

Brain4ce Education Solutions Private Limited
Special Purpose Standalone Balance Sheet
 (All amounts are in Indian Rupees, unless otherwise stated)

Particulars	Note	As at 30 September 2021
I. ASSETS:		
(1) Non-current assets		
(a) Property, plant & equipment	3	37,00,086
(b) Intangible assets	3	50,017
(c) Non-current investments	4	-
(d) Financial assets		-
(i) Security deposits	5	-
(e) Deferred tax assets (net)	6	78,25,544
(f) Income tax assets (net)	7	1,78,88,164
Total non-current assets		2,94,63,811
(2) Current assets		
(a) Financial assets		-
(i) Trade receivables	8	3,07,33,692
(ii) Cash and cash equivalents	9	11,94,01,871
(iii) Bank balances other than (ii) above	9	1,31,77,621
(iv) Security deposits	10	36,61,940
(v) Other financial assets	11	1,08,15,315
(b) Other current assets	12	1,83,19,496
Total current assets		19,61,09,935
Total assets		22,55,73,746
II. EQUITY AND LIABILITIES:		
(1) Equity		
(a) Share capital	13	84,98,350
(b) Other equity	14	(30,87,17,004)
Total equity		(30,02,18,654)
(2) Liabilities		
Non-current liabilities		
(a) Financial liabilities		-
(i) Borrowings	15	2,10,17,220
(ii) Other financial liabilities	16	15,57,28,770
(b) Provisions	17	73,09,398
(c) Other non current liabilities	18	-
Total non-current liabilities		18,40,55,388
Current liabilities		
(a) Financial liabilities		-
(i) Borrowings	19	5,41,22,440
(ii) Trade payables	20	-
(a) total outstanding dues of micro enterprises and small enterprises		-
(b) total outstanding dues of creditors other than micro enterprises and small enterprises		19,86,09,963
(iii) Other financial liabilities	21	16,47,705
(b) Provisions	23	31,31,041
(c) Other current liabilities	22	8,42,25,863
Total current liabilities		34,17,37,012
Total liabilities		52,57,92,400
Total equity and liabilities		22,55,73,746

Significant accounting policies 1 & 2
 See accompanying notes forming part of the special purpose standalone interim financial statements

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

Ananthi Amarnath
 Partner
 Membership No. 209252

Place: Chennai
 Date: December 22, 2021



For and on behalf of Board of Directors of
 Brain4ce Education Solutions Private Limited

R Rangarajan
 Director
 DIN: 00591483

K Praveen Kumar
 Director
 DIN: 00591450


Place: Chennai
 Date: December 22, 2021

Brain4ce Education Solutions Private Limited
Special Purpose Standalone Statement of Profit and loss
(All amounts are in Indian Rupees, unless otherwise stated)

Particulars	Note	For the period ended 30 September 2021
REVENUE:		
Revenue from operations	24	34,58,08,476
Other income	25	3,32,018
Total revenue		34,61,40,494
EXPENSES:		
Employee benefits expense	26	17,65,05,900
Finance costs	27	35,60,753
Depreciation and amortization expense	28	13,24,411
Other expenses	29	26,98,18,245
Total expenses		45,12,09,309
Profit/ (Loss) before tax expenses		(10,50,68,815)
Tax expenses		
1. Current tax		-
2. Deferred tax	31	(74,598)
Total tax expense		(74,598)
Profit/ (Loss) for the period / year (A)		(10,49,94,217)
Other comprehensive income		
Items that will not be subsequently reclassified to profit or loss		
Re-measurement gains/(losses) on defined benefit obligations		8,67,685
Income-tax relating to items that will not be subsequently reclassified to profit or loss		
Re-measurement gains/(losses) on defined benefit obligations		(2,18,396)
Other comprehensive income for the year (B)		6,49,289
(A+B)		(10,43,44,928)
Earning per equity share of nominal value ₹ 10 each		
	37	
Basic (₹)		(141.91)
Diluted (₹)		(141.91)
Weighted average equity shares used in computing earnings per equity share		
Basic		7,39,845
Diluted		7,39,845


Significant accounting policies 1 & 2
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Brain4ce Education Solutions Private Limited
Special Purpose Standalone Statement of Cash Flows
 (All amounts are in Indian Rupees, unless otherwise stated)

Particulars	For the period ended 30 September 2021
A. Cash flows from operating activities	
Loss before Income tax	(10,50,68,815)
Adjustments to reconcile loss before tax to cash generated by operating activities	
Depreciation on tangible assets	13,12,225
Amortization on intangible assets	12,186
Finance costs	33,02,524
Employee share based expenses	4,41,85,981
Bad Debts written off	-
Credit balance written back	-
Interest on Income-tax refund	-
Interest income	(2,87,544)
Loss/(Profit) on sale of property, plant and equipment	(23,663)
Expected credit loss	(74,114)
Operating loss before working capital changes	(5,66,41,220)
Change in operating assets and liabilities	
(Decrease)/increase in trade payables	7,37,60,407
(Decrease)/increase in financial liabilities	-
(Decrease)/increase in other non-current liabilities	-
(Decrease)/increase in other current liabilities	(5,02,47,404)
(Decrease)/increase in provisions	12,28,872
(Increase)/decrease in trade receivables	(63,69,837)
(Increase)/decrease in financial assets	(44,37,016)
(Increase)/decrease in other current assets	1,35,28,445
Total of changes in assets and liabilities (ii)	2,74,63,467
Cash generated from operations (i+ii)	(2,91,77,753)
Income taxes	(41,23,763)
Net cash generated/(used) in operating activities	(3,33,01,516)
B. Cash flows from investing activities	
Acquisition of property, plant & equipment	-
Proceeds from sale of property, plant & equipment	7,40,733
Investment in Bank deposits	-
Interest received on fixed deposits	90,912
Net cash generated/(used) by investing activities	8,31,645
C. Cash flows from financing activities	
Proceeds from / (Repayment of) Long-term borrowings	-
Proceeds from Short-term borrowings	1,94,87,802
Proceeds from issue of equity shares	11,97,86,632
Proceeds from issue of preference shares	-
Finance costs	(20,00,549)
Net cash generated/(used) by financing activities	13,72,73,885
Net increase/(decrease) in cash and cash equivalents	10,48,04,013
Cash and cash equivalents at the beginning of the year	1,45,97,858
Cash and cash equivalents at the end of the year	11,94,01,871

Significant accounting policies
 See accompanying notes forming part of the special purpose standalone interim financial statements

1 & 2

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 Chartered Accountants



Ananthi Amarnath
 Partner
 Membership No. 209252



Place: Chennai
 Date: December 22, 2021

For and on behalf of Board of Directors of
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 Director
 DIN: 00591483

K Praveen Kumar
 Director
 DIN: 00591450

Place: Chennai
 Date: December 22, 2021

Brain4ce Education Solutions Private Limited
Special Purpose Statement of Changes in Equity
(All amounts are in Indian Rupees, unless otherwise stated)

A. Share capital

Particulars	Note	Equity Shares	Preference Shares	Total
As at 31 March 2021	13	72,96,280	7,30,940	80,27,220
Bonus issue to Preference shares		-	70,380	70,380
Changes in share capital during the period		12,02,070	-8,01,320	4,00,750
As at 30 September 2021	13	84,98,350	-	84,98,350

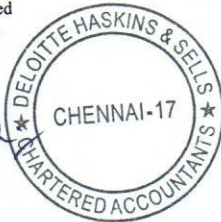
B. Other equity

Particulars	Reserves and surplus				Other comprehensive income	Total
	Share application money pending allotment	Securities premium reserve	Share options outstanding account	Retained earnings	Other items of OCI	
Balance as at 31 March 2021	-	14,92,86,232	11,17,76,520	(47,29,73,810)	-	(21,19,11,058)
Transfer on account of issue of shares during the year	-	-	-	-	-	-
Premium on shares issued during the year	-	11,93,15,502	-	-	-	11,93,15,502
Amounts recorded on grants / modifications / cancellations during the year	-	-	2,00,59,584	-	-	2,00,59,584
Written back to Statement of Profit and Loss during the year	-	-	(2,76,01,898)	-	-	(2,76,01,898)
Transferred to Securities premium account upon exercise	-	-	(2,33,732)	-	-	(2,33,732)
Deferred stock compensation expense	-	-	(24,75,296)	-	-	(24,75,296)
Loss for the period ended 30 September 2021	-	-	-	(10,49,94,217)	-	(10,49,94,217)
Other comprehensive income for the period ended 30 September 2021	-	-	-	6,49,289	-	6,49,289
Amount transferred to Non current- Financial Liability [Refer Note- 13(g)]	-	-	(10,15,25,178)	-	-	(10,15,25,178)
Balance as at 30 September 2021	-	26,86,01,734	-	(57,73,18,738)	-	(30,87,17,004)

Significant accounting policies 1 & 2
See accompanying notes forming part of the special purpose standalone interim financial statements

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Place: Chennai
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Brain4ce Education Solutions Private Limited
Notes to the Special Purpose Standalone Interim Financial Statements
(All amounts are in Indian Rupees, unless otherwise stated)

3 Property, plant & equipment and Intangible assets

Particulars	Furniture & Fixtures	Vehicles	Office equipment	Computers & Peripherals	Total Tangible Assets	Software	Total
<u>Deemed cost as carrying value</u> (refer note a)							
As at 31 March 2021	7,05,994	21,34,358	5,21,450	84,33,634	1,17,95,436	7,44,033	1,25,39,469
Additions	-	-	-	-	-	-	-
Deletions/adjustments	-	-	(10,922)	(7,06,148)	(7,17,070)	-	(7,17,070)
As at 30 September 2021	7,05,994	21,34,358	5,10,528	77,27,486	1,10,78,366	7,44,033	1,18,22,399
<u>Accumulated depreciation/amortization</u>							
As at 31 March 2021	1,97,286	6,66,654	2,65,409	49,36,706	60,66,055	6,81,830	67,47,885
Charge for the year	65,844	2,29,213	56,957	9,60,211	13,12,225	12,186	13,24,411
Deletions/adjustments	-	-	-	-	-	-	-
As at 30 September 2021	2,63,130	8,95,867	3,22,366	58,96,917	73,78,280	6,94,016	80,72,296
<u>Net block</u>							
As at 31 March 2021	5,08,708	14,67,704	2,56,041	34,96,928	57,29,381	62,203	57,91,584
As at 30 September 2021	4,42,864	12,38,491	1,88,162	18,30,569	37,00,086	50,017	37,50,103

a. Deemed carrying cost

On transition to Ind AS on April 1, 2020, the Company adopted deemed cost for Property, Plant and Equipment and Intangible assets. Consequently accumulated depreciation of such assets aggregating to Rs. 2,74,05,283 was netted off against the cost of such assets amounting to Rs. 3,93,58,580 and the balance of Rs. 1,19,53,298 was considered as deemed cost.



Brain4ce Education Solutions Private Limited
Notes to the Special Purpose Standalone Interim Financial Statements
(All amounts are in Indian Rupees, unless otherwise stated)

Particulars	As at 30 September 2021
4 Non-current investments	
Unquoted - Investment in equity instruments	
60,000 (previous year: 60,000) equity shares of Edureka Pte Ltd, a wholly owned subsidiary with paid up value being Nil	-
Note - 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.	
Total	-
5 Security Deposits - Non-current	
Unsecured, considered good	
Rental deposits	-
Total	-
6 Deferred tax assets (net)	
On difference between book balance and tax balance of property, plant & equipment	17,03,431
Provision for gratuity	22,29,584
Provision for leave encashment	3,98,066
Expenses on which tax is not deducted	34,94,463
Rent Equalization reserve	-
Unabsorbed Losses	-
Total	78,25,544
7 Income tax assets (net)	
Advance tax and TDS receivable	1,61,87,517
MAT Credit Entitlement	17,00,647
Total	1,78,88,164



Brain4ce Education Solutions Private Limited
Notes to the Special Purpose Standalone Interim Financial Statements
(All amounts are in Indian Rupees, unless otherwise stated)

Particulars	As at 30 September 2021
8 Trade receivables	
Unsecured, considered good	
Receivable from related parties	-
Receivable from others	3,07,33,692
Credit impaired	4,40,014
Allowance for credit losses (Also refer Note 8.4)	(4,40,014)
Total	3,07,33,692

8.1 Significant portion of the Company's business is against receipt of advance. Credit is provided mainly to Corporate customers, customers under PGP courses. Accordingly, the Company's exposure to credit risk in relation to trade receivables is low. Trade receivables are non-interest bearing and are generally on terms of upto 45 days. Of the trade receivable as at 30 September 2021, there are no customers having more than 5% of the total outstanding trade receivable balance. No trade receivable are due from directors or other officers of the Company either severally or jointly with any other person. Nor any trade receivable are due from firms or private companies respectively in which any director is a partner, a director or a member.

8.2 Ageing of Trade Receivables - Outstanding for following periods from due date of payment

Particulars	As at 30 September 2021					Total
	Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	
(i) Undisputed trade receivables – considered good	3,07,33,692	-	-	-	-	3,07,33,692
(ii) Undisputed trade receivables – considered doubtful	2,70,978	80,932	88,104	-	-	4,40,014
(iii) Disputed trade receivables considered good	-	-	-	-	-	-
(iv) Disputed trade receivables considered doubtful	-	-	-	-	-	-

8.3 The Company has used a practical expedient by computing the expected loss allowance for trade receivables based on provision matrix. The provision matrix takes into account the historical credit loss experience and adjustments for forward looking information. The expected credit loss allowance is based on the ageing of the days the receivables are due and the rates arrived for each age bucket.

8.4 Movement in credit loss allowance during the year

Opening balance	3,65,900
Additions	74,114
Utilised	-
Closing balance	4,40,014

9 Cash and cash equivalents

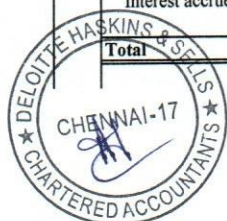
Cash and cash equivalents:	
- Cash on hand	1,255
- in current accounts	11,94,00,616
	11,94,01,871
Other bank balances:	
- in fixed deposits - with remaining maturity less than 12 months	1,31,77,621
	1,31,77,621
Total	13,25,79,492

10 Loans receivable

Unsecured, considered good	
Rental deposits	36,61,940
Total	36,61,940

11 Other financial assets - Current

Unsecured, considered good	
Unbilled Revenue	1,05,70,718
Interest accrued on fixed deposits	2,44,597
Total	1,08,15,315



Brain4cc Education Solutions Private Limited
Notes to the Special Purpose Standalone Interim Financial Statements
(All amounts are in Indian Rupees, unless otherwise stated)

As at
30 September 2021

Particulars	As at 30 September 2021
13 Share capital	
(a) Authorized, issued, subscribed and paid-up capital	
Authorized capital	
10,50,000 Equity shares of Rs.10 each with voting rights	1,05,00,000
1,50,000 Compulsorily Convertible Preference Shares of Rs.10 each with voting rights	15,00,000
1,50,000 Redeemable Preference shares of Rs.10 each with voting rights	15,00,000
Total	1,35,00,000

Issued, subscribed and fully paid-up capital	
8,49,835 shares of Rs.10 each fully paid up	84,98,350
Series Seed Compulsorily Convertible Preference Shares of Rs.10 each fully paid up	-
Series Bridge 0.0001% Non-cumulative Non-Participatory Compulsorily Convertible preference Shares of Rs.10 each fully paid up	-
Total	84,98,350

(b) Reconciliation of the number of shares and amount outstanding at the beginning and at the end of the reporting period.

Class of shares: Equity Shares

Particulars	As at 30 September 2021	
	Number	Amount
Outstanding at the beginning of the period	7,29,628	72,96,280
Issued during the year (Refer note below *)	50,540	5,05,400
Conversion of Preference to equity [Refer Note 13(d)]	69,667	6,96,670
Outstanding at the end of the period	8,49,835	84,98,350

* Consists of 1040 shares which are issued upon the exercise of employee stock options and 49500 shares issued upon conversion of loan into equity as on September 30,2021

Class of shares: Preference Shares

Series Seed Compulsorily convertible preference shares ("CCPS")

Particulars	As at 30 September 2021	
	No.	Amount
Number of shares at the beginning of the year	38,760	3,87,600
Conversion of Preference to equity [Refer Note 13(d)]	(38,760)	(3,87,600)
Number of shares at the end of the period	-	-

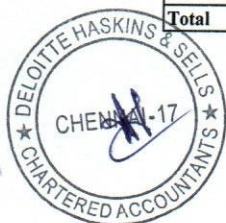
Series Bridge Non Cumulative Non Participatory Compulsorily convertible preference shares ("NCCPS")

Particulars	As at 30 September 2021	
	No.	Amount
Number of shares at the beginning of the year	34,334	3,43,340
Bonus Issue (1 : 1.205)	7,038	70,380
Conversion of Preference to equity [Refer Note 13(d)]	(41,372)	(4,13,720)
Number of shares at the end of the period	-	-



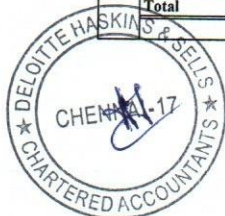
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Notes to the Special Purpose Standalone Interim Financial Statements
(All amounts are in Indian Rupees, unless otherwise stated)

Particulars	As at 30 September 2021
14 Other equity	
(a) Share Application money pending allotment	
Balance at the beginning of the current reporting period	-
Add: Share application money received during the year	-
Less: Transfer on account of issue of shares during the year	-
Balance at the end of the current reporting period	-
(b) Reserves and surplus:	
(i) Securities premium reserve	
Opening balance	14,92,86,232
Add: Premium on shares issued during the period / year	11,93,15,502
Less: Amount utilized	-
Closing balance	26,86,01,734
(ii) Share options outstanding account	
Balance as per the last financial statements	11,17,76,520
Add: employee compensation expense for the period / year	2,00,59,584
Less: Written back to Statement of Profit and Loss during the period / year	(2,76,01,898)
Less : Transferred to Securities premium account upon exercise	(2,33,732)
Less: Deferred stock compensation expense	(24,75,296)
Amount transferred to Non current- Financial Liability [Refer Note- 13(g)]	(10,15,25,178)
Balance at the end of the period	-
(iii) Retained earnings	
Opening balance	(47,29,73,810)
Add: Profit / (loss) for the period / year	(10,49,94,217)
Remeasurement of post-employment benefit obligation, net of tax	6,49,289
Closing balance	(57,73,18,738)
Total	(30,87,17,004)
15 Borrowings	
Term Loans	
Vehicle loans	
- From Bank - Secured	9,34,032
(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).	
Business loans	
- From Bank - Secured	2,00,83,188
(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 48 monthly instalments).	
Total	2,10,17,220
16 Other financial liabilities - Non-current	
Employee Stock Option (ESOP) Liability [Refer Note- 13(g)]	15,57,28,770
Total	15,57,28,770



Brain4ce Education Solutions Private Limited
Notes to the Special Purpose Standalone Interim Financial Statements
(All amounts are in Indian Rupees, unless otherwise stated)

Particulars	As at 30 September 2021				
17 Provisions - Non-current					
Employee benefit obligation:					
Provision for gratuity (refer note 32(i))	73,09,398				
Total	73,09,398				
18 Other non-current liabilities					
Rent Equalisation reserve	-				
Total	-				
19 Borrowings - Current					
Unsecured					
Loan from private financial institution	8,33,332				
Loan from Director - on demand (Loan repayable on demand at interest @8% per annum) {Refer note below}* Current Maturities of Long-term debt	4,60,01,384				
- Secured from Bank - Vehicle Loan	4,35,576				
- Secured from Bank - Term Loan	68,52,149				
Total	5,41,22,440				
*Includes an amount of Rs. 2,30,00,000 payable to Mr. Kapil Tyagi who has resigned on 17th September 2021					
20 Trade payables					
Total outstanding dues of micro enterprises and small enterprises (refer note 38)	-				
Total outstanding dues of creditors other than micro enterprises and small enterprises					
- Payable to related parties	-				
- Payable to others	19,86,09,963				
Total	19,86,09,963				
19.1 Ageing of Trade Payables - Outstanding for following periods from due date of payment					
	As at 30 September 2021				
Particulars	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
(i) Undisputed dues - MSME	-	-	-	-	-
(ii) Undisputed dues - Others	#####	21,94,141	-	-	19,86,09,963
(iii) Disputed dues - MSME	-	-	-	-	-
(iv) Disputed dues - Others	-	-	-	-	-
21 Other financial liabilities - Current					
Interest accrued on borrowings					16,47,705
Other liabilities					-
Total					16,47,705
22 Other current liabilities					
Advance from customers					-
Statutory liabilities					48,43,932
Unearned revenue					7,89,85,302
Others					3,96,629
Total					8,42,25,863
23 Provisions - Current					
Employee benefit obligation:					
Provision for gratuity (refer note 31(i))					15,49,405
Provision for leave encashment (refer note 31(ii))					15,81,636
Total					31,31,041



Brain4ce Education Solutions Private Limited
Notes to the Special Purpose Standalone Interim Financial Statements
(All amounts are in Indian Rupees, unless otherwise stated)

Particulars	For the period ended 30 September 2021
24 Revenue from operations	
Income from online coaching	34,58,08,476
Total	34,58,08,476

24.1 Disaggregated revenue information:

Based on the management approach as defined in IND AS 108 – Operating Segments, the Chief Operating Decision Maker (CODM) evaluates the Company’s performance and allocates resources based on an analysis of various performance indicators by business segments. Accordingly, the Company has identified only one segment as reportable segment which is online training and coaching services.

24.2 Trade Receivables and Contract Balances:

The Company classifies the right to consideration in exchange for deliverables as a trade receivable. A receivable is a right to consideration that is unconditional upon passage of time. In case of customers where the credit is allowed, the same is disclosed in Note 7 - Trade Receivables.

24.3 Transaction price allocated to the remaining performance obligation:

Applying the practical expedient as given in Ind AS 115, the Company has not disclosed the remaining performance obligation related disclosures for contracts where the revenue recognized corresponds directly with the value to the customer of the entity's performance completed to date, typically those contracts where invoicing is on time and material basis.

24.4 Information about major customers :

The Company has no single customer from whom the revenue is more than 10 % of the revenue from external customers of the company.

25 Other income

Interest from banks on deposits	2,87,544
Interest income - other	-
Credit balances written back	-
Interest on Income-tax refund	-
Foreign exchange gain, net	-
Profit on sale of property, plant and equipment	23,663
Interest subvention	20,811
Reversal of Expected Credit Loss	-

Total **3,32,018**

26 Employee benefits expense

Salaries and bonus (Refer Note 25A)	12,54,00,270
Contributions to Provident Fund and other funds (refer Note 32B)	29,83,076
Gratuity expenses (refer Note 32A(i))	12,09,934
Leave Encashment expenses (refer Note 32A(ii))	9,88,863
Share based payment expense (refer Note 13 (h))	4,41,85,981
Staff welfare expenses	17,37,776

Total **17,65,05,900**

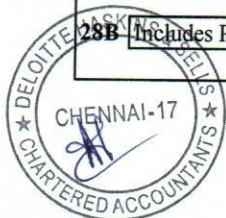
25(A) Includes one time bonus of Rs.3,45,00,000 paid to certain senior employees on completion of acquisition by Veranda Learning Solutions Limited (formerly known as Veranda Learning Solutions Private Limited).



Brain4ce Education Solutions Private Limited
Notes to the Special Purpose Standalone Interim Financial Statements
(All amounts are in Indian Rupees, unless otherwise stated)

Particulars	For the period ended 30 September 2021
27 Finance costs	
Interest expense on borrowings	33,02,524
Loan processing charges	24,000
Unwinding of discount on security deposits	-
Bank charges	2,34,229
Total	35,60,753
28 Depreciation and amortization expense	
Depreciation on tangible assets	13,12,225
Amortization on intangible assets	12,186
Total	13,24,411
29 Other expenses	
Advertising and marketing expenses	9,30,31,854
Legal and professional fees	9,64,87,317
Business Support Services	3,13,57,762
Affiliate cost	1,77,31,692
Payment gateway charges	1,03,47,412
Rent	74,05,242
Communication expense	34,42,401
Foreign exchange loss, net	14,15,133
Rates and taxes (Refer note 28B)	35,95,867
Office expenses	10,18,066
Business Promotion Expense	13,56,370
Bad Debts	-
Expected Credit Loss	74,114
Power and fuel	3,95,861
Repairs and maintenance - others	85,187
Loss on sale of property, plant and equipment	-
Payment to auditors (Refer note 28A)	10,82,500
Travelling and conveyance	3,54,035
Insurance expenses	80,505
Printing and stationery	26,727
Miscellaneous expenses	5,30,201
Total	26,98,18,245
28A Payments to the auditor as:	
For statutory audit	10,82,500
Other taxation matters	-
Total	10,82,500

28B Includes Rs. 2,11,088 paid on behalf of the dormant subsidiary towards compliance related matters.



Brain4ce Education Solutions Private Limited
Notes to the Special Purpose Standalone Interim Financial Statements
(All amounts are in Indian Rupees, unless otherwise stated)

30 Related party disclosure

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

Sl. No.	Relationship	Name of the related party
1	Key management personnel	
	- Director	Lovleen Bhatia
	- Director	Kapil Tyagi (Resigned on 17th September 2021)
	- Director	Rajul Garg ((Resigned on 17th September 2021)
	- Director	Ramakanth Sharma (Resigned on 17th September 2021)
	- Director	Koorapati Praveen Kumar (Appointed on 17th September 21)
	- Director	Rangarajan (Appointed on 17th September 21)
	- Director	Lakshminarayanan Seshadri (Appointed on 8th November 21)
	Details of holding	
	Veranda Learning Solutions Private Limited	
2	Details of subsidiary	
	Name of Subsidiary company by Control	Edureka Pte Ltd

(ii) Related party transactions:

Particulars	For the period ended 30 September 2021
Remuneration to Directors	
Lovleen Bhatia	6,10,259
Kapil Tyagi	6,10,259
Loan taken	
Lovleen Bhatia	1,30,00,000
Kapil Tyagi	1,30,00,000
Veranda Learning Solutions Private Limited *(refer note below)	11,92,00,000
Interest Expenses	
Lovleen Bhatia	3,19,438
Kapil Tyagi	3,37,068
Veranda Learning Solutions Private Limited * (refer note below)	3,82,093

*As on September 30 2021, the above loan has been covered into equity and 49500 shares @Rs.2415 per share has been issued.

(iii) Balance receivable from and payable to related parties as at the balance sheet date:

Particulars	As at 30 September 2021
Loan payable to Directors	
Lovleen Bhatia	2,30,00,000
Kapil Tyagi	2,30,00,000
Veranda Learning Solutions Private Limited	1,384
Interest Payable	
Lovleen Bhatia	2,87,494
Kapil Tyagi	3,03,361



Brain4ce Education Solutions Private Limited
Notes to the Special Purpose Standalone Interim Financial Statements
(All amounts are in Indian Rupees, unless otherwise stated)

31 Income Tax

(a) Amounts recognised in Statement of Profit and Loss

For the year ended	30 September 2021
Current tax	-
Deferred tax (credit)	(74,598)
Tax expense for the year	(74,598)

(b) Amounts recognised in other comprehensive income

For the year ended	30 September 2021
Items that will not be reclassified subsequently to statement of profit and loss	
Remeasurements of the defined benefit plans (before tax)	8,67,685
Tax(expense)/benefit	(2,18,396)
Net of tax	6,49,289

(c) The following table provides the details of income tax assets and income tax liabilities as of 30 September 2021

As at	30 September 2021
Income tax assets (net)	1,78,88,164
Current tax liabilities (net)	-
Net current income tax asset / (liability) at the end	1,78,88,164

(d) The gross movement in the current income tax asset / (liability) for the quarter ended 30 September 2021 is as follows:

For the year ended	30 September 2021
Net income tax asset / (liability) at the beginning	1,64,19,851
Income tax paid (Net of refund)	43,42,160
current income tax expense	-
Income tax on other comprehensive income and others	(2,18,396)
Net current income tax asset/(liability) at the end	2,05,43,615

(e) The income tax expense for the year can be reconciled to the accounting profit as follows:

For the year ended	30 September 2021	
	Amount	Tax Amount
Profit / (Loss) Before tax from Operations	(10,50,68,815)	-
Income Tax using the Company's domestic Tax rate at 25.17%	-	-
Tax Effect of :		
Effect of unused tax losses and tax offsets not recognised as deferred tax assets	-	-
Effect of previously unused tax depreciation and MAT Credit	2,96,378	74,598
Income Tax recognised In P&L from Operations	-	(74,598)

(f) The applicable tax rate for the company is 25%, plus surcharge and cess under the old tax regime. The company has opted availability of MAT Credit which will lapse if the new tax regime / rate is opted.

32 Movement in deferred tax assets (net)

Particulars	As at 31 March 2021	(Charged)/credited to		As at 30 September 2021
		Profit or loss	Other comprehensive income	
(i) On difference between book balance and tax balance of property, plant & equipment	18,94,754	(1,91,323)	-	17,03,431
(ii) Provision for gratuity	22,76,547	1,71,433	(2,18,396)	22,29,584
(iii) Provision for leave encashment	3,44,059	54,007	-	3,98,066
(iv) Provision for Bonus	-	-	-	-
(v) Rent Equalization Reserve	-	-	-	-
(vi) Expenses on which tax is not deducted	34,53,982	40,481	-	34,94,463
(vii) Unabsorbed Losses	-	-	-	-
Total	79,69,342	74,598	(2,18,396)	78,25,544



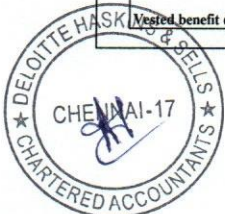
33 A. Defined benefit plan

(i) 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.

The following tables set out the funded status of gratuity plans and the amount recognized in Company's financial statements :

Particulars	For the period ended 30 September 2021
1 The amounts recognized in the Balance Sheet are as follows:	
Present value of the obligation as at the end of the year	88,58,803
Fair value of plan assets as at the end of the year	-
Net liability recognized in the Balance Sheet	<u>88,58,803</u>
2 Changes in the present value of defined benefit obligation	
Defined benefit obligation as at beginning of the year	87,55,949
Service cost	9,18,460
Interest cost	2,91,474
Benefits settled	(2,39,395)
Actuarial (gain)/loss:	
-due to demographic assumption changes in DBO	-
-due to financial assumption changes in defined benefit obligation	(21,240)
-due to experience adjustments on defined benefit obligation	(8,46,445)
Benefits paid	-
Defined benefit obligation as at the end of the year	<u>88,58,803</u>
Current liability (within 12 months)	15,49,405
Non-current liability	73,09,398
3 Changes in the fair value of plan assets	
Plan assets at period beginning at fair value	-
Expected return on plan assets	-
Actuarial gain/(loss)	-
Contributions	-
Benefits settled (estimated)	-
Plan assets at period end, at fair value	<u>-</u>
Funded Status	
Closing PBO	88,58,803
Closing Fair value of plan assets	-
Closing Funded status	<u>(88,58,803)</u>
Net asset/(Liability) recognized in the balance sheet	<u>(88,58,803)</u>
4 Net gratuity cost for the year ended 31 March 2021 and 31 March 2020 comprises of following components	
Service cost	9,18,460
Interest cost	2,91,474
Expected return on plan assets	-
Components of defined benefit costs recognized in Statement of Profit and Loss	<u>12,09,934</u>
5 Other comprehensive income	
Actuarial (gain)/loss:	
-due to demographic assumption changes in DBO	-
-due to financial assumption changes in defined benefit obligation	(21,240)
-due to experience on defined benefit obligation	(8,46,445)
Components of defined benefit costs recognized in other comprehensive income	<u>(8,67,685)</u>
Assumptions used in the above valuations are as under:	
Discount Rate	6.75%
Expected return on assets	-
Salary Escalation	9.00
Attrition rate	30.00
Retirement age	58 years
*The actuarial (gain)/loss is recognized immediately. The estimates of future salary increases, considered in actuarial valuation, after taking account of inflation, seniority, promotion and other relevant factors such as supply and demand factors in the employment market.	
6 Experience adjustments	
Defined benefit obligation as at the end of the year	88,58,803
Plan assets	-
Surplus/(deficit)	88,58,803
Experience Adjustment on Plan Liabilities	(8,46,445)
Experience Adjustment on Plan Assets	-
7 Maturity profile of defined benefit obligation	
Period	As at 30 September 2021
	Discounted value Actual value
Year 1	15,49,405 16,27,200
Year 2	11,43,550 12,82,032
Year 3	7,78,379 9,31,543
Year 4	5,57,445 7,12,167
Year 5	4,42,945 6,04,084
Year 6-10	10,05,858 16,13,760
After 10 years	33,81,221 80,41,468
	<u>88,58,803 1,48,12,254</u>
Net defined benefit obligation	<u>71,24,126</u>



Brain4ce Education Solutions Private Limited
Notes to the Special Purpose Standalone Interim Financial Statements
(All amounts are in Indian Rupees, unless otherwise stated)

(ii) 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 used in the above valuations are as under:

Discount Rate	6.75%
Expected return on assets	0.00%
Salary Escalation	9.00%
Attrition rate	30.00%
Retirement age	58 years

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

B. Defined contribution plan

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 ₹ 56,46,287 for the period ended 30 September 2021

C. Sensitivity analysis

Description of risk exposures

Valuations are performed on certain basic set of pre-determined assumptions which may vary over time. Thus, the Company is exposed to various risks in providing the above benefit which are as follows:

Interest Rate Risk: The defined benefit obligation calculated uses a discount rate based on government bonds. If bond yields fall, the defined benefit obligation will tend to increase. Thus the plan exposes the Company to the risk of fall in interest rates. Some times, the fall can be permanent, due to a paradigm shift in interest rate scenarios because of economic or fiscal reasons. A fall in interest rates will result in an increase in the ultimate cost of providing the above benefit and will thus result in an increase in the value of the liability (as shown in financial statements). Even for funded schemes, a paradigm downward shift in bond yields may affect the reinvestment yields and may increase ultimate costs.

Retirement Age: It should be noted that in case of employees above retirement age, for the purpose of valuation it is assumed they will retire immediately & benefit is considered up to actual retirement age.

Liquidity Risk: This is the risk that the Company is not able to meet the short-term gratuity pay outs. This may arise due to non availability of enough cash / cash equivalent to meet the liabilities or holding of illiquid assets not being sold in time. Employees with high salaries and long durations of service or those higher in hierarchy, accumulate significant level of benefits. If some of such employees resign / retire from the company there can be strain on the cash flows.

Salary Escalation Risk: The present value of the defined benefit plan is calculated with the assumption of salary escalation rate (SER), which is applied to find the salary of plan participants in future, at the time of separation. Higher than expected increases in salary will increase the defined benefit obligation and will have an exponential effect.

Demographic Risk: Demographic assumptions are required to assess the timing and probability of a payment taking place. This is the risk of volatility of results due to unexpected nature of decrements that include mortality, attrition, disability and retirement. The effects of this decrement on the DBO depend upon the combination salary increase, discount rate, and vesting criteria and therefore not very straight forward. It is important not to overstate withdrawal rate because the cost of retirement benefit of a short serving employees will be less compared to long service employees.

Actuarial Risk: It is the risk that benefits will cost more than expected. This can arise due to one of the following reasons
Adverse Salary Growth Experience: Salary hikes that are higher than the assumed salary escalation will result into an increase in Obligation at a rate that is higher than expected.
Variability in mortality rates: If actual mortality rates are higher than assumed mortality rate assumption than the Gratuity benefits will be paid earlier than expected. Since there is no condition of vesting on the death benefit, the acceleration of cash flow will lead to an actuarial loss or gain depending on the relative values of the assumed salary growth and discount rate.
Variability in withdrawal rates: If actual withdrawal rates are higher than assumed withdrawal rate assumption than the Gratuity benefits will be paid earlier than expected. The impact of this will depend on whether the benefits are vested as at the resignation date.

Asset liability mismatch Risk: This will come into play unless the funds are invested with a term of the assets replicating the term of the liability.



Brain4ce Education Solutions Private Limited
Notes to the Special Purpose Standalone Interim Financial Statements
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34 Financial instruments - fair values and risk management

1. Capital risk management

The Company's policy is to maintain a stable and strong capital structure with a focus on total equity so as to maintain investors, creditors and market confidence and to sustain future development and growth of its business. In order to maintain the capital structure, the Company monitors the return on capital, as well as the level of dividends to equity shareholders. The Company aims to manage its capital efficiently so as to safeguard its ability to continue as a going concern and to optimise returns to all its shareholders. For the purpose of the Company's capital management, capital includes issued capital and all other equity reserves and debt includes non-current borrowings, current borrowings and certain components of other financial liabilities.

The capital structure and gearing ratio is as follows:

Particulars	As at 30 September 2021
Total equity (Refer Note 13 & 14)	(30,02,18,654)
Total Debt (Refer Note 15 and 18)	7,51,39,661
Cash and Bank Balance (Refer Note 9)	13,25,79,492
Net Debt	(5,74,39,831)
Net Debt to equity ratio	19.13%

2. Categories of Financial Instruments

Particulars	Note	As at 30 September 2021
Financial assets		
At amortized cost		
Loans receivable	4	36,61,940
Trade receivables	7	3,07,33,692
Cash and cash equivalents	8	11,94,01,871
Bank balances other than (ii) above	8	1,31,77,621
Other financial assets	9	1,08,15,315
Total assets		17,77,90,438
Financial liabilities		
At amortized cost		
Borrowings- Non current	13	2,10,17,220
Borrowings- Current	16	5,41,22,440
Trade payables	17	19,86,09,963
Other financial liabilities	18	16,47,705
Total liabilities		27,53,97,328

The management assessed that fair value of cash and cash equivalents, trade receivables, trade payables and other current financial assets and liabilities approximate their carrying amounts largely due to the short-term maturities of these instruments.

There are no other instruments which are measured at fair value for the company.

35 Financial risk management

The Company's principal financial liabilities, comprises borrowings, trade and other payables. The Company's principal financial assets include security deposits, trade and other receivables, and cash.

The Company's activities expose it to a variety of financial risks: credit risk, liquidity risk and market risk. The Company primary focus is to foresee the unpredictability of financial markets and seek to minimise potential adverse effects on its financial performance. The primary market risk for the company pertains to foreign currency risk. The Board of Directors reviews and agrees policies for managing each of these risks, which are summarised below:

a. Credit risk

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Company's receivables from customers. Credit risk arises from cash held with banks and financial institutions, as well as credit exposure to clients, including outstanding accounts receivable. The maximum exposure to credit risk is equal to the carrying value of the financial assets. The objective of managing counterparty credit risk is to prevent losses in financial assets. The Company assesses the credit quality of the counterparties, taking into account their financial position, past experience and other factors. The Company's exposure and the credit ratings of its counterparties are continuously monitored and the aggregate value of transactions concluded is spread amongst approved counterparties.

As at 30 September 2021, the Company did not consider there to be any significant concentration of credit risk which had not been adequately provided for. The carrying amount of the financial assets recorded in the financial statements, grossed up for any allowances for losses, represents the maximum exposure to credit risk.

b. Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they become due. The Company manages its liquidity risk by ensuring, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due. The Company's treasury department is responsible for liquidity, funding as well as settlement management. In addition, processes and policies related to such risks are overseen by senior management.



Brain4ce Education Solutions Private Limited
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36 Earnings per share

Particulars	For the period ended 30 September 2021
Profit after tax as per Statement of Profit and Loss (A)	(10,49,94,217)
Weighted average number of equity shares outstanding for basic EPS (B) (No's)	7,39,845
Weighted average number of equity shares outstanding for diluted EPS (C) (No's)	7,39,845
Nominal value of shares (Rs.)	10
Earnings per share (basic) (Rs.) (A/B)	(141.91)
Earnings per share (diluted) (Rs.) (A/C)	(141.91)
Earnings per share (diluted) restricted to basic EPS for previous year	(141.91)

37 Segment Reporting

Operating Segment:

The operations of the company relate to only one segment which is online training and coaching services. The Chief Operating Decision Maker (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 to be 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 Ind AS 108 Operating Segments.

Geographical Information

Revenue and receivables are specified by location of customers while the other geographic information is specified by the location of the assets. The following table presents revenue, expenditure and assets information regarding the Company's geographical segments:

Particulars	30-Sep-21
Revenue from Operations:	
India	20,34,14,043
Rest of the World	14,23,94,433
Segment Assets:	
India	22,06,95,349
Rest of the World	48,78,397
Capital Expenditure:	
India	-
Rest of the World	-

38 Disclosures required under section 22 of the Micro, Small and Medium Enterprises Development Act, 2006:

There are no dues owed by the Company to Micro and Small enterprises, which are outstanding for more than 45 days during the quarter and as at 30 June 2021. This information as required under the Micro, Small and Medium Enterprises Development Act, 2006 has been determined to the extent such parties have been identified on the basis of information available with the Company and has been relied upon by the auditors.

Particulars	As at 30 September 2021
The principal amount and the interest due thereon remaining unpaid to any supplier as at the end of the year;	
- Principal	-
- Interest	-
The amount of interest paid by the Company in terms of Section 16 of the MSMED Act, 2006 along with the amount of the payment made to the supplier beyond the appointed date during the year.	-
The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under MSMED Act, 2006.	-
The amount of interest accrued and remaining unpaid at the end of each accounting year.	-
The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise for the purposes of disallowance as a deductible expenditure under the MSMED Act, 2006	-

39 Contingent liabilities & Commitments

No contingent liabilities and commitments exists as at 30 September 2021.

40 Corporate Social Responsibility (CSR)

Particulars	As at 30 September 2021
a Gross amount required to be spent by the Company during the period	-
b Amount spent during the period	-



Brain4ce Education Solutions Private Limited
Notes to the Special Purpose Standalone Interim Financial Statements
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41 Ratio Analysis

a) Current Ratio = Current Assets/ Current Liabilities

Particulars	30-Sep-21
Current assets	19,61,09,935
Current liabilities	34,17,37,012
Ratio	0.57

b) Debt - Equity Ratio = Total debt divided by Total equity where total debt refers to sum of current & non current borrowings

Particulars	30-Sep-21
Total debt	7,51,39,661
Total equity	(30,02,18,654)
Ratio	(0.25)

c) Debt Service Coverage Ratio (DSCR) = Earnings available for debt services divided by Total interest and principal repayments

Particulars	30-Sep-21
Profit for the period	(10,49,94,217)
Add: Non cash expenses and finance costs:	
Depreciation and amortization expense	13,24,411
Finance costs	35,60,753
Earnings available for debt services	-10,01,09,053
Interest cost on borrowings	33,02,524
Principal Repayments	-
Total interest and principal repayments	33,02,524
Ratio	-0.03

d) Return on Equity Ratio / Return on Investment Ratio = Net profit after tax divided by Equity

Particulars	30-Sep-21
Profit for the period	-10,49,94,217
Total equity	(30,02,18,654)
Ratio	0.35

e) Trade Receivables turnover ratio = Credit Sales divided by Closing trade receivables

Particulars	30-Sep-21
Total sales	34,58,08,476
Closing trade receivables	3,07,33,692
Ratio	11.25

f) Trade payables turnover ratio = Expenses (employee costs and other expenses) divided by closing trade payables

Particulars	30-Sep-21
Expenses	44,63,24,145
Closing trade payables	19,86,09,963
Ratio	2.25

h) Net capital Turnover Ratio = Revenue from Operations divided by Net Working capital
(whereas net working capital= current assets - current liabilities)

Particulars	30-Sep-21
Revenue from operations	34,58,08,476
Net Working Capital	(14,56,27,077)
Ratio	(2.37)

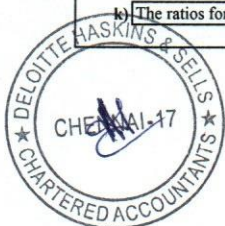
i) Net profit ratio = Net profit after tax divided by Revenue from operations

Particulars	30-Sep-21
Profit for the period	(10,49,94,217)
Revenue from operations	34,58,08,476
Ratio	(0.30)

j) Return on Capital employed- pre cash (ROCE)=Earnings before interest and taxes(EBIT) divided by Capital Employed- pre cash

Particulars	30-Sep-21
Profit/(Loss) before tax (A)	(10,50,68,815)
Finance Costs (B)	35,60,753
Other income (C)	3,32,018
EBIT (D) = (A)+(B)-(C)	(10,18,40,080)
Capital Employed- Pre Cash (J)=(E)-(F)-(G)-(H)-(I)	(18,86,60,099)
Total Assets (E)	12,16,47,530
Current Liabilities (F)	28,43,31,003
Current Investments (G)	-
Cash and Cash equivalents (H)	1,27,99,005
Bank balances other than cash and cash equivalents (I)	1,31,77,621
Ratio (D/J)	0.54

k) The ratios for period ended September 30, 2021 are not based on annualized figures



Brain4ce Education Solutions Private Limited
Notes to the Special Purpose Standalone Interim Financial Statements
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42 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.

43 Going Concern

The company's net worth has fully eroded and the current liabilities exceeded current assets as of September 30, 2021. The accumulated losses were mainly due to impact of covid and fixed cost incurred towards advertisement and marketing expenses.

During the period ended September 30, 2021, the company was acquired by Veranda Learning Solutions Ltd (formerly Veranda Learning Solutions Private Ltd) for a valuation of Rs. 2,05,20,09,025, which included infusion of cash of Rs. 11,92,00,000 into the company. The operations of the Company has improved during the current period. However, the loss during the current period was mainly due to non-recurring acquisition related costs aggregating to Rs. 62,700,000 and recognition of incremental fair value of options amounting to Rs. 5,21,78,975. on amendment of the ESOP Scheme, which has been charged to the Statement of P&L.

Subsequent to the balance sheet date, the Company has been sanctioned an additional working capital facility of Rs. 2 Crores from the bank. Further, the Holding Company, Veranda Learning Solutions Private Limited (formerly known as Veranda Learning Solutions Private Limited) has provided a letter of continued financial support up to 31 December, 2022.

Based on the business and cash flow projections taken on record by the Board, additional funding arrangements and letter of financial support from the holding company, the Company will have adequate cash flows to meet its obligations. Accordingly, the financials have been prepared on a going concern basis.

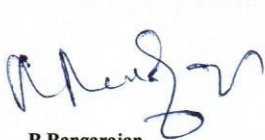
44 Schedule III Reclassifications

The reclassifications as per requirement of Schedule III revised have been carried out wherever applicable.

45 Approval of Financial Statements

The special purpose standalone interim financial statements were approved by the board of directors on December 22, 2021.

For and on behalf of Board of Directors of
Brain4ce Education Solutions Private Limited



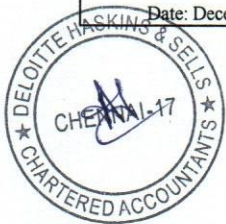
R Rangarajan
Director
DIN: 00591483



K Praveen Kumar
Director
DIN: 00591450

Place: Chennai

Date: December 22, 2021



1. Reporting entity

Brain4ce Education Solutions Private Limited ("the Company" or "Brain4ce") was incorporated on 13 May 2011 under the Indian Companies Act, 1956 vide Corporate Identity Number U80200KA2011PTC09408. The Company is engaged in the business of providing online training and coaching services.

1.1 Recent accounting pronouncements

On March 24, 2021, the Ministry of Corporate Affairs ("MCA") through a notification, amended Schedule III of the Companies Act, 2013. The amendments revise Division I, II and III of Schedule III and are applicable from April 1, 2021. Key amendments relating to Division II which relate to companies whose financial statements are required to comply with Companies (Indian Accounting Standards) Rules 2015 are:

Balance Sheet:

- Lease liabilities should be separately disclosed under the head 'financial liabilities', duly distinguished as current or non-current.
- Certain additional disclosures in the statement of changes in equity such as changes in equity share capital due to prior period errors and restated balances at the beginning of the current reporting period.
- Specified format for disclosure of shareholding of promoters.
- Specified format for ageing schedule of trade receivables, trade payables, capital work-in-progress and intangible asset under development.
- If a company has not used funds for the specific purpose for which it was borrowed from banks and financial institutions, then disclosure of details of where it has been used.
- Specific disclosure under 'additional regulatory requirement' such as compliance with approved schemes of arrangements, compliance with number of layers of companies, title deeds of immovable property not held in name of company, loans and advances to promoters, directors, key managerial personnel (KMP) and related parties, details of benami property held etc.

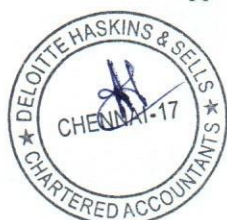
Statement of profit and loss:

- Additional disclosures relating to Corporate Social Responsibility (CSR), undisclosed income and crypto or virtual currency specified under the head 'additional information' in the notes forming part of the standalone financial statements."

The Code on Social Security, 2020 ('Code') relating to employee benefits during employment and post employment benefits received Presidential assent in September 2020. The Code has been published in the Gazette of India. However, the date on which the Code will come into effect has not been notified. The Company will assess the impact of the Code when it comes into effect and will record any related impact in the period the Code becomes effective.

Standards amended during the year:

Application of new and revised Indian Accounting Standards (Ind AS)



The Company has applied all the Ind ASs notified by the Ministry of Corporate Affairs (MCA). Recent pronouncements on June 18, 2021, MCA through a notification has notified Companies (Indian Accounting Standards) Amendment Rules, 2021. The notification has made amendments to various Ind AS. Some of the key amendments are:

Ind AS 116 - COVID-19-Related Rent Concessions :

The economic challenges presented by the COVID-19 pandemic have persisted longer than anticipated, and therefore the practical expedient relating to rent concessions arising as a consequence of COVID-19 has been modified. Accordingly, lessees are now exempted from assessing whether a COVID-19-related rent concession is a lease modification, if the reduction in lease payments affects only payments originally due on or before June 30, 2022. Earlier the practical expedient was allowed only for lease payments originally due on or before June 30, 2021. A lessee should apply the amendments for annual reporting periods beginning on or after April 1, 2021. The Company does not expect any impact on its financial statements due to this amendment.

Interest Rate Benchmark Reform - Phase 2 :

This amendment relates to 'Interest Rate Benchmark Reform - Phase 2 (Amendments to Ind AS 104, Ind AS 107, Ind AS 109 and Ind AS 116)' which addresses issues that might affect financial reporting after the reform of an interest rate benchmark, including its replacement with alternative benchmark rates. Some of the key amendments arising from the interest rate benchmark are:

Ind AS 109: New guidance has been included on changes in the basis for determining the contractual cashflows as a result of interest rate benchmark reform. An entity should apply the amendments for annual reporting periods beginning on or after April 1, 2021.

Ind AS 107: Additional disclosures related to nature and extent of risks to which the entity is exposed from financial instruments subject to interest rate benchmark reform and how the entity manages these risks. An entity should apply the amendments when it applies amendments to Ind AS 109, Ind AS 104 or Ind AS 116.

The Company does not expect the amendments to have any significant impact in its financial statements.

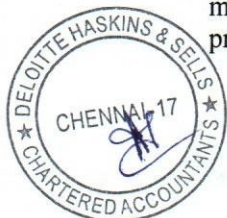
Amendments to Ind AS consequential to Conceptual Framework under Ind AS :

The amendments relating to Ind AS 102, Share-based Payment; Ind AS 103, Business Combinations; Ind AS 106, Exploration for and Evaluation of Mineral Resources; Ind AS 114, Regulatory Deferral Accounts; Ind AS 1, Presentation of Financial Statements; Ind AS 8, Accounting Policies, Changes in Accounting Estimates and Errors; Ind AS 34, Interim Financial Reporting; Ind AS 37, Provisions, Contingent Liabilities and Contingent Assets; Ind AS 38, Intangible Assets, are consequential due to changes in the Conceptual Framework under Ind AS, made in August 2020. The revised Conceptual Framework introduced some new concepts and clarifications.

1.2 Basis of preparation

a. Statement of compliance

These Special Purpose Interim Standalone Financial Statements as at and for the six months ended September 30, 2021 have been prepared in accordance with the recognition and measurement principles of Indian Accounting Standard 34, 'Interim financial reporting' prescribed under section 133 of the Act and other accounting principles generally accepted in



India for the purpose of preparation of the Special Purpose Interim Consolidated Financial Statements of the holding Company as at and for the six months ended September 30, 2021 for purposes of submission to National Stock Exchange (NSE) and the preparation of restated consolidated financial Statements of the holding company for the purpose of inclusion in Updated draft red herring prospectus (the "UDRHP" or the "Offer Documents") as required under the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 as amended from time to time ("ICDR Regulations") in relation to the proposed initial public offering ("IPO") of the holding Company.

These Special Purpose Interim Standalone Financial Statements have been prepared in terms of the requirements of:-

- (i) Section 26 of Chapter III of the Act;
- (ii) (ii) relevant provisions of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, issued by the Securities and Exchange Board of India ('SEBI'), as amended ("ICDR Regulations"); and
- (iii) (iii) Guidance Note on Reports in Company Prospectuses (Revised 2019) issued by the Institute of Chartered Accountants of India ("ICAI") (the "Guidance Note").

Accordingly, the comparative period disclosures for September 2020/March 2021 as required by Ind AS 34, as may be applicable, has not been provided since the same is exempted as per the requirements of ICDR Regulations.

These Special Purpose Interim Financial Statements shall not be suitable for any purpose other than as disclosed in this note.

Details of the Company's accounting policies are included in Note 2.

b. Functional and presentation currency

These financial statements are presented in Indian Rupees (INR), which is also the Company's functional currency. All amounts have been rounded-off to the nearest rupee, unless otherwise indicated.

c. Basis of measurement

The financial statements have been prepared on the historical cost basis except for the following items:

Items	Measurement basis
Certain financial assets and liabilities	Fair value
Net defined benefit (assets) / liability	Present value of defined benefit obligations, less fair value of plan assets

d. Use of estimates and judgements

In preparing these financial statements, the Company has made judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised prospectively.



Assumptions and estimation uncertainties

Information about assumptions and estimation uncertainties that have a significant risk of resulting in a material adjustment in the period ended September 30,2021 is included in the following notes:

- Note 3 – useful life of property, plant and equipment;
- Note 31 – recognition of deferred tax assets: availability of future taxable profit against which tax losses carried forward can be used;
- Note 32 - measurement of defined benefit obligations: key actuarial assumptions.

e. Measurement of fair values

Certain accounting policies and disclosures of the Company require the measurement of fair values, for both financial and non-financial assets and liabilities.

The Company has an established control framework with respect to the measurement of fair values.

The valuation team regularly reviews significant unobservable inputs and valuation adjustments.

Fair values are categorised into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows:

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2: inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
- Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

When measuring the fair value of an asset or a liability, the Company uses observable market data as far as possible. If the inputs used to measure the fair value of an asset or a liability fall into different levels of the fair value hierarchy, then the fair value measurement is categorised in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.

The Company recognizes transfers between levels of the fair value hierarchy at the end of the reporting period during which the change has occurred.

Further information about the assumptions made in measuring fair values is included in the following note:

- Note 34 – financial instruments.



2. Significant accounting policies

a. Foreign currency transactions

Transactions in foreign currencies are initially recorded by the Company at their functional currency spot rates at the date of the transaction. Monetary assets and liabilities denominated in foreign currency are translated at the functional currency spot rates of exchange at the reporting date. Exchange differences that arise on settlement of monetary items or on reporting at each balance sheet date are recognised as income or expenses in the period in which they arise. Non-monetary items which are carried at historical cost denominated in a foreign currency are reported using the exchange rates at the date of transaction. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value is determined.

b. Financial instruments

i. Recognition and initial measurement

The Company initially recognises financial assets and financial liabilities when it becomes a party to the contractual provisions of the instrument. All financial assets and liabilities are measured at fair value on initial recognition. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities, that are not at fair value through profit or loss, are added to the fair value on initial recognition.

ii. Classification and subsequent measurement

Financial assets

Financial assets carried at amortised cost

A financial asset is subsequently measured at amortised cost if it is held within a business model whose objective is to hold the asset in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial assets at fair value through other comprehensive income

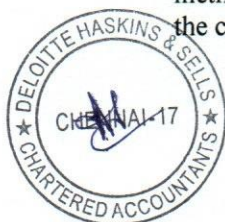
A financial asset is subsequently measured at fair value through other comprehensive income if it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial assets at fair value through profit or loss

A financial asset which is not classified in any of the above categories are subsequently fair valued through profit or loss.

Financial liabilities

Financial liabilities are subsequently carried at amortised cost using the effective interest method. For trade and other payables maturing within one year from the balance sheet date, the carrying amounts approximate fair value due to the short maturity of these instruments.



Investment in subsidiaries, joint venture and associates

Investment in equity shares in subsidiaries, joint venture and associates is carried at cost in the financial statements.

iii. Derecognition

Financial assets

The Company derecognises a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the Company neither transfers nor retains substantially all of the risks and rewards of ownership and does not retain control of the financial asset.

If the Company enters into transactions whereby it transfers assets recognised on its balance sheet, but retains either all or substantially all of the risks and rewards of the transferred assets, the transferred assets are not derecognised.

Financial liabilities

The Company derecognises a financial liability when its contractual obligations are discharged or cancelled, or expire.

The Company also derecognises a financial liability when its terms are modified and the cash flows under the modified terms are substantially different. In this case, a new financial liability based on the modified terms is recognised at fair value. The difference between the carrying amount of the financial liability extinguished and the new financial liability with modified terms is recognised in Statement of profit or loss.

iv. Offsetting

Financial assets and financial liabilities are offset and the net amount presented in the balance sheet when, and only when, the Company currently has a legally enforceable right to set off the amounts and it intends either to settle them on a net basis or to realise the asset and settle the liability simultaneously.

c. Property, plant and equipment

i. Recognition and measurement

Items of property, plant and equipment are measured at cost which includes capitalised borrowing cost less accumulated depreciation and accumulated impairment losses, if any.

Cost of an item of property, plant and equipment, comprises of purchase price, including import duties and non-refundable purchase taxes, after deducting trade discounts and rebates, any directly attributable cost of bringing the item to its working condition for its intended use and estimated costs of dismantling and removing the item and restoring the site on which it is located.

The cost of a self-constructed item of property, plant and equipment comprises the cost of materials and direct labour, any other costs directly attributable to bringing the item to working condition for its intended use, and estimated cost of dismantling and removing the item and restoring the site on which it is located, wherever applicable.



If significant parts of an item of property, plant and equipment have different useful lives, then they are accounted for as separate items (major components) of property, plant and equipment.

Any gain or loss on disposal of an item of property, plant and equipment is recognised in the Statement of profit and loss.

ii. *Subsequent expenditure*

Subsequent expenditure is capitalised only if it is probable that the future economic benefits associated with the expenditure will flow to the Company. All other expenditure, is recognised in the statement of profit and loss, as incurred.

iii. *Depreciation*

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:

Description of the asset	Useful Life
Office Equipment	5 years
Furniture & Fixture	10 years
Computers	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.

Depreciation on additions (disposals) is provided on a pro-rata basis i.e. from (upto) the date on which asset is ready for use (disposed of).

d. **Other intangible assets**

i. *Other intangible assets*

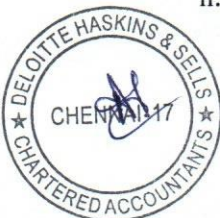
Intangible assets are recognised only if it is probable that future economic benefits that are attributable to the asset will flow to the enterprise and the cost of the asset can be measured reliably.

Computer software licenses are capitalised on the basis of costs incurred which comprises:

- a) its purchase price, including import duties and non-refundable purchase taxes, after deducting trade discounts and rebates; and
- b) any directly attributable cost of preparing the software for its intended use.

Operating software is capitalised and amortised along with the other intangible asset.

ii. *Subsequent expenditure*



Subsequent expenditure is capitalised only when it increases the future economic benefits embodied in the specific asset to which it relates. All other expenditure is recognised in statement of profit and loss as incurred.

iii. *Amortisation*

Amortisation is calculated to write off the cost of intangible assets less their estimated residual values over their estimated useful lives using the straight-line method and is included in depreciation and amortisation in the statement of profit and loss.

Management's estimate of the useful lives of intangible assets are as follows:

Asset category	Useful life
Computer software	3 years

The amortisation period and method used for intangible assets are reviewed at the end of each financial year and adjusted if appropriate.

e. **Impairment**

i. *Impairment of financial assets*

The Company recognises loss allowances using the expected credit loss (ECL) model for the financial assets which are not fair valued through Statement of Profit and Loss. Loss allowance for trade receivables with no significant financing component is measured at an amount equal to lifetime ECL. For all other financial assets, expected credit losses are measured at an amount equal to the 12-month ECL, unless there has been a significant increase in credit risk from initial recognition in which case those are measured at lifetime ECL. The amount of expected credit losses (or reversal) that is required to adjust the loss allowance at the reporting date to the amount that is required to be recognised is recognised as an impairment gain or loss in the Statement of Profit and Loss.

ii. *Impairment of non-financial assets*

Intangible assets and property, plant and equipment

Intangible assets and property, plant and equipment are evaluated for recoverability whenever events or changes in circumstances indicate that their carrying amounts may not be recoverable. For the purpose of impairment testing, the recoverable amount (i.e. the higher of the fair value less cost to sell and the value-in-use) is determined on an individual asset basis unless the asset does not generate cash flows that are largely independent of those from other assets. In such cases, the recoverable amount is determined for the cash generated units to which the asset belongs. If such assets are considered to be impaired, the impairment to be recognised in the Statement of Profit and Loss is measured by the amount by which the carrying value of the assets exceeds the estimated recoverable amount of the asset. An impairment loss is reversed in the Statement of Profit and Loss if there has been a change in the estimates used to determine the recoverable amount. The carrying amount of the asset is increased to its revised recoverable amount, provided that this amount does not exceed the carrying amount that would have been determined (net of any accumulated amortisation or depreciation) had no impairment loss been recognised for the asset in prior years.

f. **Employee benefits**

i. *Short-term employee benefits*

Short-term employee benefit obligations are measured on an undiscounted basis and are



expensed as the related service is provided. A liability is recognised for the amount expected to be paid if the Company has a present legal or constructive obligation to pay the amount as a result of past service provided by the employee, and the amount of obligation can be estimated reliably.

ii. Defined contribution plans

Provident Fund

Eligible employees of the Company receive benefits from provident fund, which is a defined contribution plan. Both the eligible employees and the Company make monthly contributions to the Government administered provident fund scheme equal to a specified percentage of the eligible employee's salary. Amounts collected under the provident fund plan are deposited with in a government administered provident fund. The Company has no further obligation to the plan beyond its monthly contributions.

iii. Defined benefits plans

Gratuity

The Company provides for gratuity, a defined benefit plan ("the Gratuity Plan") covering the eligible employees of the Company. The Gratuity Plan provides a lump-sum payment to vested employees at retirement, death, incapacitation or termination of employment, of an amount based on the respective employee's salary and the tenure of the employment with the Company.

Liability with regard to the Gratuity Plan are determined by actuarial valuation, performed by an independent actuary, at each balance sheet date using the projected unit credit method.

The Company recognises the net obligation of a defined benefit plan as a liability in its balance sheet. Gains or losses through re-measurement of the net defined benefit liability are recognised in OCI and are not reclassified to profit and loss in the subsequent periods. The actual return of the portfolio of plan assets, in excess of the yields computed by applying the discount rate used to measure the defined benefit obligation is recognised in OCI. The effect of any plan amendments are recognised in the statement of profit and loss.

Compensated absences

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.

g. Revenue

The Company recognises revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. A 5-step approach is used to recognise revenue as below:

Step 1: Identify the contract(s) with a customer

Step 2: Identify the performance obligation in contract

Step 3: Determine the transaction price

Step 4: Allocate the transaction price to the performance obligations in the contract

Step 5: Recognise revenue when (or as) the entity satisfies a performance obligation



Income from services rendered is recognized based on agreements / arrangements with the customers as the service is performed in proportion to the stage of completion of the transaction at the reporting date and the amount of revenue can be measured reliably. Unbilled revenue represents revenue for services provided and not yet billed to the customer.

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 (Post Graduation Program) 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 income deployment of funds is recognized using the time-proportion method, based on effective interest rate (EIR). The EIR is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial instrument to:

- the gross carrying amount of the financial asset; or
- the amortised cost of the financial liability.

In calculating interest income and expense, the EIR is applied to the gross carrying amount of the asset (when the asset is not credit - impaired) or to the amortised cost of the liability.

Other income is recognized to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured.

h. Leases

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases.

Asset held under finance leases are initially capitalized as assets of the company at their fair value at the inception of the lease or, if lower, at the present value of the minimum lease payments. The corresponding liability to the lessor is included in the balance sheet as a finance lease obligation. Lease payments are apportioned between finance expenses and reduction of the lease obligation so as to achieve a constant rate of interest on the remaining balance of the liability.

Rental expense from operating leases is generally recognized on straight line basis over the term of the relevant lease where the rentals are structured solely to increase in line with



expected general inflation to compensate for the lessor's expected inflationary cost increases, such increases are recognized in the year in which such benefits accrue. Contingent rentals arising under operating leases are recognized as an expense in the period in which they are incurred.

i. Income tax

Income tax comprises current and deferred tax. It is recognised in the Statement of Profit and Loss except to the extent that it relates to a business combination or to an item recognised directly in equity or in other comprehensive income.

i. Current tax

Current tax comprises the expected tax payable or receivable on the taxable income or loss for the year and any adjustment to the tax payable or receivable in respect of previous years. The amount of current tax reflects the best estimate of the tax amount expected to be paid or received after considering the uncertainty, if any, related to income taxes. It is measured using tax rates (and tax laws) enacted or substantively enacted by the reporting date.

Current tax assets and current tax liabilities are offset only if there is a legally enforceable right to set off the recognised amounts, and it is intended to realise the assets and settle the liability on a net basis or simultaneously.

ii. Deferred tax

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the corresponding amounts used for taxation purposes. Deferred tax is also recognised in respect of carried forward tax losses and tax credits. Deferred tax is not recognised for:

- temporary differences arising on the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss at the time of transaction.

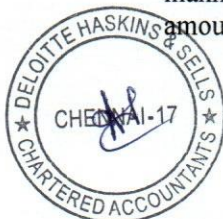
- temporary differences related to investments in subsidiaries, associates and interests in joint ventures, when the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred tax assets are recognised to the extent that it is probable that future taxable profits will be available against which they can be used.

Deferred tax assets recognised or unrecognised are reviewed at each reporting date and are recognised / reduced to the extent that it is probable / no longer probable respectively that the related tax benefit will be realised.

Deferred tax is measured at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, based on the laws that have been enacted or substantively enacted by the reporting date.

The measurement of deferred tax reflects the tax consequences that would follow from the manner in which the Company expects, at the reporting date, to recover or settle the carrying amount of its assets and liabilities.



The Company offsets, the current tax assets and liabilities (on a year on year basis) and deferred tax assets and liabilities, where it has a legally enforceable right and where it intends to settle such assets and liabilities on a net basis.

j. Earnings per share

The basic earnings per share is computed by dividing the net profit attributable to equity shareholders for the year by the weighted average number of equity shares outstanding during the year. The Company does not have any potentially dilutive equity shares.

k. Provisions and contingent liabilities

i. General

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. When the Company expects some or all of a provision to be reimbursed, the expense relating to a provision is presented in the Statement of Profit and Loss net of any reimbursement.

If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

ii. Contingent liabilities

A disclosure for contingent liabilities is made where there is a possible obligation or a present obligation that may probably not require an outflow of resources. When there is a possible or a present obligation where the likelihood of outflow of resources is remote, no provision or disclosure is made.

iii. Onerous contracts

Provision for onerous contracts, i.e. contracts where the expected unavoidable cost of meeting the obligations under the contract exceed the economic benefits expected to be received under it, are recognised when it is probable that an outflow of resources embodying economic benefits will be required to settle a present obligation as a result of an obligating event based on a reliable estimate of such obligation.

l. Share-based payments

The cost of equity-settled transactions is determined by the fair value at the date when the grant is made using an appropriate valuation model. That cost is recognised in employee benefits expense, together with a corresponding increase in share-based payment (SBP) reserves in equity, over the period in which the performance and/or service conditions are fulfilled. The dilutive effect of outstanding options is reflected as additional share dilution in the computation of diluted earnings per share.

m. Cash and cash equivalents

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



n. Cash flow statement

Cash flows are reported using indirect method, whereby net profits before tax is adjusted for the effects of transactions of a non-cash nature and any deferrals or accruals of past or future cash receipts or payments and items of income or expenses associated with investing or financing cash flows. The cash flows from regular revenue generating (operating activities), investing and financing activities of the company are segregated.

o. Borrowing costs

Borrowing cost include interest computed using Effective Interest Rate method, amortisation 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.

Borrowing costs that are directly attributable to the acquisition, construction and production of a qualifying asset are capitalised as part of the cost of that asset which takes substantial period of time to get ready for its intended use. All other borrowings costs are expensed in the period in which they occur.

p. Earnings per share

Basic earnings per share is calculated by dividing the net profit or loss for the year attributable to equity shareholders by the weighted average number of equity shares outstanding during the year.

For the purpose of calculating diluted earnings per share, the net profit or loss for the year attributable to equity shareholders and the weighted average number of shares outstanding during the year are adjusted for the effects of all dilutive potential equity shares.

q. Leases

The Company assesses whether a contract contains a lease, at inception of a contract. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Company assesses whether:

- (i) the contract involves the use of an identified asset
- (ii) the Company has substantially all of the economic benefits from use of the asset through the period of the lease and
- (iii) the Company has the right to direct the use of the asset.

At the date of commencement of the lease, the Company recognizes a right-of-use asset ("ROU") and a corresponding lease liability for all lease arrangements in which it is a lessee, except for leases with a term of twelve months or less (short-term leases) and low value leases. For these short-term and low value leases, the Company recognizes the lease payments as an operating expense on a straight-line basis over the term of the lease.

Certain lease arrangements includes the options to extend or terminate the lease before the end of the lease term. ROU assets and lease liabilities includes these options when it is reasonably certain that they will be exercised.

The right-of-use assets are initially recognized at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or prior to the commencement date of the lease plus any initial direct costs less any lease incentives. They are subsequently measured at cost less accumulated depreciation and impairment losses.

Right-of-use assets are depreciated from the commencement date on a straight-line basis over



the shorter of the lease term and useful life of the underlying asset. Right of use assets are evaluated for recoverability whenever events or changes in circumstances indicate that their carrying amounts may not be recoverable. For the purpose of impairment testing, the recoverable amount (i.e. the higher of the fair value less cost to sell and the value-in-use) is determined on an individual asset basis unless the asset does not generate cash flows that are largely independent of those from other assets. In such cases, the recoverable amount is determined for the Cash Generating Unit (CGU) to which the asset belongs.

The lease liability is initially measured at amortized cost at the present value of the future lease payments. The lease payments are discounted using the interest rate implicit in the lease or, if not readily determinable, using the incremental borrowing rates in the country of domicile of these leases. Lease liabilities are re-measured with a corresponding adjustment to the related right of use asset if the Company changes its assessment if whether it will exercise an extension or a termination option.

Lease liability and ROU asset have been separately presented in the Balance Sheet and lease payments have been classified as financing cash flows.

r. Segment Reporting

Based on internal reporting provided to the Chief operating decision maker, the Company's operations predominantly related to sale of comprehensive learning programs and, accordingly, this is the only operating segment. The management committee reviews and monitors the operating results of the business segment for the purpose of making decisions about resource allocation and performance assessment using profit or loss and return on capital employed.

