

Brain4ce Education Solutions Private Limited
Consolidated Balance Sheet as at 31st March 2019

Particulars	Note	As at 31 March, 2019 ₹	As at 31 March, 2018 ₹
A. EQUITY AND LIABILITIES			
1 Shareholder's funds			
(a) Share capital	3.1	76,80,280	76,77,280
(b) Reserves and surplus	3.2	2,43,98,536	7,78,76,155
2 Share application money pending allotment			-
3 Non-Current liabilities			
(a) Long term borrowings	3.3	3,23,82,759	16,25,647
(b) Long term provisions	3.4	55,95,447	27,82,165
(c) Other long term liabilities	3.5	13,06,565	
4 Current liabilities			
(a) Trade payables	3.6		
(A) total outstanding dues of micro enterprises and small enterprises		-	-
(B) total outstanding dues of creditors other than micro enterprises and small enterprises		4,84,72,637	3,68,68,311
(b) Other current liabilities	3.7	5,97,83,783	2,44,04,699
(c) Short term provisions	3.8	1,10,01,133	1,03,16,785
Total		19,06,21,140	16,15,51,042
B. ASSETS			
1 Non current assets			
(a) Property, plant and equipment			
(i) Tangible assets	3.9	1,23,76,571	60,52,588
(ii) Intangible assets	3.9	2,62,413	2,82,419
(b) Deferred tax assets (net)	3.10	4,01,38,040	43,71,980
(c) Long term loans and advances	3.11	1,08,70,057	1,03,99,147
2 Current assets			
(a) Current Investments	3.12	-	2,00,00,000
(b) Trade receivables	3.13	3,24,68,964	1,85,67,037
(c) Cash and cash equivalents	3.14	7,91,48,973	9,13,57,347
(d) Short term loan and advances	3.15	99,70,919	49,14,645
(e) Other current assets	3.16	53,85,203	56,05,879
Total		19,06,21,140	16,15,51,042

General Information & Significant accounting policies

1 & 2

As per our report attached

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

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

Place: Bengaluru
Date: 7th September 2019

for Brain4ce Education Solutions Private Limited

Kapil Tyagi
Wholtime Director
DIN: 01212240

Lovleen Bhatia
Director
DIN: 05158609

Place: Bengaluru
Date: 7th September 2019

Brain4ce Education Solutions Private Limited

Consolidated Statement of Profit and loss account for the year ended 31st March 2019

Particulars	Note	For the year	For the year
		ended 31 March, 2019	ended 31 March, 2018
		₹	₹
Revenue from operations			
(a) Revenue from Operations	3.17	52,42,86,898	41,04,25,738
(b) Other Income	3.18	62,37,139	4,49,854
Total Revenue		53,05,24,037	41,08,75,591
Expenses			
(a) Employee benefits expense	3.19	27,26,05,599	15,39,11,642
(b) Finance cost	3.20	19,61,744	38,822
(c) Depreciation and amortisation expense	3.9	86,58,570	38,33,687
(d) Other expenses	3.21	37,26,95,158	26,09,29,684
Total expenses		65,59,21,071	41,87,13,835
Profit / (Loss) before exceptional, extraordinary items and tax		(12,53,97,034)	(78,38,243)
Exceptional items		-	-
Extraordinary items		-	-
Tax expense			
1. Current tax		-	-
2. Deferred tax charge / (credit)		(3,57,66,060)	(7,40,905)
Profit/(Loss) for the year from continuing operations		(8,96,30,974)	(70,97,338)
Profit / (Loss) from discontinuing operations		-	-
Tax expense of discontinuing operations		-	-
Profit / (Loss) from discontinuing operations after tax		-	-
Profit / (Loss) for the year		(8,96,30,974)	(70,97,338)
Earning per equity share	3.29		
Basic		(122.92)	(9.79)
Diluted		(109.04)	(9.10)

General Information & Significant accounting policies

1 & 2

As per our report attached

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

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

Place: Bengaluru
Date: 7th September 2019

for Brain4ce Education Solutions Private Limited

Kapil Tyagi
Wholetime Director
DIN: 01212240

Place: Bengaluru
Date: 7th September 2019

Lovleen Bhatia
Director
DIN: 05158609

BrainAce Education Solutions Private Limited
Consolidated Cash Flow Statement for the year ended 31 March 2019

Particulars	For the year ended 31 March, 2019	For the year ended 31 March, 2018
A. Cash Flows from operating activities		
Profit/(Loss) before tax	(12,53,97,034)	(78,38,243)
Adjustments to reconcile profit before tax to cash generated by operating activities		
Depreciation and amortisation expense	86,58,570	38,33,687
Interest Expense on Borrowings	14,01,744	38,822
ESOP expenses	3,61,53,356	30,46,363
Bad Debts written off	83,814	19,145
Interest income	(5,51,998)	(3,70,578)
Profit on sale of fixed assets	(68,913)	-
Profit on sale of mutual funds	(53,97,846)	-
Operating profit / (loss) before working capital changes	(8,51,18,307)	(12,70,804)
Changes in working capital		
Adjustments for (increase) / decrease in operating assets:		
Trade receivables	(1,39,85,741)	(33,28,400)
Short term loan and advances	(37,23,644)	(9,70,462)
Other current assets	2,20,676	(18,35,841)
Long term loans and advances	(4,70,910)	(22,31,263)
Adjustments for increase / (decrease) in operating liabilities:		
Trade payables	1,16,04,326	1,57,71,977
Other long term liabilities	13,06,565	-
Other current liabilities	3,53,79,084	77,34,691
Short-term provisions	6,84,348	(10,48,455)
Long-term provisions	28,13,282	(2,06,456)
	(5,12,90,322)	1,26,14,987
Net income tax (paid) / refunds	13,32,630	12,81,934
Net Cash generated/(used) in operating activities	(5,26,22,952)	1,13,33,053
B. Cash Flows from investing activities		
Purchase of fixed assets	(1,54,23,623)	(61,67,782)
Sale of fixed assets	5,29,988	-
Sale of investments	2,53,97,846	-
Interest income	5,51,998	3,70,578
Net Cash generated/(used) by investing activities	1,10,56,209	(57,97,204)
C. Cash Flows from financing activities		
Long-term borrowings	3,07,57,112	16,25,648
Proceeds from issue of equity shares	3,000	42,880
Proceeds from issue of preference shares	-	6,50,00,520
Interest Expense on Borrowings	(14,01,744)	(38,822)
Net Cash generated/(used) by financing activities	2,93,58,368	6,66,30,226
Net Increase/(Decrease) in Cash and Cash Equivalents	(1,22,08,375)	7,21,66,075
Cash and Cash Equivalents at the beginning of the year	9,13,57,347	1,91,91,272
Cash and Cash Equivalents at the end of the year	7,91,48,972	9,13,57,347

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

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

Place: Bengaluru
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for BrainAce Education Solutions Private Limited

Kapil Tyagi
Wholtime Director
DIN: 01212240

Lovleen Bhatia
Director
DIN: 05158609

Place: Bengaluru
Date: 7th September 2019

Brain4ce Education Solutions Private Limited

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

1. About the company:

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

2. Significant Accounting Policies:

2.1 Basis of Preparation of Consolidated Financial Statements:

These financial statements have been prepared to comply with the Generally Accepted Accounting Principles in India (Indian GAAP), including the Accounting Standards notified under the relevant provisions of the Companies Act, 2013. The financial statements are prepared on accrual basis under the historical cost convention. The financial statements are presented in Indian rupees.

Subsidiary Company have been consolidated on a line-by-line basis by adding together the book values of like items of assets, liabilities, income and expenses, after eliminating intra-group balances, intra-group transactions and the unrealized profits.

As far as possible, the consolidated financial statements are prepared using uniform accounting policies for like transactions and other events in similar circumstances and are presented, to the extent possible, in the same manner as the Company's standalone financial statements.

2.2 Use of Estimates:

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

2.3 Property, Plant & Equipment:

Property, Plant & Equipment are stated at cost less accumulated depreciation. All costs relating to the acquisition and installation are capitalised to Property, Plant & Equipment

2.4 Depreciation and Amortisation:

Depreciation on Property, Plant & Equipment is provided on written down value basis at the rates and in the manner prescribed in Schedule II to the Companies Act, 2013.



2.5 Impairment of property, plant and equipment and intangible assets:

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

2.6 Employees retirement benefits

(a) Short-term benefits – Leave encashment:

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

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

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

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

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

2.7 Revenue Recognition:

Revenue is primarily derived from online coaching classes. Revenue is recognized as follows:

- Revenue is recognized to the extent that it is probable that the economic benefits will flow to the company & the revenue can be reliably measured.
- Interest income is recognized using the time-proportion method



2.8 Provision for current and deferred income-tax:

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

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

2.9 Earnings per share:

Basic earnings per share is calculated by dividing the net profit or loss for the year attributable to equity shareholders (after deducting preference dividends and attributable taxes) by the weighted average number of equity shares outstanding during the period. Diluted EPS comprises weighted average shares considered for deriving Basic EPS, and also the weighted average number of equity shares which could have been issued on the conversion of all dilutive potential equity shares.

2.10 Employee Stock Compensation Cost:

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

2.11 Provisions:

A provision is recognised when the company has a present obligation as a result of 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. Provisions are not discounted to their present value and are determined based on the best estimate required to settle the obligations at the reporting date. These estimates are reviewed at each reporting date and adjusted to reflect the current best estimates.

2.12 Foreign currency transactions:



(a) Initial Recognition

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

(b) Conversion

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

(c) Exchange differences

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



3.1 - Share Capital

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

Particulars	As at 31	
	March, 2019	March, 2018
Authorised		
10,00,000 Equity shares of Rs.10 each with voting rights	1,00,00,000	1,00,00,000
50,000 Preference shares of Rs.10 each with voting rights	5,00,000	5,00,000
Total	1,05,00,000	1,05,00,000
Issued, Subscribed and fully paid up		
7,29,268 (March 31, 2018 7,28,968) shares of Rs.10 each fully paid up	72,92,680	72,89,680
38,760 Series Seed Compulsorily Convertible Preference Shares of Rs.10 each fully paid up	3,87,600	3,87,600
Total	76,80,280	76,77,280

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

Class of shares: Equity Shares

Particulars	As at 31 March, 2019		As at 31 March, 2018	
	No.	Amount	No.	Amount
Outstanding at the beginning of the period	7,28,968	72,89,680	7,24,680	72,46,800
Issued during the year (ESOP)	300	3,000	4,288	42,880
Outstanding at the end of the period	7,29,268	72,92,680	7,28,968	72,89,680

Class of shares: Preference Shares

Particulars	As at 31 March, 2019		As at 31 March, 2018	
	No.	Amount	No.	Amount
Outstanding at the beginning of the period	38,760	3,87,600	38,760	3,87,600
Issued during the year	-	-	-	-
Outstanding at the end of the period	38,760	3,87,600	38,760	3,87,600

(c) Rights, preferences and restrictions:

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

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

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



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

Particulars	Aggregate number of shares	
	As at 31 March, 2019	As at 31 March, 2018
Equity shares allotted as fully paid bonus shares by capitalization of securities premium in the ratio of 65 shares for each share held	7,13,700	7,13,700
Equity Shares allotted on exercise of options granted under the employee stock option plan (ESOP) wherein part consideration was received in form of employee services	4,588	4,288

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

Particulars	As at 31 March, 2019		As at 31 March, 2018	
	No.	Amount	No.	Amount
Equity shares with voting rights:				
Kapil Tyagi	2,80,500	28,05,000	2,80,500	28,05,000
(%) of shareholding	38.48%		38.71%	
Lovleen Bhatia	2,80,500	28,05,000	2,80,500	28,05,000
(%) of shareholding	38.48%		38.71%	
Abhishek Vinod Singh	49,500	4,95,000	49,500	4,95,000
(%) of shareholding	6.79%		6.83%	
Nitin Kumar Verma	49,500	4,95,000	49,500	4,95,000
(%) of shareholding	6.79%		6.83%	
Total	6,60,000	66,00,000	6,60,000	66,00,000

Particulars	As at 31 March, 2019		As at 31 March, 2018	
	No.	Amount	No.	Amount
Preference shares with Voting Rights:				
Leo Capital	36,888	3,68,880	36,888	3,68,880
(%) of shareholding	95.17%		95.17%	
Total	36,888	3,68,880	36,888	3,68,880



3.2 - Reserves and Surplus

Particulars	As at 31 March, 2019 ₹	As at 31 March, 2018 ₹
(a) Securities Premium Account		
Balance as per the last financial statements	6,59,14,853	2,74,600
Add: Premium on issue of Shares	71,875	6,56,40,253
Less: Amounts utilized towards issue of fully paid bonus shares	-	-
Balance at the end of the year	6,59,86,728	6,59,14,853
(b) Share options outstanding account		
Balance as per the last financial statements	1,61,04,324	1,40,85,294
Add: Amounts recorded on grants / modifications / cancellations during the year	11,60,59,202	1,17,02,267
Less: Written back to Statement of Profit and Loss during the year	(1,36,03,147)	(38,49,809)
Transferred to Securities premium account upon exercise.	(71,875)	(10,27,333)
Less: Deferred stock compensation expense	(6,63,02,700)	(48,06,095)
Balance at the end of the year	5,21,85,804	1,61,04,324
(c) Surplus / (deficit) i.e. balance in the statement of profit and loss account		
Opening Balance	(41,43,022)	29,54,317
Profit / (Loss) during the year	(8,96,30,974)	(70,97,338)
Balance at the end of the year	(9,37,73,996)	(41,43,022)
Total	2,43,98,536	7,78,76,155



3.3- Long term Borrowings

Particulars	As at 31 March, 2019 ₹	As at 31 March, 2018 ₹
Vehicle loans		
- Secured from Bank	25,68,876	16,25,647
(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).		
Term loans		
- Secured from Bank	2,98,13,883	-
(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	3,23,82,759	16,25,647

3.4 - Long term provisions

Particulars	As at 31 March, 2019 ₹	As at 31 March, 2018 ₹
Provision for employee benefits		
Provision for Gratuity	44,42,225	23,30,496
Provision for Leave Encashment	11,53,222	4,51,669
Total	55,95,447	27,82,165

3.5 - Other long term liabilities

Particulars	As at 31 March, 2019 ₹	As at 31 March, 2018 ₹
Rent equalisation reserve	13,06,565	-
Total	13,06,565	-



Brain4ce Education Solutions Private Limited

Notes to consolidated financial statements for the year ended 31st March 2019

3.6 - Trade payables

Particulars	As at 31 March, 2019 ₹	As at 31 March, 2018 ₹
Trade Payables		
- due to micro and small enterprises	-	-
- others creditors	4,84,72,637	3,68,68,311
Total	4,84,72,637	3,68,68,311

3.7 - Other current liabilities

Particulars	As at 31 March, 2019 ₹	As at 31 March, 2018 ₹
Current Maturities of Long-term debt		
- Secured from Bank - Vehicle Loan	7,17,373	3,55,302
- Secured from Bank - Term Loan	87,97,134	-
Accrued Salaries & Benefits		
- Payable to Employees	27,84,162	2,75,646
Other payables		
- Statutory liabilities	91,80,453	42,73,607
- Unexpired revenue	3,78,84,760	1,94,67,143
- Other payables	-	33,001
- Interest Payable	2,50,489	-
- Advance from customers	1,69,412	-
Total	5,97,83,783	2,44,04,699

3.8- Short term provisions

Particulars	As at 31 March, 2019 ₹	As at 31 March, 2018 ₹
Provision for Expenses	78,88,658	89,05,240
Provision for Gratuity	6,04,029	3,16,353
Provision for Leave Encashment	7,37,016	2,23,068
Provision for Bonus	17,71,430	8,72,124
Total	1,10,01,133	1,03,16,785



3.9 - Property, Plant & Equipment:

Particulars	Tangible assets					Intangible assets		Total
	Computers & Peripherals	Office Equipment	Furniture & Fixtures	Vehicles	Total	Software Product	Total	
Cost								
As at April 1, 2018	69,16,145	15,42,231	2,12,875	14,12,609	1,00,83,859	4,49,944	4,49,944	1,05,33,803
Additions	38,11,252	1,84,676	32,999	20,68,653	60,97,580	70,200	70,200	61,67,780
Deletions / Adjustments	-	-	-	-	-	-	-	-
As at March 31, 2018	1,07,27,397	17,26,907	2,45,874	34,81,262	1,61,81,439	5,20,144	5,20,144	1,67,01,583
Additions	1,17,88,360	8,50,470	4,75,000	21,69,370	1,52,83,199	1,40,424	1,40,424	1,54,23,623
Deletions / Adjustments	(22,39,412)	(35,000)	-	-	(22,74,412)	-	-	(22,74,412)
As at March 31, 2019	2,02,76,345	25,42,376	7,20,874	56,50,631	2,91,90,226	6,60,568	6,60,568	2,98,50,793
Depreciation								
As at April 1, 2018	43,08,476	11,12,314	65,876	9,34,941	64,21,606	1,11,284	1,11,284	65,32,890
Charge for the year	30,73,601	2,67,943	41,992	3,23,709	37,07,245	1,26,441	1,26,441	38,33,686
Deletions / Adjustments	-	-	-	-	-	-	-	-
As at March 31, 2018	73,82,077	13,80,259	1,07,868	12,58,649	1,01,28,851	2,37,725	2,37,725	1,03,66,576
Charge for the year	67,80,192	3,63,004	1,19,494	12,35,451	84,98,141	1,60,429	1,60,429	86,58,570
Deletions / Adjustments	(17,82,050)	(31,288)	-	-	(18,13,338)	-	-	(18,13,338)
As at March 31, 2019	1,23,80,219	17,11,975	2,27,362	24,94,100	1,68,13,655	3,98,154	3,98,154	1,72,11,808
Net Block								
As at March 31, 2018	33,45,319	3,46,648	1,38,006	22,22,613	60,52,588	2,82,419	2,82,419	63,35,007
As at March 31, 2019	78,96,125	8,30,401	4,93,512	31,56,531	1,23,76,571	2,62,414	2,62,413	1,26,38,985



Brain4ce Education Solutions Private Limited

Notes to consolidated financial statements for the year ended 31st March 2019

3.10 - Deferred tax assets

Particulars	As at 31 March, 2019 ₹	As at 31 March, 2018 ₹
Tax effect of items constituting deferred tax assets		
On difference between book balance and tax balance of fixed assets	9,21,609	3,87,221
Provision for gratuity	14,03,868	7,29,273
Provision for leave encashment	5,25,864	1,85,907
Provision for Bonus	4,92,812	2,40,292
Rent Equalization Reserve	1,76,167	-
Expenses on which tax is not deducted	3,05,255	-
Unabsorbed Losses	3,63,12,465	28,29,287
Total	4,01,38,040	43,71,980

3.11 - Long term loans and advances

Particulars	As at 31 March, 2019 ₹	As at 31 March, 2018 ₹
Security deposits (unsecured considered good)	91,69,410	86,98,500
MAT Credit Entitlement	17,00,647	17,00,647
Total	1,08,70,057	1,03,99,147

3.12 - Current Investments

Particulars	As at 31 March, 2019 ₹	As at 31 March, 2018 ₹
Quoted Investment in mutual funds (at Lower of Cost and Fair Value unless otherwise stated)		
Axis Dynamic Bond Fund (697,481.40 units)	-	1,00,00,000
ICICI Prudential Income Fund (229,482.54 units)	-	1,00,00,000
Aggregate amount of Quoted Investments	-	2,00,00,000
Aggregate Market Value of Quoted Investments	-	2,48,95,859



3.13 - Trade receivables

Particulars	As at 31 March, 2019 ₹	As at 31 March, 2018 ₹
Debts outstanding for period exceeding six months		
Unsecured, considered good	12,91,011	5,73,343
Other debts		
Unsecured, considered good	3,11,77,953	1,79,93,694
Total	3,24,68,964	1,85,67,037

3.14 - Cash and cash equivalents

Particulars	As at 31 March, 2019 ₹	As at 31 March, 2018 ₹
(a) Cash on hand	4,129	48,754
(b) Balances with banks		
- On current account	6,82,94,843	9,04,58,593
- On deposit account (with remaining maturity less than 1 year)	1,08,50,000	8,50,000
Total	7,91,48,973	9,13,57,347

3.15 - Short term loan and advances

Particulars	As at 31 March, 2019 ₹	As at 31 March, 2018 ₹
Unsecured, considered good		
Loans and advances to employees	4,77,834	6,74,515
Advance to vendors	9,23,955	-
Balances with government authorities		
Tax deducted at source	84,66,827	42,40,130
GST credit	1,02,303	-
Total	99,70,919	49,14,645

3.16 - Other current assets:

Particulars	As at 31 March, 2019 ₹	As at 31 March, 2018 ₹
Interest accrued on deposits	2,31,246	10,184
Prepaid expenses	51,53,958	55,95,696
Total	53,85,203	56,05,879



Brain4ce Education Solutions Private Limited

Notes to consolidated financial statements for the year ended 31st March 2019

3.17 - Income from services

Particulars	For the year ended	For the year ended
	31 March 2019	31 March 2018
	₹	₹
Income from coaching	52,42,86,898	41,04,25,738
Total	52,42,86,898	41,04,25,738

3.18 - Other Income

Particulars	For the year ended	For the year ended
	31 March 2019	31 March 2018
	₹	₹
Interest from banks on deposits	4,52,053	2,87,252
Interest on Income-tax refund	99,945	83,326
Profit on sale of mutual funds	53,97,846	-
Profit on sale of fixed assets	68,913	-
Miscellaneous Income	2,18,382	79,276
Total	62,37,139	4,49,854

3.19: Employee benefits expenses

Particulars	For the year ended	For the year ended
	31 March 2019	31 March 2018
	₹	₹
Salaries and wages	21,77,53,825	14,09,01,457
Contributions to Provident Fund and ESI	50,01,631	31,45,321
Gratuity	23,99,405	6,02,239
Leave Encashment	21,60,956	9,23,742
Expense on employee stock option (ESOP) scheme	3,61,53,356	30,46,363
Staff welfare expenses	91,36,426	52,92,520
Total	27,26,05,599	15,39,11,642



3.20: Finance Cost

Particulars	For the year ended	For the year ended
	31 March 2019	31 March 2018
	₹	₹
(a) Interest expense on Borrowings	14,01,744	38,822
(b) Loan processing charges	5,60,000	-
Total	19,61,744	38,822

3.21: Other expenses

Particulars	For the year ended	For the year ended
	31 March 2019	31 March 2018
	₹	₹
Power and fuel	28,71,320	25,38,518
Rent	1,44,19,155	65,46,384
Repairs and maintenance - others	7,97,955	7,01,934
Insurance expenses	1,43,943	51,046
Rates and taxes	35,14,934	18,82,085
Communication	49,29,542	29,40,242
Travelling and conveyance	79,97,357	12,42,978
Printing and stationery	6,23,041	1,75,150
Business Promotion Expense	23,23,100	13,73,999
Advertising and marketing expenses	12,72,38,745	9,86,79,963
Business Support Services	4,19,66,403	2,21,44,416
Legal and professional	14,27,46,364	10,44,97,042
Bank charges	5,51,729	3,87,239
Payment gateway charges	1,39,60,368	1,05,75,410
Auditor's remuneration	4,00,000	3,50,000
Office expenses	36,85,764	26,59,510
Prior period items	1,19,427	48,612
Bad Debts written off	83,814	19,145
Miscellaneous expenses	74,112	23,417
Exchange loss on foreign currency transactions	42,48,087	40,92,593
Total	37,26,95,158	26,09,29,684

3.22 - Payment to Auditors

Particulars	For the year ended	For the year ended
	31 March 2019	31 March 2018
	₹	₹
To Statutory Auditors		
i) For audit	3,00,000	2,62,500
ii) For taxation matters	1,00,000	87,500
Total	4,00,000	3,50,000



3.23 - Related Party Disclosures

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

Relationship	Name of the related party
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Key management personnel

- Director	Lovleen Bhatia
- Director	Kapil Tyagi
- Director	Rajul Garg (Appointed On : 31st July 2018)
- Director	Ramakanth Sharma (Appointed On : 5th February 2019)

Details of subsidiary

Name of Subsidiary company by Control	Edureka Pte Ltd
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(ii) Details of transaction with related parties:

Name of the related parties	For the year ended 31 March 2019	For the year ended 31 March 2018
Remuneration to Directors		
Lovleen Bhatia	34,67,574	1,29,00,000
Kapil Tyagi	34,67,574	1,29,00,000



3.24(a) - Gratuity plan:

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

Particulars	For the year ended 31 March 2019	For the year ended 31 March 2018
Obligations at period beginning	26,46,850	20,44,610
Service Cost	19,45,129	9,49,603
Interest on Defined benefit obligation	1,91,102	1,43,941
Prior Service Cost	-	3,66,440
Benefits settled	-	-
Actuarial (gain)/loss	2,63,173	(8,57,745)
Benefits paid	-	-
Obligations at period end	50,46,254	26,46,850
Current Liability (within 12 months)	6,04,029	3,16,353
Non Current Liability	44,42,225	23,30,496
Change in plan assets		
Plan assets at period beginning at fair value	-	-
Expected return on plan assets	-	-
Actuarial gain/(loss)	-	-
Contributions (less risk prem + ST)	-	-
Benefits settled (estimated)	-	-
Plan assets at period end, at fair value	-	-
Funded Status		
Closing PBO	50,46,254	26,46,850
Closing Fair value of plan assets	-	-
Closing Funded status	(50,46,254)	(26,46,850)
Net asset/(Liability) recognized in the balance sheet	(50,46,254)	(26,46,850)
Expenses recognised in the P & L account		
Service cost	19,45,129	9,49,603
Interest cost	1,91,102	1,43,941
Expected return on plan assets	-	-
Actuarial (gain)/loss	2,63,173	(8,57,745)
Net gratuity cost	23,99,404	2,35,799
Experience Adjustment on Plan Liabilities	2,63,173	(8,57,745)
Experience Adjustment on Plan Assets	-	-
Assumptions:		
Discount Rate	7.68%	7.22%
Expected return on assets	0.00%	0.00%
Salary Escalation	9.00%	9.00%
Attrition rate	30.00%	30.00%
Retirement age	58 years	58 years

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



3.24(b) - Leave encashment:

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

Particulars	For the year ended 31 March 2019	For the year ended 31 March 2018
Obligations at period beginning	6,74,737	5,01,162
Service Cost	4,43,767	1,16,527
Interest on Defined benefit obligation	14,821	23,772
Benefits settled	(9,38,929)	(3,26,982)
Actuarial (gain)/loss	16,95,842	3,60,258
Obligations at period end	18,90,238	6,74,737
Current Liability (within 12 months)	7,37,016	2,23,068
Non Current Liability	11,53,222	4,51,669
Change in plan assets		
Plan assets at period beginning at fair value	-	-
Expected return on plan assets	-	-
Actuarial gain/(loss)	-	-
Contributions (less risk prem + ST)	-	-
Benefits settled (estimated)	-	-
Plan assets at period end, at fair value	-	-
Funded Status		
Closing PBO	18,90,238	6,74,737
Closing Fair value of plan assets	-	-
Closing Funded status	(18,90,238)	(6,74,737)
Net asset/(Liability) recognized in the balance sheet	(18,90,238)	(6,74,737)
Expenses recognised in the P & L account		
Service cost	4,43,767	1,16,527
Interest cost	14,821	23,772
Expected return on plan assets	-	-
Actuarial (gain)/loss	16,95,842	3,60,258
Net Leave Encashment cost	21,54,430	5,00,557
Experience Adjustment on Plan Liabilities	16,95,842	3,60,258
Experience Adjustment on Plan Assets	-	-
Assumptions:		
Discount factor	7.68%	7.22%
Estimated rate of return on plan assets	0.00%	0.00%
Salary increase	9.00%	9.00%
Attrition rate	30.00%	30.00%
Retirement age	58 years	58 years

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



3.25 - Earnings in foreign currency (Accrual basis)

Particulars	31 March 2019	31 March 2018
	₹	₹
Income from Online Training & Coaching	22,79,19,088	22,66,13,797
	22,79,19,088	22,66,13,797

3.26 - Expenditure in foreign currency

Particulars	31 March 2019	31 March 2018
	₹	₹
Business Support Services	1,51,24,227	61,08,277
Marketing Expense	1,84,78,780	1,26,46,586
	3,36,03,007	1,87,54,862

3.27 - Foreign exchange exposure:

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

Particulars	31 March 2019	31 March 2018
A. Receivables:		
Balance (USD)	11,647.50	13,077.00
Balance (INR)	8,05,672.72	8,36,425.00
Balance (GBP)	4,000.00	-
Balance (INR)	3,61,902.40	-
Balance (EURO)	8,190.00	-
Balance (INR)	6,36,382.66	-
B. Payables:		
Balance (USD)	17,843.75	6,741.40
Balance (INR)	11,75,176.72	4,37,931.00



3.28 - Employee Stock Option Plan:

ESOP Scheme - 2014

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

In the Extra-ordinary General Meeting held on 12th September, 2016 options under the scheme were increased to 75,000 options along with amendments to the other terms and conditions of the ESOP scheme.

ESOP Scheme - 2018

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

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

Particulars	2018-2019	2018-2019	2017-2018
Plan size	59,823	75,000	75,000
Esop Scheme	2018	2014	2014
Date of Grant	1st April 2018	1st April 2014	1st April 2014
Bonus shares issued	None	None	None
Method of settlement	Equity based	Equity based	Equity based
Vesting period	1 to 4 years - Graded vesting	1 to 4 years - Graded vesting	1 to 4 years - Graded vesting
Options granted opening balance	-	54,056.00	58,054.00
Additional options pursuant to the Bonus	-	-	-
Options granted during the year	84,496.00	-	2,148.00
Options forfeited during the year	33,547.00	3,919.00	1,858.00
Options exercised	-	300.00	4,288.00
Options granted closing balance	50,949.00	49,837.00	54,056.00
Options vested	-	46,822.00	46,291.00



3.29 - Earnings per share

Particulars	31 March 2019	31 March 2018
	₹	₹
Profit after tax as per Statement of Profit and Loss (A)	(8,96,30,974.02)	(70,97,338.35)
Weighted average number of equity shares outstanding for basic EPS (B) (No's)	7,29,178.41	7,25,262.47
Weighted average number of equity shares outstanding for diluted EPS (C) (No's)	8,22,014.61	7,79,872.61
Nominal value of shares (Rs.)	10.00	10.00
Earnings per share (basic) (Rs.) (A/B)	(122.92)	(9.79)
Earnings per share (diluted) (Rs.) (A/C)	(109.04)	(9.10)

3.30 - Comparative figures

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

As per our report attached

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

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

Place: Bengaluru
Date: 7th September 2019

for Brain4ce Education Solutions Private Limited

Kapil Tyagi
Wholetime Director
DIN: 01212240

Place: Bengaluru
Date: 7th September 2019

Lovleen Bhatia
Director
DIN: 05158609