

Brain4ce Education Solutions Private Limited
Standalone Balance Sheet


Particulars	Note	As at 31 March, 2020 ₹	As at 31 March, 2019 ₹
A. EQUITY AND LIABILITIES			
1 Shareholder's funds			
(a) Share capital	3.1	79,79,370	76,80,280
(b) Reserves and surplus	3.2	(3,68,37,549)	2,43,98,536
2 Share application money pending allotment		37,09,513	-
3 Non-Current liabilities			
(a) Long term borrowings	3.3	3,81,58,095	3,23,82,759
(b) Long term provisions	3.4	77,57,717	55,95,447
(c) Other long term liabilities	3.5	1,23,987	13,06,565
4 Current liabilities			
(a) Trade payables	3.6		
(A) total outstanding dues of micro enterprises and small enterprises		-	-
(B) total outstanding dues of creditors other than micro enterprises and small enterprises		6,82,25,833	4,84,72,637
(b) Other current liabilities	3.7	17,64,78,622	5,97,83,783
(c) Short term provisions	3.8	4,18,13,789	1,10,01,133
Total		30,74,09,377	19,06,21,140
B. ASSETS			
1 Non current assets			
(a) Property, plant and equipment			
(i) Tangible assets	3.9	1,11,76,633	1,23,76,571
(ii) Intangible assets	3.9	7,76,665	2,62,413
(b) Deferred tax assets (net)	3.10	10,82,51,228	4,01,38,040
(c) Long term loans and advances	3.11	2,39,42,963	1,93,36,884
2 Current assets			
(a) Trade receivables	3.12	2,71,79,458	3,24,68,964
(b) Cash and cash equivalents	3.13	10,51,19,659	7,91,48,973
(c) Short term loan and advances	3.14	1,79,07,378	15,04,092
(d) Other current assets	3.15	1,30,55,393	53,85,203
Total		30,74,09,377	19,06,21,140

Significant accounting policies

1 & 2

The notes referred to the above form an integral part of the standalone financial statements

As per our report of even date
for K.R. Kiran Kumar & Associates
Chartered Accountants
Firm's registration no. 0159615


CA. Kiran Kumar K.R.
Proprietor
Membership No. 228089

Place: Bengaluru
Date: 4th December 2020

for and on behalf of the Board of Directors of
Brain4ce Education Solutions Private Limited
CIN: U80200KA2011PTC094081


Kapil Tyagi
Wholetime Director
DIN: 01212240


Lovleen Bhatia
Director
DIN: 05158609

Place: Bengaluru
Date: 4th December 2020

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

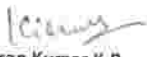
Particulars	Note	For the year ended	For the year ended
		31 March, 2020	31 March, 2019
		₹	₹
Revenue from operations			
(a) Revenue from Operations	3.16	70,16,76,942	52,42,86,898
(b) Other Income	3.17	26,71,480	62,37,139
Total Revenue		70,43,48,422	53,05,24,037
Expenses			
(a) Employee benefits expense	3.18	36,27,60,618	27,26,05,599
(b) Finance cost	3.19	48,93,257	19,61,744
(c) Depreciation and amortisation expense	3.9	1,05,87,153	86,58,570
(d) Other expenses	3.20	55,62,48,899	37,26,95,158
Total expenses		93,44,89,928	65,59,21,071
Loss before tax		(23,01,41,506)	(12,53,97,034)
Tax expense			
1. Current tax			
2. Deferred tax charge / (credit)		(6,81,13,188)	(3,57,66,060)
Loss for the year		(16,20,28,318)	(8,96,30,974)
Earning per equity share	3.29		
Basic		(222.18)	(122.92)
Diluted		(196.80)	(109.03)

Significant accounting policies

1 & 2


The notes referred to the above form an integral part of the standalone financial statements.

As per our report of even date
for K.R. Kiran Kumar & Associates
Chartered Accountants
Firm's registration no. 0159615



CA. Kiran Kumar K.R.
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Kapil Tyagi
Wholetime Director
DIN: 01212240

Place: Bengaluru
Date: 4th December 2020


Lovleen Bhatia
Director
DIN: 05158609



Brain4ce Education Solutions Private Limited
Standalone Cash Flow Statement

Particulars	For the year ended 31 March, 2020	For the year ended 31 March, 2019
A. Cash Flows from operating activities		
Loss before tax	(23,01,41,506)	(12,53,97,034)
Adjustments to reconcile profit before tax to cash generated by operating activities		
Depreciation and amortisation expense	1,05,67,113	86,58,570
Interest Expense on Borrowings	48,53,257	14,01,744
ESOP expenses	2,91,15,615	3,61,53,356
Bad Debts written off	29,09,524	83,814
Debit balance written back	2,52,137	-
Credit balance written back	(88,211)	(29,265)
Interest income	(25,24,963)	(4,52,053)
Interest on Income-tax refund	-	(89,945)
Profit on sale of fixed assets	(22,041)	(88,913)
Profit on sale of mutual funds	-	(53,97,846)
Operating profit / (loss) before working capital changes	(18,50,55,036)	(8,51,47,572)
Changes in working capital		
Adjustments for (increase) / decrease in operating assets:		
Trade receivables	28,79,982	(1,39,85,741)
Short term loan and advances	(88,74,610)	(8,29,577)
Other current assets	(76,08,928)	4,41,741
Long term loans and advances	(46,06,079)	(4,70,910)
Adjustments for increase / (decrease) in operating liabilities:		
Trade payables	1,95,85,271	1,16,33,591
Other long term liabilities	(11,82,578)	13,06,565
Other current liabilities	11,65,68,486	3,51,28,595
Short-term provisions	3,08,12,656	6,84,348
Long-term provisions	21,62,270	28,13,282
	(3,58,18,567)	(4,84,25,679)
Net income tax (paid) / refunds	(75,28,676)	(41,26,752)
Net Cash generated/(used) in operating activities	(4,33,47,243)	(5,25,52,431)
B. Cash Flows from investing activities		
Purchase of property, plant and equipment	(89,66,290)	(1,54,23,623)
Sale of property, plant and equipment	86,863	5,29,988
Sale of investment in mutual funds	-	2,53,97,846
Investment in Bank deposits	(5,16,96,136)	(1,00,00,000)
Interest Income	24,63,702	2,30,991
Net Cash generated/(used) by investing activities	(5,91,11,861)	7,35,202
C. Cash Flows from financing activities		
Long-term borrowings	57,75,336	3,07,57,112
Proceeds from issue of equity shares	1,800	3,000
Proceeds from issue of preference shares	7,16,76,619	-
Share application money pending allotment	37,09,513	-
Proceeds from issue of preference shares	2,97,290	-
Interest Expense on Borrowings	(47,26,904)	(11,51,255)
Net Cash generated/(used) by financing activities	7,67,33,654	2,96,08,857
Net Increase/(Decrease) in Cash and Cash Equivalents	(2,57,25,450)	(1,27,08,372)
Cash and Cash Equivalents at the beginning of the year (refer note 3.13)	6,82,98,973	9,05,07,347
Cash and Cash Equivalents at the end of the year (refer note 3.13)	4,25,73,522	6,82,98,975

Significant accounting policies

1 & 2

The notes referred to the above form an integral part of the standalone financial statements

As per our report of even date attached


for K.R. Kiran Kumar & Associates
Chartered Accountants
Firm's registration no. 0159615




CA. Kiran Kumar K.R.
Proprietor
Membership No. 228089

Place: Bengaluru
Date: 4th December 2020

for and on behalf of the Board of Directors of
Brain4ce Education Solutions Private Limited
CIN: U80200KA2011PTC094081


Kapa Tyagi
Wholetime Director
DIN: 01212240


Lovleen Bhatia
Director
DIN: 05158609

Place: Bengaluru
Date: 4th December 2020

Brain4ce Education Solutions Private Limited

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

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 Going Concern

The Company's standalone financial statements have been prepared on a going concern basis, as continuing in operation for the foreseeable future. It is assumed that the Company has neither the intention nor the necessary of liquidation or of curtailing materially the scale of the operations. Accordingly, these standalone financial statements do not include any adjustments relating to recoverability and classification of assets and liabilities that may be necessary if the Company is unable to continue as a going concern.

2.3 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

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- 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 financial assets. All other assets are classified as non-current assets.

Liabilities

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

- a. It is expected to be settled in the Company's 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 counterparty, result in its settlement by the issue of equity instruments do not affect its classification.

Current liabilities include current operation of non-current liabilities.

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.

2.4 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.

2.5 Revenue Recognition

Revenue from services is recognized as and when related services are performed unless significant future uncertainties exist and to the extent that it 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 in the month of the sale

For Live Courses - Revenue is recognized over the period of 45 days from the date of batch allocation

For Master courses - Revenue is recognized over the period of 5 months from the date of batch allocation

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.

Unearned 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.

2.6 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 straight-line method over their useful lives estimated by the Company. The Company estimates the useful life of items of property, plant and equipment as follows:

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

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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.

2.7 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.

2.8 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.

2.9 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.

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.

2.10 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 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.

2.11 Employee Stock Compensation Cost:

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.

2.12 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.

2.13 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.

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Brain4ce Education Solutions Private Limited
Notes to standalone financial statements

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, 2020	March, 2019
Authorised		
10,50,000 (March 31, 2019: 10,00,000) Equity shares of Rs.10 each with voting rights	1,05,00,000	1,00,00,000
1,50,000 (March 31, 2019: 50,000) Preference shares of Rs.10 each with voting rights	15,00,000	5,00,000
Total	1,20,00,000	1,05,00,000
Issued, Subscribed and fully paid up		
7,29,448 (March 31, 2019: 7,29,268) shares of Rs.10 each fully paid up	72,94,480	72,92,680
38,760 (March 31, 2019: 38,760) Series Seed Compulsorily Convertible Preference Shares of Rs.10 each fully paid up	3,87,600	3,87,600
29,729 (March 31, 2019: NIL) Series Bridge 0.0001% Non-cumulative Non-Participatory Compulsorily Convertible preference Shares of Rs.10 each fully paid up	2,97,290	-
Total	79,79,370	76,80,280

(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, 2020		As at 31 March, 2019	
	No.	Amount	No.	Amount
Outstanding at the beginning of the period	7,29,268	72,92,680	7,28,968	72,89,680
Issued during the year	180	1,800	300	3,000
Outstanding at the end of the period	7,29,448	72,94,480	7,29,268	72,92,680

Class of shares: Preference Shares

Particulars	As at 31 March, 2020		As at 31 March, 2019	
	No.	Amount	No.	Amount
Outstanding at the beginning of the period	38,760	3,87,600	38,760	3,87,600
Issued during the year	29,729	2,97,290	-	-
Outstanding at the end of the period	68,489	6,84,890	38,760	3,87,600

(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 will be 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 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.

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.

(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, 2020	As at 31 March, 2019
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	480	300

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

Particulars	As at 31 March, 2020		As at 31 March, 2019	
	No.	Amount	No.	Amount
Equity shares with voting rights:				
Kapil Tyagi	2,68,574	26,85,740	2,68,574	26,85,740
(%) of shareholding	36.82%		36.83%	
Lovleen Bhatia	2,68,574	26,85,740	2,68,574	26,85,740
(%) of shareholding	36.82%		36.83%	
Abhishek Vinod Singh	45,922	4,59,220	45,922	4,59,220
(%) of shareholding	6.30%		6.30%	
Nitin Kumar Verma	45,922	4,59,220	45,922	4,59,220
(%) of shareholding	6.30%		6.30%	
Total	6,28,992	62,89,920	6,28,992	62,89,920

Particulars	As at 31 March, 2020		As at 31 March, 2019	
	No.	Amount	No.	Amount
Preference shares with Voting Rights:				
Leo Capital	36,888	3,68,880	36,888	3,68,880
(%) of shareholding	53.86%		95.17%	
Rajul Garg	5,678	56,780	-	-
(%) of shareholding	8.29%		-	-
Total	42,566	4,25,660	36,888	3,68,880

Brain4ce Education Solutions Private Limited
Notes to standalone financial statements

3.2 - Reserves and Surplus

Particulars	As at 31 March, 2020 ₹	As at 31 March, 2019 ₹
(a) Securities Premium Account		
Balance as at the beginning of the year	6,59,86,728	6,59,14,853
Add: Premium on issue of Shares	7,21,53,724	71,875
Less: Amounts utilized towards issue of fully paid bonus shares	-	-
Balance as at the end of the year	13,81,40,452	6,59,86,728
(b) Share options outstanding account		
Balance as at the beginning of the year	5,21,85,804	1,61,04,324
Add: Amounts recorded on grants / modifications / cancellations during the year	6,93,69,109	11,60,59,202
Less: Written back to Statement of Profit and Loss during the year	(97,01,921)	(1,36,03,147)
Transferred to Securities premium account upon exercise.	(4,77,105)	(71,875)
Less: Deferred stock compensation expense	(3,05,51,573)	(6,63,02,700)
Balance as at the end of the year	8,08,24,314	5,21,85,804
(c) Surplus / (deficit) i.e. balance in the statement of profit and loss account		
Balance as at the beginning of the year	(9,37,73,996)	(41,43,022)
Loss during the year	(16,20,28,318)	(8,96,30,974)
Balance as at the end of the year	(25,58,02,314)	(9,37,73,996)
Total	(3,68,37,549)	2,43,98,536

Brain4ce Education Solutions Private Limited
Notes to standalone financial statements

3.3- Long term Borrowings

Particulars	As at 31 March, 2020 ₹	As at 31 March, 2019 ₹
Vehicle loans		
- Secured from Bank	17,86,758	25,68,876
<i>(Secured against hypothecation of vehicle 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).</i>		
Term loans		
- Secured from Bank	3,63,71,337	2,98,13,883
<i>(Secured against current and fixed assets 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 39 and 48 monthly instalments accordingly)</i>		
Total	3,81,58,095	3,23,82,759

3.4 - Long term provisions

Particulars	As at 31 March, 2020 ₹	As at 31 March, 2019 ₹
Provision for employee benefits		
Provision for Gratuity (refer note 3.23a)	68,20,335	44,42,225
Provision for Leave Encashment (refer note 3.23b)	9,37,382	11,53,222
Total	77,57,717	55,95,447

3.5 - Other long term liabilities

Particulars	As at 31 March, 2020 ₹	As at 31 March, 2019 ₹
Rent equalisation reserve	1,23,987	13,06,565
Total	1,23,987	13,06,565

Brain4ce Education Solutions Private Limited
Notes to standalone financial statements

3.6 - Trade payables

Particulars	As at 31 March, 2020 ₹	As at 31 March, 2019 ₹
Trade Payables		
- total outstanding dues of micro enterprises and small enterprises	-	-
- total outstanding dues of creditors other than micro enterprises and small enterprises	6,82,25,833	4,84,72,637
Total	6,82,25,833	4,84,72,637

3.7 - Other current liabilities

Particulars	As at 31 March, 2020 ₹	As at 31 March, 2019 ₹
Current Maturities of Long-term debt		
Secured from Bank - Vehicle Loan	7,82,119	7,17,373
Secured from Bank - Term Loan	1,27,71,558	87,97,134
Payable to Employees	37,55,555	27,84,162
Statutory liabilities	52,86,644	91,80,453
Unexpired revenue	15,35,05,906	3,78,84,760
Interest Payable	3,76,842	2,50,489
Advance from customers	-	1,69,412
Total	17,64,78,622	5,97,83,783

3.8- Short term provisions

Particulars	As at 31 March, 2020 ₹	As at 31 March, 2019 ₹
Provision for Expenses	4,03,46,139	78,88,658
Provision for Gratuity (refer note 3.23a)	9,75,022	6,04,029
Provision for Leave Encashment (refer note 3.23b)	4,92,628	7,37,016
Provision for Bonus	-	17,71,430
Total	4,18,13,789	1,10,01,133

Brain4ce Education Solutions Private Limited
Notes to standalone financial statements

3.9 - Property, Plant & Equipment:

Particulars	Tangible assets				Total	Intangible assets		Total
	Computers & Peripherals	Office Equipment	Furniture & Fixtures	Vehicles		Software Product	Total	
Cost								
As at March 31, 2018	1,07,27,397	17,26,907	2,45,874	34,81,262	1,61,81,439	5,20,144	5,20,144	1,67,01,583
Additions	1,17,88,360	8,50,470	4,75,000	21,69,370	1,52,83,199	1,40,424	1,40,424	1,54,23,623
Deletions / Adjustments	(22,39,412)	(35,000)	-	-	(22,74,412)	-	-	(22,74,412)
As at March 31, 2019	2,02,76,345	25,42,376	7,20,874	56,50,631	2,91,90,226	6,60,568	6,60,568	2,98,50,793
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)
As at March 31, 2020	2,82,08,437	27,35,608	11,88,832	52,20,728	3,73,53,606	20,04,975	20,04,975	3,93,58,580
Depreciation								
As at March 31, 2018	73,82,077	13,80,259	1,07,868	12,58,649	1,01,28,851	2,37,725	2,37,725	1,03,66,576
Charge for the year	67,80,192	3,63,004	1,19,494	12,35,451	84,98,141	1,60,429	1,60,429	86,58,570
Deletions / Adjustments	(17,82,050)	(31,288)	-	-	(18,13,338)	-	-	(18,13,338)
As at March 31, 2019	1,23,80,219	17,11,975	2,27,362	24,94,100	1,68,13,655	3,98,154	3,98,154	1,72,11,808
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)
As at March 31, 2020	2,05,65,030	20,99,105	4,26,467	30,86,370	2,61,76,971	12,28,310	12,28,310	2,74,05,281
Net Block								
As at March 31, 2019	78,96,125	8,30,401	4,93,512	31,56,531	1,23,76,571	2,62,414	2,62,413	1,26,38,985
As at March 31, 2020	76,43,407	6,36,503	7,62,366	21,34,358	1,11,76,633	7,76,665	7,76,665	1,19,53,300

Brain4ce Education Solutions Private Limited
Notes to standalone financial statements

3.10 - Deferred tax assets

Particulars	As at 31 March, 2020 ₹	As at 31 March, 2019 ₹
Tax effect of items constituting deferred tax assets		
On difference between book balance and tax balance of fixed assets	16,53,763	9,21,609
Provision for gratuity	22,70,008	14,03,868
Provision for leave encashment	4,16,419	5,25,864
Provision for Bonus	-	4,92,812
Rent Equalization Reserve	36,105	1,76,167
Expenses on which tax is not deducted	29,61,482	3,05,255
Unabsorbed Losses	10,09,13,451	3,63,12,465
Total	10,82,51,228	4,01,38,040

3.11 - Long term loans and advances

Particulars	As at 31 March, 2020 ₹	As at 31 March, 2019 ₹
Security deposits (unsecured considered good)	1,47,13,640	91,69,410
TDS receivable	75,28,676	84,66,827
MAT Credit Entitlement	17,00,647	17,00,647
Total	2,39,42,963	1,93,36,884

BrainAce Education Solutions Private Limited
Notes to standalone financial statements

3.12 - Trade receivables

Particulars	As at 31 March, 2020 ₹	As at 31 March, 2019 ₹
Debts outstanding for period exceeding six months		
Unsecured, considered good	29,46,205	12,91,011
Other debts		
Unsecured, considered good	2,42,33,254	3,11,77,953
Total	2,71,79,458	3,24,68,964

3.13 - Cash and cash equivalents

Particulars	As at 31 March, 2020 ₹	As at 31 March, 2019 ₹
(a) Cash on hand	62,789	4,129
(b) Balances with banks		
- On current account	4,25,10,733	6,82,94,843
Cash and cash equivalents	<u>4,25,73,523</u>	<u>6,82,98,973</u>
- Bank deposits due to mature within 12 months from the reporting date*	6,25,46,136	1,08,50,000
Other bank balances	<u>6,25,46,136</u>	<u>1,08,50,000</u>
Total	10,51,19,659	7,91,48,973

* Includes deposits placed as a security towards bank overdraft facility availed by the Company.

3.14 - Short term loan and advances

Particulars	As at 31 March, 2020 ₹	As at 31 March, 2019 ₹
Unsecured, considered good		
Loans and advances to employees	6,53,444	4,77,834
Advance to vendors	56,94,122	9,23,955
Balances with government authorities		
Tax deducted at source	84,66,827	-
GST credit	30,92,985	1,02,303
Total	1,79,07,378	15,04,092

3.15 - Other current assets:

Particulars	As at 31 March, 2020 ₹	As at 31 March, 2019 ₹
Interest accrued on fixed deposits	2,92,507	2,31,246
Unbilled revenue	43,23,894	-
Prepaid expenses	84,38,992	51,53,958
Total	1,30,55,393	53,85,203

Brain4ce Education Solutions Private Limited
Notes to standalone financial statements

3.16 - Income from services

Particulars	For the year ended	For the year ended
	31 March 2020	31 March 2019
	₹	₹
Income from coaching	70,16,76,942	52,42,86,898
Total	70,16,76,942	52,42,86,898

3.17 - Other income

Particulars	For the year ended	For the year ended
	31 March 2020	31 March 2019
	₹	₹
Interest from banks on deposits	25,24,963	4,52,053
Interest income - other	40,265	-
Credit balance written back	84,211	29,265
Interest on Income-tax refund	-	99,945
Profit on sale of mutual funds	-	53,97,846
Profit on sale of fixed assets	22,041	68,913
Miscellaneous Income	-	1,89,117
Total	26,71,480	62,37,139

3.18: Employee benefits expenses

Particulars	For the year ended	For the year ended
	31 March 2020	31 March 2019
	₹	₹
Salaries and bonus	30,95,80,411	21,77,53,825
Contributions to Provident Fund and ESI	1,03,21,409	50,01,631
Gratuity expenses	31,13,086	23,99,405
Leave Encashment expenses	11,38,756	21,60,956
Expense on employee stock option (ESOP) scheme	2,91,15,615	3,61,53,356
Staff welfare expenses	94,91,342	91,36,426
Total	36,27,60,618	27,26,05,599

Brain4ce Education Solutions Private Limited

Notes to standalone financial statements

3.19: Finance Cost

Particulars	For the year ended	For the year ended
	31 March 2020	31 March 2019
	₹	₹
Interest expense on borrowings	48,53,257	14,01,744
Loan processing charges	40,000	5,60,000
Total	48,93,257	19,61,744

3.20: Other expenses

Particulars	For the year ended	For the year ended
	31 March 2020	31 March 2019
	₹	₹
Power and fuel	44,69,067	28,71,320
Rental expenses	1,97,69,377	1,44,19,155
Repairs and maintenance - others	12,57,452	7,97,955
Insurance expenses	1,38,794	1,43,943
Rates and taxes	49,13,588	35,14,934
Communication expenses	1,11,85,341	49,29,542
Travelling and conveyance	47,85,019	79,97,357
Printing and stationery	4,31,589	6,23,041
Business Promotion Expense	37,72,212	23,23,100
Advertising and marketing expenses	24,94,17,693	12,72,38,745
Affiliate cost	2,36,98,199	-
Business Support Services	5,94,33,189	4,19,66,403
Legal and professional	13,18,65,566	14,27,46,364
Bank charges	8,44,864	5,51,729
Payment gateway charges	2,90,68,614	1,39,60,368
Auditor's remuneration (Refer note 3.21)	4,00,000	4,00,000
Office expenses	43,15,071	36,85,764
Bad Debts	29,09,524	83,814
Debit balance written off	2,52,137	-
Miscellaneous expenses	29,958	74,112
Exchange loss on foreign currency transactions	32,91,646	42,48,087
Prior period items	-	1,19,427
Total	55,62,48,899	37,26,95,158

3.21 - Payment to Auditors

Particulars	For the year ended	For the year ended
	31 March 2020	31 March 2019
	₹	₹
To Statutory Auditors		
i) For audit	3,00,000	3,00,000
ii) For taxation matters	1,00,000	1,00,000
Total	4,00,000	4,00,000

3.22 - Related Party Disclosures

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

Relationship	Name of the related party
Key management personnel	
- Director	Lovleen Bhatia
- Director	Kapil Tyagi
- Director	Rajul Garg
- Director	Ramakānth Sharma
Details of subsidiary	
Name of Subsidiary company, by Control	Edureka Pte Ltd

(ii) Details of transaction with related parties:

Name of the related parties	For the year ended 31 March 2020	For the year ended 31 March 2019
Remuneration to Directors		
Lovleen Bhatia	46,67,367	34,67,574
Kapil Tyagi	46,67,367	34,67,574

Brain4ce Education Solutions Private Limited
Notes to standalone financial statements

3.23(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 2020	For the year ended 31 March 2019
Obligations at period beginning	50,46,255	26,46,850
Service Cost	25,96,746	19,45,129
Interest on Defined benefit obligation	3,73,575	1,91,102
Prior Service Cost	-	-
Benefits settled	(3,63,983)	-
Actuarial (gain)/loss	1,42,765	2,63,173
Benefits paid	-	-
Obligations at period end	77,95,358	50,46,255
Current Liability (within 12 months)	9,75,022	6,04,029
Non Current Liability	68,20,335	44,42,225
Change in plan assets		
Plan assets at period beginning at fair value	-	-
Expected return on plan assets	-	-
Actuarial gain/(loss)	-	-
Contributions (less risk prem + ST)	-	-
Benefits settled (estimated)	-	-
Plan assets at period end, at fair value	-	-
Funded Status		
Closing PBO	77,95,358	50,46,255
Closing Fair value of plan assets	-	-
Closing Funded status	(77,95,358)	(50,46,255)
Net asset/(Liability) recognized in the balance sheet	(77,95,358)	(50,46,255)
Expenses recognised in the P & L account		
Service cost	25,96,746	19,45,129
Interest cost	3,73,575	1,91,102
Expected return on plan assets	-	-
Actuarial (gain)/loss	1,42,765	2,63,173
Net gratuity cost	31,13,086	23,99,404
Experience Adjustment on Plan Liabilities	1,42,765	2,63,173
Experience Adjustment on Plan Assets	-	-
Assumptions:		
Discount Rate	6.57%	7.68%
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.

Brain4ce Education Solutions Private Limited
Notes to standalone financial statements

3.23(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:

Particulars	For the year ended 31 March 2020	For the year ended 31 March 2019
Obligations at period beginning	18,90,238	6,74,737
Service Cost	3,23,950	4,43,767
Interest on Defined benefit obligation	83,769	14,821
Benefits settled	(15,98,983)	(9,38,929)
Actuarial (gain)/loss	7,31,037	16,95,842
Obligations at period end	14,30,011	18,90,238
Current Liability (within 12 months)	4,92,628	7,37,016
Non Current Liability	9,37,382	11,53,222
Change in plan assets		
Plan assets at period beginning at fair value	-	-
Expected return on plan assets	-	-
Actuarial gain/(loss)	-	-
Contributions (less risk prem + ST)	-	-
Benefits settled (estimated)	-	-
Plan assets at period end, at fair value	-	-
Funded Status		
Closing PBO	14,30,011	18,90,238
Closing Fair value of plan assets	-	-
Closing Funded status	(14,30,011)	(18,90,238)
Net asset/(Liability) recognized in the balance sheet	(14,30,011)	(18,90,238)
Expenses recognised in the P & L account		
Service cost	3,23,950	4,43,767
Interest cost	83,769	14,821
Expected return on plan assets	-	-
Actuarial (gain)/loss	7,31,037	16,95,842
Net Leave Encashment cost	11,38,756	21,54,430
Experience Adjustment on Plan Liabilities	7,31,037	16,95,842
Experience Adjustment on Plan Assets	-	-
Assumptions:		
Discount factor	6.57%	7.68%
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.

Brain4ce Education Solutions Private Limited
Notes to standalone financial statements

3.24 - Earnings in foreign currency

Particulars	31 March 2020 ₹	31 March 2019 ₹
Income from Online Training & Coaching	32,57,55,465	22,79,19,088
	32,57,55,465	22,79,19,088

3.25 - Expenditure in foreign currency

Particulars	31 March 2020 ₹	31 March 2019 ₹
Business Support Services	3,65,64,559	1,51,24,227
Marketing Expense	1,16,10,434	1,84,78,780
	4,81,74,993	3,36,03,007

3.26 - Foreign exchange exposure:

Value of unhedged exposure on receivables and payable in foreign currency is given below:

Particulars	31 March 2020	31 March 2019
A. Receivables:		
Balance (USD)	45,362	11,648
Balance (INR)	34,16,893	8,05,673
Balance (EURO)	902	8,190
Balance (INR)	74,852	6,36,383
Balance (GBP)	-	4,000
Balance (INR)	-	3,61,902
B. Payables:		
Balance (USD)	33,473	17,844
Balance (INR)	25,23,425	11,75,177

3.27 - 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.

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

Particulars	2019-2020	2019-2020	2018-2019	2018-2019
Plan size	59,823	75,000	59,823	75,000
ESOP Scheme	2018	2014	2018	2014
Date of Grant	1st April 2018	1st April 2014	1st April 2018	1st April 2014
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	51,036	49,837	-	54,056
Additional options pursuant to the Bonus	-	-	-	-
Options granted during the year	9,029	-	84,496	-
Options forfeited during the year	12,255	-	33,460	3,919
Options exercised	-	180	-	300
Options granted closing balance	47,810	49,657	51,036	49,837
Options vested	12,765	49,120	-	48,174


3.28 - Earnings per share

Particulars	31-Mar-20	31 March 2019
	₹	₹
Profit after tax as per Statement of Profit and Loss (A)	(16,20,28,318)	(8,96,30,974)
Weighted average number of equity shares outstanding for basic EPS (B) (No's)	7,29,278	7,29,178
Weighted average number of equity shares outstanding for diluted EPS (C) (No's)	8,23,305	8,22,101
Nominal value of shares (Rs.)	10	10
Earnings per share (basic) (Rs.) (A/B)	(222.18)	(122.92)
Earnings per share (diluted) (Rs.) (A/C)	(196.80)	(109.03)

3.29 - Comparative figures

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

As per our report of even date attached
for **K.R. Kiran Kumar & Associates**
Chartered Accountants
Firm's registration no. 0159615



CA. Kiran Kumar K.R.
Proprietor
Membership No. 228089

Place: Bengaluru
Date: 4th December 2020

for and on behalf of the Board of Directors of
Brain4ce Education Solutions Private Limited
CIN: U80200KA2011PTC094081


Kapil Tyagi
Wholetime Director
DIN: 01212240

Place: Bengaluru
Date: 4th December 2020


Lovleen Bhatia
Director
DIN: 05158609