible assets			Total
	Computers & Peripherals	Office Equipment	Furniture & Fixtures	Vehicles	Total	Software	Total	
<b>Cost</b>								
As at April 01, 2019	2,02,76,345	25,42,376	7,20,874	56,50,631	2,91,90,226	6,60,568	6,60,568	2,98,50,794
Additions	79,60,693	1,93,232	4,67,958	-	86,21,883	13,44,407	13,44,407	99,66,290
Deletions / Adjustments	(28,600)	-	-	(4,29,903)	(4,58,503)	-	-	(4,58,503)
<b>As at March 31, 2020</b>	<b>2,82,08,438</b>	<b>27,35,608</b>	<b>11,88,832</b>	<b>52,20,728</b>	<b>3,73,53,606</b>	<b>20,04,975</b>	<b>20,04,975</b>	<b>3,93,58,581</b>
Additions	17,36,644	15,895	-	-	17,52,539	16,200	16,200	17,68,734
Deletions / Adjustments	(1,08,34,580)	(18,04,712)	(2,45,874)	-	(1,28,85,166)	(4,29,844)	(4,29,844)	(1,33,15,010)
<b>As at March 31, 2021</b>	<b>1,91,10,502</b>	<b>9,46,791</b>	<b>9,42,958</b>	<b>52,20,728</b>	<b>2,62,20,979</b>	<b>15,91,331</b>	<b>15,91,331</b>	<b>2,78,12,310</b>
<b>Depreciation</b>								
As at April 01, 2019	1,23,80,218	17,11,975	2,27,362	24,94,100	1,68,13,655	3,98,154	3,98,154	1,72,11,809
Charge for the year	82,01,067	3,87,130	1,99,105	9,69,695	97,56,997	8,30,156	8,30,156	1,05,87,153
Deletions / Adjustments	(16,256)	-	-	(3,77,425)	(3,93,681)	-	-	(3,93,681)
<b>As at March 31, 2020</b>	<b>2,05,65,029</b>	<b>20,99,105</b>	<b>4,26,467</b>	<b>30,86,370</b>	<b>2,61,76,971</b>	<b>12,28,310</b>	<b>12,28,310</b>	<b>2,74,05,281</b>
Charge for the year	52,04,073	2,65,409	1,97,286	6,66,654	63,33,422	6,81,830	6,81,830	70,15,252
Deletions / Adjustments	(1,01,55,531)	(16,73,765)	(1,89,502)	-	(1,20,18,798)	(3,81,012)	(3,81,012)	(1,23,99,810)
<b>As at March 31, 2021</b>	<b>1,56,13,571</b>	<b>6,90,749</b>	<b>4,34,251</b>	<b>37,53,024</b>	<b>2,04,91,595</b>	<b>15,29,128</b>	<b>15,29,128</b>	<b>2,20,20,723</b>
<b>Net Block</b>								
As at March 31, 2020	76,43,409	6,36,503	7,62,365	21,34,358	1,11,76,635	7,76,665	7,76,664	1,19,53,300
As at March 31, 2021	34,96,931	2,56,042	5,08,707	14,67,704	57,29,379	62,203	62,202	57,91,587

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**Brain4ce Education Solutions Private Limited**  
**Notes to the standalone financial statements**

Particulars	As at 31 March, 2021 ₹	As at 31 March, 2020 ₹
<b>3.12 - Non-current Investment</b>		
<b>Unquoted - Investment in equity instruments</b>		
60,000 (previous year: 60,000) equity shares of Edureka Pte Ltd, a wholly owned subsidiary at SGD Nil par value each, fully paid up	-	-
<b>Note</b> - Section 68 of the Singapore Companies Act provides for private companies to issue shares for no consideration. Further, as per the Annual Return filed by the entity with Accounting and Corporate Regulatory Authority (ACRA), Singapore, Edureka Pte Ltd is a dormant entity		
<b>Total</b>	-	-
<b>3.13 - Deferred tax assets</b>		
<b>Tax effect of items constituting deferred tax assets</b>		
On difference between book balance and tax balance of Property Plant & Equipment	18,94,754	16,53,763
Provision for gratuity	22,76,547	22,70,008
Provision for leave encashment	3,44,059	4,16,419
Expenses on which tax is not deducted	34,53,982	29,61,482
Rent Equalization Reserve	-	36,105
Unabsorbed Losses*	-	10,09,13,451
(* In September 2021, the shares of the company have been acquired by Veranda Learning Solutions. As per Section 79 of Income Tax Act, the unabsorbed losses cannot be carried forward due to change in shareholding. Therefore, the company has reversed the deferred tax asset on unabsorbed losses.)		
<b>Total</b>	<b>79,69,342</b>	<b>10,82,51,228</b>
<b>3.14 - Long term loans and advances</b>		
Security deposits (unsecured considered good)	-	1,26,65,000
Advance tax and TDS receivable	1,20,63,754	1,59,95,503
MAT Credit Entitlement	17,00,647	17,00,647
<b>Total</b>	<b>1,37,64,401</b>	<b>3,03,61,150</b>

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Brain4ce Education Solutions Private Limited  
Notes to the standalone financial statements

Particulars	As at 31 March, 2021 ₹	As at 31 March, 2020 ₹
<b>3.15 - Trade receivables</b>		
<b>Debts outstanding for period exceeding six months</b>		
Unsecured, considered good	87,214	29,46,205
<b>Other debts</b>		
Unsecured, considered good	2,45,68,427	2,42,33,254
<b>Total</b>	<b>2,46,55,641</b>	<b>2,71,79,459</b>
<b>3.16 - Cash and cash equivalents</b>		
(a) Cash on hand	2,28,684	62,789
(b) Balances with banks		
- in current account	1,43,69,174	4,25,10,733
<b>Cash and cash equivalents (A)</b>	<b>1,45,97,858</b>	<b>4,25,73,522</b>
(c) Other bank balances		
- Bank deposits due to mature within 12 months from the reporting date	1,31,77,621	6,25,46,136
<b>Other bank balances (B)</b>	<b>1,31,77,621</b>	<b>6,25,46,136</b>
<b>Total ( A+B)</b>	<b>2,77,75,479</b>	<b>10,51,19,658</b>
<b>3.17 - Short term loans and advances</b>		
<b>Unsecured, considered good</b>		
Security deposits	35,21,042	20,48,640
Advances to employees	3,04,915	6,53,444
Advance to vendors	2,03,109	56,94,122
Other Advance	5,05,062	-
Prepaid expenses	1,14,87,589	84,38,992
<b>Balances with government authorities</b>		
GST credit balance	1,66,91,814	30,92,985
<b>Total</b>	<b>3,27,13,531</b>	<b>1,99,28,183</b>
<b>3.18 - Other current assets:</b>		
Interest accrued on fixed deposits	47,965	2,92,507
Unbilled revenue	65,08,335	43,23,894
Other Receivables	26,55,450	-
<b>Total</b>	<b>92,11,750</b>	<b>46,16,401</b>

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**Brain4ce Education Solutions Private Limited**  
**Notes to the standalone financial statements**

Particulars	For the year ended 31 March 2021 ₹	For the year ended 31 March 2020 ₹
<b>3.19 - Revenue from Operations</b>		
Income from online coaching	79,96,69,029	70,16,76,942
<b>Total</b>	<b>79,96,69,029</b>	<b>70,16,76,942</b>
<b>3.20 - Other income</b>		
Interest from banks on deposits	33,30,278	25,24,963
Interest income - other	15,765	40,265
Credit balances written back	1,15,566	-
Interest on Income-tax refund	4,85,207	-
Foreign exchange gain, net	11,98,133	-
Profit on sale of property, plant and equipment	-	22,041
<b>Total</b>	<b>51,44,949</b>	<b>25,87,269</b>
<b>3.21: Employee benefits expenses</b>		
Salaries and bonus	28,52,67,726	30,95,80,411
Contributions to Provident Fund and ESI (refer Note 3.26c)	92,76,956	1,03,21,409
Gratuity expenses (refer Note 3.26a)	17,10,919	31,13,086
Leave Encashment expenses	61,07,385	11,38,756
Expense on employee stock option (ESOP) scheme	2,71,16,837	2,91,15,615
Staff welfare expenses	19,17,364	94,91,342
<b>Total</b>	<b>33,13,97,187</b>	<b>36,27,60,619</b>

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**Brain4ce Education Solutions Private Limited**  
**Notes to the standalone financial statements**

Particulars	For the year ended 31 March 2021 ₹	For the year ended 31 March 2020 ₹
<b>3.22: Finance Cost</b>		
Interest expense on borrowings	55,72,583	48,53,257
Loan processing charges	10,000	40,000
Bank charges	9,95,766	8,44,864
<b>Total</b>	<b>65,78,349</b>	<b>57,38,121</b>
<b>3.23: Other expenses</b>		
Advertising and marketing expenses	23,61,28,330	24,94,17,693
Legal and professional fees	12,63,45,097	13,18,65,566
Business Support Services	6,51,15,320	5,94,33,189
Academic partner share	5,71,24,742	2,36,98,199
Payment gateway & Finance charges	3,35,15,354	2,90,68,614
Rent	2,20,22,168	1,97,69,377
Communication expense	1,40,62,635	1,11,85,341
Foreign exchange loss, net	-	32,91,646
Rates and taxes (Refer Note 3.24B)	43,84,974	49,13,588
Office expenses	26,90,379	43,15,071
Business Promotion Expense	23,81,291	37,72,212
Bad Debts	28,46,599	29,09,524
Power and fuel	12,43,199	44,69,067
Repairs and maintenance - others	9,76,020	12,57,452
Payment to auditors (Refer Note 3.24A)	20,00,000	4,00,000
Loss on sale of property, plant and equipment	5,65,017	-
Travelling and conveyance	4,18,597	47,85,019
Debit balances written off	-	1,67,926
Insurance expenses	1,03,366	1,38,794
Printing and stationery	25,960	4,31,589
Miscellaneous expenses	5,19,354	29,959
<b>Total</b>	<b>57,24,68,402</b>	<b>55,53,19,826</b>
<b>3.24A - Payment to Auditors</b>		
<b>To Statutory Auditors</b>		
i) For audit	18,50,000	3,00,000
ii) For taxation matters	1,50,000	1,00,000
<b>Total</b>	<b>20,00,000</b>	<b>4,00,000</b>

**3.24B** - Includes Rs. 2,26,098 paid on behalf of the dormant subsidiary towards compliance related matters.

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**3.25 - Related Party Disclosures**

**(i) Name of the related party and description of relationship**

Relationship	Name of the related party
<b>Key management personnel</b>	
- Director	Lovleen Bhatia
- Director	Kapil Tyagi
- Director	Rajul Garg
- Director	Ramakanth Sharma
<b>Details of Wholly owned subsidiary</b>	
Name of Subsidiary company	Edureka Pte Ltd

**(ii) Details of transaction with related parties:**

Name of the related parties	For the year ended 31 March 2021	For the year ended 31 March 2020
<b>Remuneration to Directors</b>		
Lovleen Bhatia	29,62,763	46,67,367
Kapil Tyagi	29,62,763	46,67,367
<b>Loan from Directors</b>		
Lovleen Bhatia	1,00,00,000	-
Kapil Tyagi	1,00,00,000	-
<b>Interest Expenses</b>		
Lovleen Bhatia	36,164	-
Kapil Tyagi	1,14,959	-

**(iii) Balance receivable from and payable to related parties**

Name of the related parties	As at 31 March, 2021	As at 31 March, 2020
<b>Loan payable to Directors</b>		
Lovleen Bhatia	1,00,00,000	-
Kapil Tyagi	1,00,00,000	-
<b>Interest Payable</b>		
Lovleen Bhatia	33,452	-
Kapil Tyagi	1,06,337	-

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**Brain4ce Education Solutions Private Limited**  
**Notes to the standalone financial statements**

**3.26(a) - Gratuity plan:**

The Company has a gratuity plan, which is a defined benefit scheme. Every employee who has completed 5 years or more of service is eligible for gratuity on separation worked out at 15 days salary (last drawn salary) for each completed year of service. The obligation under the scheme is unfunded.

Particulars	For the year ended 31 March 2021	For the year ended 31 March 2020
Obligations at period beginning	77,95,358	50,46,254
Service Cost	20,27,142	25,96,746
Interest on Defined benefit obligation	4,87,507	3,73,575
Prior Service Cost	-	-
Benefits settled	(7,50,327)	(3,63,983)
Actuarial (gain)/loss	(8,03,730)	1,42,765
Benefits paid	-	-
<b>Obligations at period end</b>	<b>87,55,950</b>	<b>77,95,358</b>
Current Liability (within 12 months)	13,91,325	9,75,022
Non Current Liability	73,64,624	68,20,335
<b>Change in plan assets</b>		
Plan assets at period beginning at fair value	-	-
Expected return on plan assets	-	-
Actuarial gain/(loss)	-	-
Contributions (less risk prem + ST)	-	-
Benefits settled (estimated)	-	-
<b>Plan assets at period end, at fair value</b>	<b>-</b>	<b>-</b>
<b>Funded Status</b>		
Closing PBO	87,55,950	77,95,358
Closing Fair value of plan assets	-	-
Closing Funded status	(87,55,950)	(77,95,358)
<b>Net asset/(Liability) recognized in the balance sheet</b>	<b>(87,55,950)</b>	<b>(77,95,358)</b>
<b>Expenses recognised in the P &amp; L account</b>		
Service cost	20,27,142	25,96,746
Interest cost	4,87,507	3,73,575
Expected return on plan assets	-	-
Actuarial (gain)/loss	(8,03,730)	1,42,765
<b>Net gratuity cost</b>	<b>17,10,919</b>	<b>31,13,086</b>
Experience Adjustment on Plan Liabilities	(8,03,730)	1,42,765
Experience Adjustment on Plan Assets	-	-
<b>Assumptions:</b>		
Discount Rate	6.71%	6.57%
Expected return on assets	0.00%	0.00%
Salary Escalation	9.00%	9.00%
Attrition rate	30.00%	30.00%
Retirement age	58 years	58 years

The actuarial gain/loss is recognised immediately. The estimates of future salary increases, considered in actuarial valuation, take account of inflation, seniority, promotion and other relevant factors such as supply and demand factors in the employment market.

**3.26(b) - Leave encashment:**

The Company has a leave encashment policy, which is a defined benefit scheme. The obligation under the scheme is unfunded and disclosed as under:

Assumptions:		
Discount factor	6.71%	6.57%
Estimated rate of return on plan assets	0.00%	0.00%
Salary increase	9.00%	9.00%
Attrition rate	30.00%	30.00%
Retirement age	58 years	58 years

The actuarial gain/loss is recognised immediately. The estimates of future salary increases, considered in actuarial valuation, take account of inflation, seniority, promotion and other relevant factors such as supply and demand factors in the employment market.

**3.26(c) - Define contribution plans**

The Company makes contribution of statutory provident fund as per Employees' Provident Funds and Miscellaneous Provisions Act, 1952 and Employees State Insurance Scheme as per the Employees' State Insurance Act, 1948. This is a defined contribution and contribution made was ₹ 92,76,956 for the year ended 31 March 2021 (31 March 2020 : ₹ 1,03,21,409).

**Brain4ce Education Solutions Private Limited**  
Notes to the standalone financial statements

Particulars	31 March 2021 ₹	31 March 2020 ₹
<b>3.27 - Earnings in foreign currency</b>		
Income from Online Training & Coaching	34,10,52,719	32,57,55,465
	<b>34,10,52,719</b>	<b>32,57,55,465</b>
<b>3.28 - Expenditure in foreign currency</b>		
Business Support Services	2,80,04,829	3,65,64,559
Marketing Expense	54,83,922	1,16,10,434
	<b>3,34,88,751</b>	<b>4,81,74,993</b>
<b>3.29 - Foreign exchange exposure:</b>		
Value of unhedged exposure on receivables and payable in foreign currency is given below:		
<b>A. Receivables:</b>		
Balance (USD)	1,29,772	45,362
Balance (INR)	95,38,840	34,16,893
Balance (EURO)	1,609	902
Balance (INR)	1,38,552	74,852
Balance (AUD)	1,922	-
Balance (INR)	1,07,356	-
Balance (CAD)	3,766	-
Balance (INR)	2,19,086	-
Balance (GBP)	3,914	-
Balance (INR)	3,95,169	-
Balance (SGD)	2,059	-
Balance (INR)	1,12,275	-
<b>B. Payables:</b>		
Balance (USD)	29,444	33,473
Balance (INR)	21,64,244	25,23,425

**3.30 - Employee Stock Option Plan:**

**ESOP Scheme - 2014**

In the extraordinary general meeting held on 06th March 2014, the shareholders approved the issue of 10,000 options under the Scheme titled "Brain4ce Education Solutions Private Limited ESOP 2014" (ESOP A). The ESOP A allows issue of options to employees of the Company and its subsidiaries (whether in India or abroad). Each option comprises one underlying equity share of Rs. 10 each. As per the Scheme, the Remuneration / Compensation Committee grants the options to the employees deemed eligible. The exercise price of each option is determined at Rs. 10 per share. The options granted vest over a period ranging from 1 to 4 years.  
In the Extra-ordinary General Meeting held on 12th September, 2016 options under the scheme were increased to 75,000 options along with amendments to the other terms and conditions of the ESOP scheme.

**ESOP Scheme - 2018**

In the extraordinary general meeting held on 01st April 2018, the shareholders approved the issue of 59,823 options under the Scheme titled "Brain4ce Education Solutions Private Limited ESOP 2018" (ESOP B). The ESOP B allows issue of options to employees of the Company and its subsidiaries (whether in India or abroad). Each option comprises one underlying equity share of Rs. 10 each. As per the Scheme, the Remuneration / Compensation Committee grants the options to the employees deemed eligible. The exercise price of each option shall be determined at fair market value of an equity share of the company less such discount as may be determined by the board as on date of grant of options. The options granted vest over a period ranging from 1 to 4 years.

Stock options granted to the employees under the stock option scheme established are evaluated as per the accounting treatment prescribed by the guidelines issued by Securities and Exchange Board of India. Accordingly, the excess of Fair value of the stock options as on the date of grant over the exercise price of the options is recognized as deferred employee compensation and is charged to profit and loss account on graded vesting basis over the vesting period of the options.

**Brain4ce Education Solutions Private Limited**  
Notes to the standalone financial statements

The details of stock options granted, forfeited, vested and exercised under the ESOP:

Particulars	2020-2021		2019-2020	
Plan size	59,823	75,000	59,823	75,000
ESOP Scheme	2018	2014	2018	2014
Date of Grant	Various dates	Various dates	None	None
Bonus shares issued	None	None	None	None
Method of settlement	Equity based	Equity based	Equity based	Equity based
Vesting period	1 to 4 years - Graded vesting	1 to 4 years - Graded vesting	1 to 4 years - Graded vesting	1 to 4 years - Graded vesting
Options granted opening balance	47,804	49,657	51,036	49,837
Additional options pursuant to the Bonus	-	-	-	-
Options granted during the year	14,822	-	9,029	-
Options forfeited during the year	12,771	-	12,261	-
Options exercised	-	180	-	180
<b>Options granted closing balance</b>	<b>49,855</b>	<b>49,477</b>	<b>47,804</b>	<b>49,657</b>
Options vested	30,127	49,209	12,765	49,120

The fair value of options based on the valuation of independent valuer as of the respective dates of grant are given below:

Particulars	31-03-2021	31-03-2020
No. of options granted (of Rs.10 each)	14,822	9,029
Date of grant	01 April 2020 01 May 2020 04 May 2020 01 July 2020 01 August 2020 01 September 2020 01 October 2020 01 March 2021	01 July 2019 16 Dec 2019
Vesting period (years)	1-4	1-4
Expected life of option (years)	6	6
Weighted-average fair values of options per share (of Rs.10 each)	2,411	2,045
Weighted average remaining contractual life for options outstanding	4	5

**Events after the Balance Sheet Date:**

ESOP Scheme 2014 and 2018 were amended in the Extraordinary General Meeting held on August 12, 2021. As per the amended scheme, on further exercise of vested options, the options will be settled through issuance of redeemable preference shares instead of issuance of equity shares. The exercise period has been capped at 31st July, 2024 instead of 96 months from the vesting date. All the redeemable preference shares issued on such exercise will be redeemed at a price of Rs.2,415 in August 2024. The above amendment has been considered as a non-adjusting subsequent event in the financial statements for the year ended March 31, 2021.

**3.31 - Earnings per share**

Particulars	31-Mar-21 ₹	31-Mar-20 ₹
Profit after tax as per Statement of Profit and Loss (A)	(21,29,27,101)	(16,20,28,320)
Weighted average number of equity shares outstanding for basic EPS (B) (No's)	7,29,617	7,29,278
Weighted average number of equity shares outstanding for diluted EPS (C) (No's)	8,96,471	8,60,799
Nominal value of shares (Rs.)	10	10
<b>Earnings per share (basic) (Rs.) (A/B)</b>	<b>(291.83)</b>	<b>(222.18)</b>
<b>Earnings per share (diluted) (Rs.) (A/C)</b>	<b>(237.52)</b>	<b>(188.23)</b>
<b>Earnings per share (diluted) restricted to basic EPS *</b>	<b>(291.83)</b>	<b>(222.18)</b>

\*As per para 41 of AS 20, Potential equity shares are anti-dilutive when their conversion to equity shares would increase earnings per share from continuing ordinary activities or decrease loss per share from continuing ordinary activities. The effects of anti-dilutive potential equity shares are ignored in calculating diluted earnings per share.

**3.32 - Corporate Social Responsibility (CSR)**

Particulars	31-Mar-21 ₹	31-Mar-20 ₹
Gross amount required to be spent by the Company during the year	-	-
Amount spent during the year	-	-

**3.33 - Segment Reporting**

The operations of the company relate to only one segment which is online training and coaching services. The Board of Directors review the operating results as a whole for purposes of making decisions about resources to be allocated and assess its performance, the entire operations are classified as a single business segment. The geographical segments considered for disclosure are – India and Rest of the World. Accordingly, there is no other reportable segment as per AS 17 Segment Reporting.

**Brain4ce Education Solutions Private Limited**  
Notes to the standalone financial statements

Particulars	31-Mar-21 ₹	31-Mar-20 ₹
<b>Revenue from Operations:</b>		
India	45,86,16,310	37,59,21,477
Rest of the World	34,10,52,719	32,57,55,465
<b>Segment Assets:</b>		
India	11,13,70,446	30,39,17,633
Rest of the World	1,05,11,279	34,91,745
<b>Capital Expenditure:</b>		
India	17,68,734	99,66,290
Rest of the World	-	-

**3.34 - Covid-19 Impact**

The spread of Covid 19 has affected the business operations post the national lock down. The Company has taken various measures in consonance with Central and State Government advisories to contain the pandemic. Given the uncertainty of quick turnaround to normalcy, post lifting of the lock down, the Company has carried out a comprehensive assessment of possible impact on its business operations, assets, contractual obligation and its overall liquidity position, based on the internal and external sources of information and application of reasonable estimates. The Company does not foresee any significant incremental risk to the recoverability of its assets or, in meeting its obligations over the foreseeable future, given early and required steps taken to contain, protect and mitigate the exposure.

Pursuant to the relaxed guidelines, the Company has now resumed its operations. Since the situation is continuously evolving, the impact assessed in future may be different from the estimates made as at the date of approval of these financial statements. Management will continue to monitor any material changes arising due to the impact of this pandemic on financial and operational performance of the Company and take necessary measures to address the situation.

**3.35 - Contingent liabilities**

No contingent liabilities and commitments exists as at 31 March 2021 and 31 March 2020.

**3.36 - Comparative figures**

Previous year figures are regrouped and reclassified wherever necessary to make them comparable with those of the current year.

**3.37 - Subsequent Events**

The Company entered into an agreement with Veranda Learning Solutions Limited ('VLS') (formerly Veranda Learning Solutions Private Ltd) as of August 30, 2021 for acquisition of all the shares of the company for an agreed consideration of Rs. 193,28,09,025 at the rate of Rs. 2,415 per share and Rs.11,92,00,000 of cash infusion into the Company. All the shareholders will be paid in the manner defined in the agreement and VLS will become 100% Holding Company. As per principles of AS 4, an acquisition of the company post the balance sheet date will be treated as a non-adjusting event and would only require disclosure note. Accordingly, no adjustments have been made to the assets and liabilities as on March 31, 2021.

Further, post the acquisition, the Board was reconstituted on September 17, 2021 and Mr. Rangarajan and Mr. Koorapati Praveen Kumar were inducted as directors in the Company.

**3.38 - Going Concern**

The company's net worth has fully eroded and the current liabilities exceeded current assets as at March 31, 2021. The loss was mainly due to impact of Covid and fixed cost incurred towards advertisement and marketing expenses. However, the operations of the Company improved during the year as compared to the previous year. The turnover has increased by Rs. 9,79,92,088 and losses before tax has reduced by Rs. 11,74,96,297. The Company has also started making profits from the quarter ended June 2021. Further, the company was subsequently acquired by Veranda Learning Solutions Ltd (formerly Veranda Learning Solutions Private Ltd) for a valuation of Rs. 205,20,09,025, which included infusion of cash of Rs. 11,92,00,000 cash into the company. Based on the business and cash flow projections taken on record by the Board, comparison of actual performance till the date of issuance of this report vis-à-vis the projections and subsequent cash infusion into the business of Rs.11,92,00,000 in September 2021, the Company will have adequate cash flows to meet its obligations. Accordingly, the financials have been prepared on a going concern basis.

**3.38 - Approval of Financial Statements**

The standalone financial statements were approved for issue by the board of directors on October 30, 2021.

for and on behalf of the Board of Directors of  
Brain4ce Education Solutions Private Limited



**R Rangarajan**  
Director  
DIN: 00591483



**K Praveen Kumar**  
Director  
DIN: 00591450

Place: Chennai  
Date: October 30, 2021

