Deloitte
Haskins & Sells

Chartered Accountants
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INDEPENDENT AUDITOR'S REPORT

To The Members of Brain4ce Education Solutions Private Limited

Report on the Audit of the Consolidated Financial Statements

Opinion

We have audited the accompanying consolidated financial statements of Brain4ce Education Solutions Private Limited (the "Holding Company") and its subsidiary, (Holding Company and its subsidiaries together referred to as the "Group"), which comprise the Consolidated Balance Sheet as at March 31, 2023, and the Consolidated Statement of Profit and Loss (including Other Comprehensive income), the Consolidated Statement of Cash Flows and the Consolidated Statement of Changes in Equity for the year then ended, and a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid consolidated financial statements give the information required by the Companies Act, 2013 (the "Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended ('Ind AS'), and other accounting principles generally accepted in India, of the consolidated state of affairs of the Group as at March 31, 2023, and their consolidated loss, their consolidated total comprehensive loss, their consolidated cash flows and their consolidated changes in equity for the year ended on that date.

Basis for Opinion

We conducted our audit of the consolidated financial statements in accordance with the Standards on Auditing specified under section 143 (10) of the Act (SAs). Our responsibilities under those Standards are further described in the Auditor's Responsibility for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India (ICAI) together with the ethical requirements that are relevant to our audit of the consolidated financial statements under the provisions of the Act and the Rules made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our audit opinion on the consolidated financial statements.

Information Other than the Financial Statements and Auditor's Report Thereon

The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Board's report, but does not include the consolidated financial statements, consolidated financial statements and our auditor's report thereon. The Board's report is expected to be made available to us after the date of this auditor's report.

Our opinion on the consolidated financial statements does not cover the other information and we will not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.

When we read the Board's report if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance as required under SA 720 'The Auditor's responsibilities Relating to Other Information.

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CHENNAI
CHARTERED ACCOUNTANTS

Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements

The Holding Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these consolidated financial statements that give a true and fair view of the consolidated financial position, consolidated financial performance including Other Comprehensive income, consolidated cash flows and consolidated changes in equity of the Group in accordance with the Ind AS and other accounting principles generally accepted in India. The respective Board of Directors of the companies included in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Directors of Company, as aforesaid.

In preparing the consolidated financial statements, the respective Board of Directors of the companies included in the Group are responsible for assessing the ability of the respective entities to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the respective Board of Directors either intends to liquidate their respective entities or to cease operations, or has no realistic alternative but to do so.

The respective Board of Directors of the companies included in the Group are also responsible for overseeing the financial reporting process of the Group.

Auditor's Responsibility for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal financial control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether Company has adequate internal financial controls system in place and the operating effectiveness of such controls.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Group to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

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- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the audit of the consolidated financial statements of such entities or business activities included in the consolidated financial statements of which we are the independent auditors.

Materiality is the magnitude of misstatements in the consolidated financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the consolidated financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the consolidated financial statements.

We communicate with those charged with governance of Company and such other entities included in the consolidated financial statements of which we are the independent auditors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

Report on Other Legal and Regulatory Requirements

1. As required by Section 143(3) of the Act, based on our audit and we report that:

   a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated financial statements.

   b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept, so far as it appears from our examination of those books.

   c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss including Other Comprehensive income, the Consolidated Statement of Cash Flows and the Consolidated Statement of Changes in Equity dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements.

   d) In our opinion, the aforesaid consolidated financial statements comply with the Ind AS specified under Section 133 of the Act.

   e) On the basis of the written representations received from the directors of Company as on March 31, 2023 taken on record by the Board of Directors of the Company, none of the directors of the Group companies is disqualified as on March 31, 2023 from being appointed as a director in terms of Section 164 (2) of the Act.

   f) With respect to the adequacy of the internal financial controls over financial reporting and the operating effectiveness of such controls, refer to our separate Report in "Annexure A" which is based on the auditors' reports of the Holding company. Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the holding company.

   g) With respect to other matters to be included in the Auditor's Report, in accordance with the requirements of section 197(16) of the Act, as amended, In our opinion and to the best of our information and according to the explanations given to us, the Company has not paid any remuneration to its directors during the year.

   h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended in our opinion and to the best of our information and according to the explanations given to us:

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i) The group does not have any pending litigations which would impact its financial position.

ii) The group, did not have any material foreseeable losses on long-term contracts including derivative contracts.

iii) There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Holding Company.

iv)

(a) The respective Managements of the Holding Company and its subsidiaries which are companies incorporated in India, whose financial statements have been audited under the Act, have represented to us to the best of their knowledge and belief, other than as disclosed in the Note 6.1 to the financial statements, no funds have been advanced or loaned or invested by Company or any of such subsidiaries, to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of Company or any of such subsidiaries provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

(b) The respective Managements of the Holding Company and its subsidiaries, whose financial statements have been audited under the Act, have represented to us, to the best of their knowledge and belief, other than as disclosed in the Note 17.1 to the financial statements, no funds have been received by Company or any of such subsidiaries, from any person(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that Company or any of such subsidiaries shall, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

(c) Based on the audit procedures performed that have been considered reasonable and appropriate in the circumstances performed by us and that performed by the auditors of the subsidiaries, whose financial statements have been audited under the Act, nothing has come to our or other auditor's notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e), as provided under (a) and (b) above, contain any material misstatement.

v) The Company and its subsidiaries which are companies incorporated in India, whose financial statements have been audited under the Act, have not declared or paid any dividend during the year and have not proposed final dividend for the year.

2. With respect to the matters specified in clause (xxi) of paragraph 3 and paragraph 4 of the Companies (Auditor's Report) Order, 2020 (the "CARO" / the "Order") issued by the Central Government in terms of Section 143(11) of the Act, according to the information and explanations given to us, and based on the CARO reports issued by us and the auditors of respective companies included in the consolidated financial statements to which reporting under CARO is applicable, as provided to us by the Management of Holding Company, we report that there are no qualifications or adverse remarks by the respective auditors in the CARO reports of the said companies included in the consolidated financial statements.

For DELOITTE HASKINS & SELLS
Chartered Accountants
(Firm's Registration No. 008072S)

DELOITTE HASKINS & SELLS
CHENNAI
CHARTERED ACCOUNTANTS

Ananthi

Ananthi Amarnath
Partner
(Membership No. 209252)
UDIN: 23209252BGXMLD9272

Place: Chennai
Date: May 27, 2023

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ANNEXURE "A" TO THE INDEPENDENT AUDITOR'S REPORT

(Referred to in paragraph 1(f) under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

Report on the Internal Financial Controls Over Financial Reporting under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 (the "Act")

In conjunction with our audit of the consolidated financial Statement as of and for the year ended March 31, 2023 We have audited the internal financial controls over financial reporting of Brain4ce Education Solutions Private Limited (hereinafter referred to as the "Holding Company") as of March 31, 2023. The company has one subsidiary, Edureka Pte Limited which is incorporated in Singapore and reporting in the adequacy and operating effectiveness of Internal Financial controls over Financials reporting, is not applicable to the said subsidiary. Hence this report on Internal Financial controls over Financials reporting to the consolidated financial Statements related to the solely to the Holding company.

Management's Responsibility for Internal Financial Controls

The Board of directors of the holding company, is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to respective company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditor's Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting of the Company based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") issued by the Institute of Chartered Accountants of India and the Standards on Auditing prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

Meaning of Internal Financial Controls Over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial

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statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting

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

Opinion

In our opinion, to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2023, based on the criteria for "the internal financial control over financial reporting established by the respective Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India".

For DELOITTE HASKINS & SELLS
Chartered Accountants
(Firm's Registration No. 008072S)

DELOITTE HASKINS & SELLS
CHENNAI
CHARTERED ACCOUNTANTS

Ananthi Amarnath
Partner
(Membership No. 209252)
UDIN: 23209252BGXMLD9272

Place: Chennai
Date: May 27, 2023

Brain4ce Education Solutions Private Limited
Consolidated Balance Sheet as at March 31, 2023
CIN: U80200KA2011PTC094081
[All amounts are in Indian Rupees (Lakhs), unless otherwise stated]

Particulars	Notes	As at March 31, 2023	As at March 31, 2022
I. ASSETS:			
(1) Non-current assets			
(a) Property, plant & equipment	3	81.30	41.93
(b) Right-of-use assets	4	448.45	-
(c) Intangible assets	3	38.38	0.37
(d) Intangible assets under development	5	266.82	-
(e) Financial assets			
(i) Loans	6	1,231.27	-
(ii) Other financial assets	7	49.36	10.00
(f) Deferred tax assets (net)	8	154.72	106.85
(g) Income tax assets	9	154.12	209.17
Total non-current assets		**2,424.42**	**368.32**
(2) Current assets			
(a) Financial assets			
(i) Trade receivables	10	417.89	280.60
(ii) Cash and cash equivalents	11.1	10.08	9.44
(iii) Bank balances other than (ii) above	11.2	210.26	186.96
(iv) Loans	12	73.73	-
(v) Other financial assets	13	176.24	209.38
(b) Other current assets	14	480.13	335.77
Total current assets		**1,368.33**	**1,022.15**
Total assets		**3,792.75**	**1,390.47**
II. EQUITY AND LIABILITIES:			
(1) Equity			
(a) Equity Share capital	15	85.81	84.98
(b) Other equity	16	(7,324.88)	(3,687.28)
Total equity		**(7,239.07)**	**(3,602.30)**
(2) Liabilities			
Non-current liabilities			
(a) Financial liabilities			
(i) Borrowings	17	1,269.01	50.88
(ii) Lease Liabilities	18	308.43	-
(iii) Other financial liabilities	19	1,799.78	1,635.05
(b) Provisions	20	110.50	89.38
Total non-current liabilities		**3,487.72**	**1,775.31**
Current liabilities			
(a) Financial liabilities			
(i) Borrowings	21	3,579.41	801.96
(ii) Lease Liabilities	22	162.82	-
(iii) Trade payables	23		
(a) total outstanding dues of micro enterprises and small enterprises		667.12	-
(b) total outstanding dues of creditors other than micro enterprises and small enterprises		1,507.03	1,386.17
(iv) Other financial liabilities	24	131.01	6.45
(b) Provisions	26	24.30	23.88
(c) Other current liabilities	25	1,472.41	999.00
Total current liabilities		**7,544.10**	**3,217.46**
Total liabilities		**11,031.82**	**4,992.77**
Total equity and liabilities		**3,792.75**	**1,390.47**

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

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

Ananthi Amarnath
Partner
Membership No. 209252

Place: Chennai
Date: May 27, 2023

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

Rangarajan
Director
DIN: 00591483

Koorapati Praveen Kumar
Director
DIN: 00591450

Place: Chennai
Date: May 27, 2023

DELOITTE HASKINS & SELLS CHENNAI CHARTERED ACCOUNTANTS

Brain4ce Education Solutions Private Limited
Statement of Consolidated Profit and Loss for the year ended March 31, 2023
CIN: U80200KA2011PTC094081
[All amounts are in Indian Rupees (Lakhs), unless otherwise stated]

Particulars	Notes	For the year ended March 31, 2023	For the year ended March 31, 2022
REVENUE:			
Revenue from operations	27	8,043.53	6,828.97
Other income	28	426.18	11.03
Total Income		**8,469.71**	**6,840.00**
EXPENSES:			
Employee benefits expense	29	4,532.13	3,180.19
Finance costs	30	226.05	35.57
Depreciation and amortization expense	31	202.95	26.20
Other expenses	32	7,597.32	5,266.85
Total expenses		**12,558.45**	**8,508.81**
Loss before tax expenses		**(4,088.74)**	**(1,668.81)**
Tax expenses			
1. Current tax		-	-
2. Deferred tax	34	(46.67)	(14.08)
Total tax expense		**(46.67)**	**(14.08)**
Loss for the year (A)		**(4,042.07)**	**(1,654.74)**
Other comprehensive income/(loss)			
Items that will not be subsequently reclassified to profit or loss			
Re-measurement gains/(losses) on defined benefit obligations		(4.61)	15.11
Income-tax relating to items that will not be subsequently reclassified to profit or loss			
Re-measurement gains/(losses) on defined benefit obligations		1.20	(3.93)
Other comprehensive income / (loss) for the year (B)		**(3.41)**	**11.18**
Total comprehensive income / (loss) for the year (A+B)		**(4,045.48)**	**(1,643.55)**
Earning per equity share of nominal value ₹ 10 each (Refer Note 39)			
Basic (₹)		(471.37)	(206.90)
Diluted (₹)		(471.37)	(206.90)

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

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

Ananthi Amarnath
Partner
Membership No. 209252

Place: Chennai
Date: May 27, 2023

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

Rangarajan
Director
DIN: 00591483

Koorapati Praveen Kumar
Director
DIN: 00591450

Place: Chennai
Date: May 27, 2023

DELOITTE HASKINS & SELLS
CHENNAI
CHARTERED ACCOUNTANTS

Brain4ce Education Solutions Private Limited
Statement of Cash flows for the year ended March 31, 2023
CIN: U80200KA2011PTC094081
[All amounts are in Indian Rupees (Lakhs), unless otherwise stated]

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
A. Cash flows from operating activities		
Loss before Income tax	**(4,088.74)**	**(1,668.81)**
Adjustments to reconcile loss before tax to cash generated by operating activities		
Depreciation on tangible assets	60.08	25.95
Amortization on intangible assets	6.20	0.25
Depreciation on ROU Assets	136.67	-
Finance costs	226.05	35.33
Employee share based expenses	372.79	519.62
Bad Debts written off	55.04	-
Credit balance written back	(115.54)	-
Interest income	(86.63)	(9.35)
Foreign Exchange Loss	90.66	-
Loss/(Profit) on sale of property, plant and equipment	3.98	(0.31)
Provision for bad & doubtful receivables	89.37	-
Expected Credit Facility loss	2.39	-
Operating loss before working capital changes (i)	**(3,247.69)**	**(1,097.32)**
Change in operating assets and liabilities		
Increase in trade payables	903.51	137.68
Increase in financial liabilities	9.42	-
Increase in Other financial liabilities	0.19	-
Increase/(Decrease) in other current liabilities	473.41	(345.73)
Increase in provisions	16.93	27.59
Increase trade receivables	(372.37)	(37.70)
Increase in financial assets	4.48	(108.43)
Increase in other current assets	(144.36)	(17.26)
Total of changes in assets and liabilities (ii)	**891.21**	**(343.85)**
Cash generated from operations (i+ii)	**(2,356.47)**	**(1,441.17)**
Income taxes (paid)/refund	55.05	(88.54)
Net cash used in operating activities	**(2,301.42)**	**(1,529.71)**
B. Cash flows from investing activities		
Acquisition of property, plant & equipment	(105.43)	(17.76)
Expenditure on intangible asset	(311.03)	-
Proceeds from sale of property, plant & equipment	2.00	7.49
Loans advanced to fellow subsidary	(1,305.00)	-
Investment in fixed deposits	(23.30)	(64.82)
Interest received on fixed deposits	9.88	6.41
Interest received on Loans and Advances	66.05	-
Net cash used in investing activities	**(1,666.83)**	**(68.68)**
C. Cash flows from financing activities		
Proceeds from borrowings	4,122.20	665.61
Repayment of borrowings	(126.62)	(369.29)
Proceeds from issue of equity shares	200.45	1,197.87
Repayment of lease liabilities	(113.84)	-
Finance costs	(113.30)	(32.34)
Net cash generated from financing activities	**3,968.89**	**1,461.85**
Net increase/(decrease) in cash and cash equivalents	0.64	(136.54)
Cash and cash equivalents at the beginning of the year	9.44	145.98
Cash and cash equivalents at the end of the year	10.08	9.44
Cash and cash equivalents:		
- Cash on hand	-	-
- in current accounts	10.08	9.44
	10.08	9.44

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CHENNAI-17
CHARTERED ACCOUNTANTS

Brain4ce Education Solutions Private Limited
Statement of Cash flows for the year ended March 31, 2023
CIN: U80200KA2011PTC094081
[All amounts are in Indian Rupees (Lakhs), unless otherwise stated]

Notes:

"1. Cash Flow Statement has been prepared under the Indirect method as set out in the Indian Accounting Standard 7 on Cash Flow Statements, Cash and cash equivalents in the Cash Flow Statement comprise cash at bank and in hand, demand deposits and cash equivalents which are short-term and held for the purpose of meeting short-term cash commitments."

2. Direct taxes paid are treated as arising from operating activities and are not bifurcated between investing and financing activities.

- Figures in bracket indicate cash outflow

Reconciliation of liabilities from financing activities for the year ended March 31, 2023:

Particulars	As at April 01, 2022	Proceeds	Repayments	As at March 31, 2023
Long-Term borrowings	50.88	1,259.13	(41.00)	1,269.01
Short-Term borrowings (including Current maturities of long term borrowings)	801.96	2,863.07	(85.62)	3,579.41
Total	**852.84**	**4,122.20**	**(126.62)**	**4,848.42**

Reconciliation of liabilities from financing activities for the year ended March 31, 2022:

Particulars	As at April 01, 2021	Proceeds	Repayments	As at March 31, 2022
Long-Term borrowings	210.17	-	(159.29)	50.88
Short-Term borrowings (including Current maturities of long term borrowings)	346.35	665.61	(210.00)	801.96
Total	**556.52**	**665.61**	**(369.29)**	**852.84**

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

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

Ananthi Amarnath
Partner
Membership No. 209252

Place: Chennai
Date: May 27, 2023

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

Rangarajan
Director
DIN: 00591483

Koorapati Praveen Kumar
Director
DIN: 00591450

Place: Chennai
Date: May 27, 2023

DELOITTE HASKINS & SELLS
CHENNAI
CHARTERED ACCOUNTANTS

Brain4ce Education Solutions Private Limited
Notes to Consolidated Financial statements for the year ended March 31,2023
CIN: U80200KA2011PTC094081

1 Corporate Information

Brain4ce Education Solutions Private Limited (the "Company" or "Brain4ce") was incorporated on May 13, 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.

1.1 The Group Subsidaries are as below:

Edureka Pte Ltd, a 100% subsidary incorporated in Singapore was closed on 7th Nov, 2022 by striking off the name from the register of ACRA, Singapore.

2A Recent accounting pronouncements

Ministry of Corporate Affairs ("MCA") notifies new standard or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time. On March 31, 2023, MCA amended the Companies (Indian Accounting Standards) Rules, 2015 by issuing the Companies (Indian Accounting Standards) Amendment Rules, 2023, applicable from April 1, 2023, as below:

a) Ind AS 1 – Presentation of Financial Statements - The amendments require companies to disclose their material accounting policies rather than their significant accounting policies. Accounting policy information, together with other information, is material when it can reasonably be expected to influence decisions of primary users of general purpose financial statements. The Company does not expect this amendment to have any significant impact in its financial statements.

b) Ind AS 12 – Income Taxes - This amendment has narrowed the scope of the initial recognition exemption so that it does not apply to transactions that give rise to equal and offsetting temporary differences. The effective date for adoption of this amendment is annual periods beginning on or after April 1, 2023. The Company does not expect the amendment to have any significant impact in its financial statements.

c) Ind AS 8 - Accounting Policies, Changes in Accounting Estimates and Errors - This amendment has introduced a definition of 'accounting estimates' and included amendments to Ind AS 8 to help entities distinguish changes in accounting policies from changes in accounting estimates. The effective date for adoption of this amendment is annual periods beginning on or after April 1, 2023. The Company does not expect the amendment to have any significant impact in its financial statements.

2B Basis of preparation

a. Statement of compliance

These standalone financial statements are prepared in accordance with Indian Accounting Standard (Ind AS), the provisions of the companies Act ,2013 (the "Act") to the extent modified.The Ind AS are prescribed under section 133 of the Act read with rule 3 of the Companies (Indian Accounting standards) Rules,2015 and Companies (Indian Accounting Standards) Rules,2015 and Companies (Indian Accounting standards) Amendment Rules,2016 as amended from time to time.

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 in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if revision affects both current and future periods. The following are the significant areas of estimation, uncertainty and critical judgements in applying accounting policies:

Assumptions and estimation uncertainties

The following are the significant areas of estimation, uncertainty and critical judgements in applying accounting policies

- Note 3 – useful life of property, plant and equipment;
- Note 34 – recognition of deferred tax assets: availability of future taxable profit against which tax losses carried forward can be used;
- Note 36 - 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 37– financial instruments.**

2C 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.

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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

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

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:

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.

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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
Others	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.

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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 actual duration from the date of batch allocation.

For Master courses - Revenue is recognized over the period of actual duration 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 over the period of actual duration from the date of batch allocation .
Unbilled revenue included in other current assets represents cost and eamings in excess of billings as at the end of the reporting year.
Uneamed revenue included in current liabilities represents billings in excess of revenue recognized.

ELC (Edureka Learning Centre) revenue recognition:
One time sign up fee from Delivery Partners- Recognized as revenue based on fulfillment of all the perfomance obligations provided in the agreement with each delivery partner.
Revenue from sale of courses to students through delivery partners will be recognized over the period of actual duration from the date of batch allocation.

HigherEd revenue recognition:
Revenue is recognized over the period of actual duration from the date of batch allocation.

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. 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.

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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.

i. 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.

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.

j. 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.

k. 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.

l. 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.

m. 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.

n. 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.

o. 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.

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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.

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.

p. 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.

q. Principles of consolidation

The consolidated financial statements relate to Parent Company and its subsidiary. The consolidated financial statements have been prepared on the following basis:

(i) The financial statements of the subsidiary used in the consolidation are drawn up to the same reporting date as lhat of the Parent Company. These have been consolidated based on latest available financial statements. Necessary adjustments have been made, for the effects of significant transactions and other events between the reporting dates of such financial statements and these consolidated financial statements.

(ii) The financial statements of the Parent Company and its subsidiary have been combined on a line-by-line basis by adding together like items of assets, liabilities, income and expenses, after eliminating intra-group balances, intra-group transactions and resulting unrealised profits or losses, unless cost cannot be recovered.

(iii) The excess of cost to the Group of its investments in the subsidiary entity over its share of capital of the subsidiary, al the dates on which the investment in the subsidiary entity was made, is recognised as 'Goodwill' being an asset in the consolidated financial statements and is tested for impairment on annual basis. On the other hand, where the share of capital in the subsidiary as on the date of investment is in excess of cost of investments of the Group, it is recognised as 'Capital Reserve' and shown under the head 'Reserves & Surplus', in the consolidated financial statements.

(iv) Non-Controlling Interests in the net assets of the consolidated subsidiary consist of the amount of capital attributable lo the minorily shareholders at the date on which investment in the subsidiary was made and further movements in their share in the capital, subsequent to the dates of investments. Net profit/ loss for the year of the subsidiary attributable lo minority interest is identified and adjusted against the profit after tax of the Group in order to arrive at the income attributable to shareholders of the Parent Company.

(v) The consolidated financial statements have been prepared using uniform accounting policies for like transactions and other events in similar circumstances

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Notes to Consolidated Financial statements for the year ended March 31,2023
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[All amounts are in Indian Rupees (Lakhs), unless otherwise stated]

3 Property, plant & equipment and Intangible assets

Particulars	Furniture & Fixtures	Vehicles	Office equipment	Computers & Peripherals	Total Tangible Assets	Software	Others *	Total Intangible Assets
Gross Block								
As at April 01, 2021	**7.06**	**21.34**	**5.22**	**84.34**	**117.96**	**7.44**	-	**7.44**
Additions	0.34	-	0.26	17.16	17.76	-	-	-
Deletions/adjustments	-	-	(0.11)	(7.07)	(7.18)	-	-	-
As at March 31, 2022	**7.40**	**21.34**	**5.37**	**94.43**	**128.54**	**7.44**	-	**7.44**
Additions	0.27	-	5.59	99.57	105.43	-	44.21	44.21
Deletions/adjustments	(4.34)	-	(1.75)	(25.20)	(31.29)	-	-	-
As at March 31, 2023	**3.33**	**21.34**	**9.21**	**168.80**	**202.68**	**7.44**	**44.21**	**51.65**
Accumulated depreciation/amortization								
As at April 01, 2021	**1.97**	**6.67**	**2.65**	**49.37**	**60.66**	**6.82**	-	**6.82**
Charge for the year	1.33	4.58	1.15	18.89	25.95	0.25	-	0.25
Deletions/adjustments	-	-	-	-	-	-	-	-
As at March 31, 2022	**3.30**	**11.25**	**3.80**	**68.26**	**86.61**	**7.07**	-	**7.07**
Charge for the year	0.95	3.03	2.33	53.77	60.08	0.14	6.06	6.20
Deletions/adjustments	(2.67)	-	(1.50)	(21.14)	(25.31)	-	-	-
As at March 31, 2023	**1.58**	**14.28**	**4.63**	**100.89**	**121.38**	**7.21**	**6.06**	**13.27**
Net block								
As at March 31, 2022	**4.10**	**10.09**	**1.57**	**26.17**	**41.93**	**0.37**	-	**0.37**
As at March 31, 2023	**1.75**	**7.06**	**4.58**	**67.91**	**81.30**	**0.23**	**38.15**	**38.38**

*Others consist of internally developed intangibles

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	Particulars	As at March 31, 2023	As at March 31, 2022
4	**Right-of-use assets**		
	Gross Carrying Value		
	Opening Balance	-	-
	Additions	585.12	-
	Disposals / adjustments	-	-
	Closing Balance - Gross Carrying Value	**585.12**	**-**
	Accumulated depreciation		
	Opening Balance	-	-
	Depreciation expense	136.67	-
	Disposals / adjustments	-	-
	Closing Balance - Accumulated depreciation	**136.67**	**-**
	Net carrying value	**448.45**	**-**
5	**Intangible assets under development**		
	Intangible assets under development	266.82	-

Intangible assets under development	Amount in CWIP for a period of				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Projects in Progress	266.82	-	-	-	266.82

Note: There are no projects in progress whose completion in overdue or has exceeded its cost compared to its original plan.

	Particulars	As at March 31, 2023	As at March 31, 2022
6	**Loans**		
	(a) Loans to Related Parties		
	-Loan receivables considered good- Unsecured	1,231.27	-
	Total	**1,231.27**	**-**

6.1 Above loan receivables represents loan given to Veranda XL Learning Solutions Private Limited with repayment period of 10 Years at an interest rate of 11.55% per annum. This loan is provided out of the funds received through borrowings from Hinduja Leyland Finance.

	Particulars	As at March 31, 2023	As at March 31, 2022
7	**Other financial assets**		
	Unsecured, considered good		
	Security deposits	35.86	-
	Fixed deposits - with original maturity more than 12 months	13.50	10.00
	Total	**49.36**	**10.00**
8	**Deferred tax assets (net)**		
	On difference between book balance and tax balance of property, plant & equipment	29.06	15.31
	Provision for gratuity	28.69	23.84
	Provision for leave encashment	6.35	5.60
	Expenses on which tax is not deducted	48.20	44.45
	Provision for bad & doubtful receivables	23.87	0.64
	Leases (ROU assets & Lease liabilities)	5.93	-
	Expected credit loss -facility	0.62	-
	Loan Processing Fees	(6.56)	-
	Provision for Bonus	1.55	-
	Others	17.01	17.01
	Total	**154.72**	**106.85**
9	**Income tax assets**		
	TDS receivable	154.12	209.17
	Total	**154.12**	**209.17**

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	Particulars	As at March 31, 2023	As at March 31, 2022
10	**Trade receivables**		
	(a) Consigered good - Secured	-	-
	(b) Consigered good - Unsecured	417.89	280.60
	(c) Have significant increase in Credit Risk	-	-
	(d) Credit impaired	91.85	2.49
	Less : Allowance for credit loss	(91.85)	(2.49)
	Total	**417.89**	**280.60**

10.1 Significant portion of the Company's business is against receipt of advance. Credit is provided mainly to Corporate customers, customers under PGP courses and delivery partners.
Trade receivables are non-interest bearing and are generally on terms of upto 45 days. Of the trade receivable as at March 31,2023, there are no customers having more than 5% of the total outstanding trade receivable balance.

10.2 Ageing of Trade Receivables:

Particulars	As at March 31, 2023					
	Outstanding for following periods from due date of payment					
	Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	Total
(i) Undisputed trade receivables – considered good	394.06	23.83	-	-	-	417.89
(ii) Undisputed trade receivables – credit impaired	32.40	59.45	-	-	-	91.85
(iii) Disputed trade receivables – considered good	-	-	-	-	-	-
(iv) Disputed trade receivables – credit impaired	-	-	-	-	-	-
	426.46	83.28	-	-	-	509.74
Less: Allowance for credit loss						(91.85)
Total Trade receivables	426.46	83.28	-	-	-	417.89

Particulars	As at March 31, 2022					
	Outstanding for following periods from due date of payment					
	Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	Total
(i) Undisputed trade receivables – considered good	278.16	2.44	-	-	-	280.60
(ii) Undisputed trade receivables – credit impaired	1.59	-	0.90	-	-	2.49
(iii) Disputed trade receivables – considered good	-	-	-	-	-	-
(iv) Disputed trade receivables – credit impaired	-	-	-	-	-	-
	279.75	2.44	0.90	-	-	283.09
Less: Allowance for credit loss						(2.49)
Total Trade receivables	279.75	2.44	0.90	-	-	280.60

10.3 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.

10.4	**Movement in credit loss allowance during the year**		
	Opening balance	2.49	3.66
	Additions	91.85	(1.17)
	Utilised	(2.49)	-
	Closing balance	91.85	2.49

10.5 The Company has used a practical expedient by ignoring the effects of a significant financing component if it is expected, at contract inception, that the period between transferring a promised service to a customer and the customer paying for it will be one year or less

11	**Cash and Other bank balances**		
11.1	**Cash and cash equivalents:**		
	- Cash on hand	-	-
	- in current accounts	10.08	9.44
		10.08	9.44
11.2	**Other bank balances:**		
	- in fixed deposits - with original maturity more than 3 months and less than 12 months*	210.26	186.96
		210.26	186.96
	Total	**220.34**	**196.40**

* All these Fixed deposits are held under lien against loans and other credit facilites from HDFC bank

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	Particulars	As at March 31, 2023	As at March 31, 2022
12	**Loans**		
	(a) Loans to Related Parties		
	-Loan receivables considered good- Secured	-	-
	-Loan receivables considered good- Unsecured	73.73	-
	Total	**73.73**	**-**
13	**Other financial assets - Current**		
	Unsecured, considered good		
	Unbilled Revenue	161.97	185.11
	Security deposits	0.57	21.27
	Interest accrued on fixed deposits	2.39	3.00
	Interest Receivable on Loans	11.31	-
	Total	**176.24**	**209.38**

13.1 Ageing of Unbilled Revenue - Outstanding for following periods from due date of payment

Particulars	Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	Total
As at March 31, 2023	161.97	-	-	-	-	161.97
As at March 31, 2022	185.11	-	-	-	-	185.11

	Particulars	As at March 31, 2023	As at March 31, 2022
14	**Other current assets**		
	Balance with government authorities		
	- GST Credit Balance	202.20	77.36
	Advance to vendors	27.17	138.24
	Prepaid expenses	213.09	102.86
	Prepaid rent expenses	5.74	-
	Advance to employees	1.55	3.30
	Other receivables	5.11	14.01
	Unamortized loan processing charges	25.26	-
	Total	**480.13**	**335.77**

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Particulars	As at March 31, 2023	As at March 31, 2022
15 Share capital		
(a) Authorized, issued, subscribed and paid-up capital		
Authorized capital*		
47,00,000 Equity shares as at March 31, 2023 and 10,50,000 Equity shares as at March 31, 2022 of Rs.10 each with voting rights	470.00	105.00
1,50,000 Compulsorily Convertible Preference Shares of Rs.10 each with voting rights	15.00	15.00
1,50,000 Redeemable Preference shares of Rs.10 each with voting rights	15.00	15.00
Total	**500.00**	**135.00**
Issued, subscribed and fully paid-up capital		
8,58,135 shares as at March 31, 2023 and 8,49,835 shares as at March 31, 2022 of Rs.10 each fully paid up	85.81	84.98
Nil Series Seed Compulsorily Convertible Preference Shares of Rs.10 each fully paid up	-	-
Nil Series Bridge 0.0001% Non-cumulative Non-Participatory Compulsarily Convertible preference Shares of Rs.10 each fully paid	-	-
Total	**85.81**	**84.98**

*The authorised share capital of the Company has increased from Rs.135 Lakhs to Rs. 500 Lakhs pursuant to the approval of the shareholders at the Extraordinary General Meeting of the Company held on April 25, 2022.

(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 March 31, 2023		As at March 31, 2022	
	Number	Amount	Number	Amount
Outstanding at the beginning of the year	8,49,835	84.98	7,29,628	72.96
Equity shares issued during the year (Refer note below *)	8,300	0.83	50,540	5.05
Conversion of Preference to equity [Refer Note 15(d)]	-	-	69,667	6.97
Outstanding at the end of the year	**8,58,135**	**85.81**	**8,49,835**	**84.98**

*The Company had issued 8,300 equity shares of face value Rs.10/- by way of rights issue to its existing share holders at an issue price of Rs.2,415/- per share in the current FY 2022-23; and the Company had issued 1,040 equity shares upon exercise of employee stock options, 49,500 equity shares upon conversion of loan in the previous FY 2021-22.

Class of shares: Preference Shares

Series Seed Compulsorily convertible preference shares ("CCPS")

Particulars	As at March 31, 2023		As at March 31, 2022	
	Number	Amount	Number	Amount
Number of shares at the beginning of the year	-	-	38,760	3.88
Converion of Preference to equity [Refer Note 15(d)]	-	-	(38,760)	(3.88)
Number of shares at the end of the year	-	-	-	-

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

Particulars	As at March 31, 2023		As at March 31, 2022	
	Number	Amount	Number	Amount
Number of shares at the beginning of the year	-	-	34,334	3.43
Bonus Issue (1 : 1.205)	-	-	7,038	0.70
Conversion of Preference to equity [Refer Note 15(d)]	-	-	(41,372)	(4.13)
Number of shares at the end of the year	-	-	-	-

(c) Terms / Rights, preferences and restrictions attached to the equity shares:

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

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

Series Seed Compulsorily convertible preference shares ("CCPS")

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

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

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

The Subscription Securities shall be mandatorily/compulsorily converted into equity shares of the Company upon the occurrence of any of the following events, whichever happens earlier:
(i) Mandatory Conversion Event*; or
(ii) Expiry of September 30, 2021; or
(iii) Upon the Company undertaking an initial public offer.
*For the purpose of this Clause, "Mandatory Conversion Event" shall mean the Company raising additional capital of at least INR 35,00,00,000/- (Indian Rupees Thirty Five Crores only) by primary issuance of new securities of the Company, or occurrence of a merger, amalgamation or acquisition of the Company, post completion of the issuance and allotment of Series Bridge Securities. In the event of occurrence of any event as mentioned above, the Company shall at the relevant time automatically proceed for conversion.

(e) During the period of five years immediately preceding the reporting date:

The Company had alloted 1,040 fully paid up equity shares during the year ended March 31, 2022; 180 fully paid up equity shares during the year ended March 31, 2021; 180 fully paid up equity shares during the year ended March 31, 2020; and 300 fully paid up equity shares during the year ended March 31, 2019 of face value Rs.10/- per share on exercise of options under ESOP 2014 by the employees.

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

Particulars	As at March 31, 2023		As at March 31, 2022	
	Number of Shares	% of Holding	Number of Shares	% of Holding
Equity shares				
Veranda Learning Solutions Limited (Formerly known as Veranda Learning Solutions Private Limited)	8,58,135	100.00%	8,49,835	100.00%

(g) Share based payments :

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.

Modification to the above ESOP Schemes

ESOP Scheme 2014 and 2018 were amended in the Extraordinary General Meeting held on August 12, 2021. As per the amended scheme, on further exercise of vested options, the options will be settled through issuance of redeemable preference shares in the ratio of 1:1 instead of issuance of equity shares in the ratio of 1:1. The exercise period has been capped at 31st July, 2024 instead of 96 months from the vesting date. All the redeemable preference shares issued on such exercise will be redeemed at a price of Rs.2,415 in August 2024.
Consequent to the above amendment, the options which were hitherto equity settled have been converted into cash settled options

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The details of stock options granted, forfeited, vested and exercised under the ESOP up to August 12, 2021, date of amendment of ESOP Scheme:

Particulars	**2022-2023**		**2021-2022**	
Plan size	59,823	75,000	59,823	75,000
ESOP Scheme	2018	2014	2018	2014
Date of Grant	Various dates		Various dates	
Bonus shares issued	None	None	None	None
Method of settlement	Equity based	Equity based	Equity based	Equity based
Vesting period	1 to 4 years - Graded vesting	1 to 4 years - Graded vesting	1 to 4 years - Graded vesting	1 to 4 years - Graded vesting
Options granted opening balance	42,596	47,318	49,855	49,477
Additional options pursuant to the Bonus	-	-	-	-
Options granted during the year	-	-	-	-
Options forfeited during the year	176	-	7,259	1,119
Options exercised	-	-	-	1,040
Options granted closing balance	**42,420**	**47,318**	**42,596**	**47,318**
Options vested	42,420	47,318	42,596	47,318

All options granted upto the date of August 12, 2021 have been fully vested.

(h) Fair Value Measurement:

Prior to amendment of the ESOP Scheme, the fair value at grant date was determined using the Black Scholes valuation option-pricing model which had taken into account the exercise price, the term of the option, the share price at grant date and expected price volatility of the underlying share, the expected dividend yield and the risk-free interest rate for the term of the option. The fair value of the options determined under the Black Scholes valuation option-pricing model which were vested but not exercised on the date of amendment was Rs. 1015.25 lakhs

In accordance with Paragraph B.43 of Ind AS 102, Share Based Payment, if the modification occurs after vesting date, the incremental fair value granted is recognised immediately. Accordingly, the incremental fair value of Rs. 619.79 lakhs (net present value of 89,914 options @ 2415 per option net of amount receivable from employees upon exercise) has been recognized in the Statement of Profit and Loss for the year ended March 31, 2022.

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	Particulars	As at March 31, 2023	As at March 31, 2022
16	**Other equity**		
	(a) Share Application money pending allotment		
	Balance at the beginning of the current reporting year	-	-
	Add: Share application money received during the year	-	0.10
	Less: Transfer on account of issue of shares during the year	-	(0.10)
	Balance at the end of the current reporting year	-	-
	(b) Reserves and surplus:		
	(i) Securities premium reserve		
	Opening balance	2,686.02	1,492.86
	Add: Premium on shares issued during the year	199.62	1,193.16
	Less: Amount utilized during the year	-	-
	Closing balance	**2,885.64**	**2,686.02**
	(ii) Share options outstanding account		
	Balance as per the last financial statements	-	1,117.77
	Add: employee compensation expense for the year	-	200.60
	Less: Written back to Statement of Profit and Loss during the year	-	(276.02)
	Less : Transferred to Securities premium account upon exercise	-	(2.34)
	Less: Deferred stock compensation expense	-	(24.75)
	Amount transferred to Liability [Refer Note- 15(g)]	-	(1,015.26)
	Balance at the end of the year	-	-
	(iii) Retained earnings		
	Opening balance	(6,373.29)	(4,729.73)
	Add: Loss for the year	(4,042.07)	(1,654.74)
	Remeasurement of post-employment benefit obligation, net of tax	(3.41)	11.18
	Closing balance	**(10,418.77)**	**(6,373.29)**
	(iv) Deemed Equity Contribution *		
	Opening balance	-	-
	Additions during the year	208.25	-
	Closing balance	**208.25**	-
			-
	Total	**(7,324.88)**	**(3,687.28)**

*Represents equity contribution by Veranda Learning solutions Limited, through grant of options to its equity shares under an ESOP scheme to the employees of Brain4ce Education Solutions Private Limited; and contribution by providing corporate guarentee to the loans taken by Brain4ce Education Solutions Private Limited from HDFC bank.

	Particulars	As at March 31, 2023	As at March 31, 2022
17	**Borrowings**		
	Term Loans		
	Vehicle loans		
	- From Bank - Secured (Secured against hypothecation of vehicle and further secured by the the personal guarantee of the promoter a director of the company. Defaults in instalments - Nil. Loans are repayable over a period of 60 monthly instalments).	-	1.32
	Business loans		
	- From Bank - Secured (Secured against current and fixed assets and further secured by the corporate guarantee of the holding company - Veranda Learning Solutions Limited(since December 2021). Defaults in instalments - Nil. Loans are repayable over a period of 48 monthly instalments).	9.88	49.56
	Loan from Hinduja Leyland Finance Ltd (The Company is one of the Co-Borrower to the loan borrowed from Hinduja Leyland Finance Limited, where the loan will be repaid on a monthly basis over a period of 10 years at an interest rate of 11% p.a. This loan is secured against property of one of the Co-borrower.)	1,259.13	-
	Total	**1,269.01**	**50.88**

17.1 Loan from Hinduja Leyland Finance Limited amounting to Rs.1,336.90 Lakhs was received during the year with repayment term of 10 years at an interest rate of 11% p.a. Out of these proceeds, the Company has advanced loan of Rs.1,305 Lakhs to Veranda XL Learning Solutions Private Limited.

	Particulars	As at March 31, 2023	As at March 31, 2022
18	**Lease Liabilities**		
	Lease Liabilities	308.43	-
	Total	**308.43**	-
19	**Other financial liabilities**		
	Employee Stock Option (ESOP) Liability [Refer Note- 15(g)]	1,799.78	1,635.05
	Total	**1,799.78**	**1,635.05**

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	Particulars	As at March 31, 2023	As at March 31, 2022
20	**Provisions - Non-current**		
	Employee benefit obligation:		
	Provision for Gratuity (Refer note 36(i))	93.19	75.20
	Provision for Leave Encashment (Refer note 36(ii))	17.32	14.18
	Total	**110.50**	**89.38**
21	**Borrowings - Current**		
	Unsecured		
	Loan from Veranda - on demand (Loan repayable on demand at interest @ 7% per annum)	3,181.89	525.00
	Loan from Hinduja Leyland Finance Ltd	77.77	-
	Bank Overdraft	277.94	119.68
	Current Maturities of Long-term debt		
	- Secured from Bank - Vehicle Loan	1.32	8.02
	- Secured from Bank - Term Loan	40.50	149.26
	Total	**3,579.41**	**801.96**

Book debts statement submitted to Bank

Month	Name of bank	Particulars	Amount as per books of accounts	Amount as reported in the monthly statement	Difference
Apr-22*	HDFC	BookDebts(unaudited)	275.80	335.87	(60.07)
May-22*	HDFC	BookDebts(unaudited)	312.75	388.17	(75.42)
Jun-22	HDFC	BookDebts(unaudited)	291.43	291.43	-
Jul-22 ***	HDFC	BookDebts(unaudited)	362.72	359.94	2.78
Aug-22 ***	HDFC	BookDebts(unaudited)	343.73	340.84	2.89
Sep-22 **	HDFC	BookDebts(unaudited)	382.71	311.85	70.86
Oct-22 **	HDFC	BookDebts(unaudited)	435.12	365.89	69.23
Nov-22 **	HDFC	BookDebts(unaudited)	462.07	564.74	(102.67)
Dec-22 ***	HDFC	BookDebts(unaudited)	524.38	504.96	19.42
Jan-23 ***	HDFC	BookDebts(unaudited)	474.31	492.72	(18.41)
Feb-23 ***	HDFC	BookDebts(unaudited)	513.42	528.69	(15.27)
Mar-23 ***	HDFC	BookDebts(unaudited)	509.74	530.20	(20.46)

* The difference represents the revenue cut-off entries passed for the first time.

** The difference represents the receivables accounted for ELC business after submission of monthly stock statement to the bank.

** The difference represents the credit balances in debtor accounts, adjustments due to revenue cut off entries and adjustments in payment gateway balances.

	Particulars	As at March 31, 2023	As at March 31, 2022
22	**Lease Liabilities**		
	Lease Liabilities	162.82	-
	Total	**162.82**	**-**
23	**Trade payables**		
	Total outstanding dues of micro enterprises and small enterprises (Refer note 41)		
	- Payable to related parties	640.85	-
	- Payable to others	26.27	-
	Total outstanding dues of creditors other than micro enterprises and small enterprises		
	- Payable to related parties	-	-
	- Payable to others	1,507.03	1,386.17
	Total	**2,174.15**	**1,386.17**

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23.1 Ageing of Trade Payables :

Particulars	As at March 31, 2023						
	Unbilled	Not Due	Outstanding for following periods from due date of payment				
			Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
(i) Undisputed dues - MSME	-	7.97	643.55	-	-	-	651.52
(ii) Undisputed dues - Others	631.29	702.88	172.66	0.20	-	-	1,507.03
(iii) Disputed dues – MSME	-	-	15.60	-	-	-	15.60
(iv) Disputed dues - Others	-	-	-	-	-	-	-

Particulars	As at March 31, 2022						
	Unbilled	Not Due	Outstanding for following periods from due date of payment				
			Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
(i) Undisputed dues - MSME	-	-	-	-	-	-	-
(ii) Undisputed dues - Others	624.18	564.56	193.18	4.13	0.12	-	1,386.17
(iii) Disputed dues -- MSME	-	-	-	-	-	-	-
(iv) Disputed dues - Others	-	-	-	-	-	-	-

	Particulars	As at March 31, 2023	As at March 31, 2022
24	**Other financial liabilities - Current**		
	Interest accrued on borrowings	119.20	6.45
	Contractual Liability towards Institutions	2.39	-
	Other liabilities	9.42	-
	Total	**131.01**	**6.45**
25	**Other current liabilities**		
	Advance from customers	42.45	4.56
	Statutory liabilities	108.18	70.17
	Unearned revenue	1,321.78	920.56
	Others	-	3.71
	Total	**1,472.41**	**999.00**
26	**Provisions - Current**		
	Employee benefit obligation:		
	Provision for gratuity (Refer note 36(i))	17.18	16.49
	Provision for leave encashment (Refer note 36(ii))	7.12	7.39
	Total	**24.30**	**23.88**

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	Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
27	**Revenue from operations**		
	Income from online coaching	8,043.53	6,828.97
	Total	**8,043.53**	**6,828.97**

27.1 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.

27.2 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 10 - Trade Receivables.

27.3 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.

27.4 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.

	Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
28	**Other income**		
	Interest from banks on deposits	9.27	9.35
	Interest income - other	290.10	-
	Credit balances written back	115.54	-
	Interest on Income-tax refund	9.61	-
	Profit on sale of property, plant and equipment	-	0.31
	Unwinding of discount on security deposits	1.66	-
	Interest subvention	-	0.20
	Write back of Expected Credit Loss	-	1.17
	Total	**426.18**	**11.03**
29	**Employee benefits expense**		
	Salaries and bonus	3,875.90	2,484.82
	Contributions to Provident Fund and other funds (Refer Note 36B)	122.21	67.32
	Gratuity expenses (Refer Note 36(i))	41.56	26.89
	Leave Encashment expenses	72.63	49.93
	Share based payment expense (Refer Note 15 (g))	372.79	519.62
	Staff welfare expenses	47.04	31.61
	Total	**4,532.13**	**3,180.19**

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	Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
30	**Finance costs**		
	Interest expense on borrowings	195.19	35.33
	Interest expenses on lease liabilities	30.86	-
	Loan processing charges	-	0.24
	Total	**226.05**	**35.57**
31	**Depreciation and amortization expense**		
	Depreciation on tangible assets	60.08	25.95
	Amortization of intangible assets	6.20	0.25
	Depreciation on ROU assets	136.67	-
	Total	**202.95**	**26.20**
32	**Other expenses**		
	Advertising and marketing expenses	3,107.17	2,064.41
	Legal and professional fees	2,048.47	1,692.37
	Director's sitting fee	6.20	2.00
	Business Support Services	826.48	635.40
	Affiliate cost	270.36	281.21
	Delivery Partner fees	85.92	-
	Payment gateway charges	302.88	229.06
	Rent	55.52	98.41
	Communication expense	125.84	73.14
	Foreign exchange loss, net	90.66	34.05
	Rates and taxes	72.88	57.08
	Office expenses	31.29	14.23
	Business Promotion Expense	262.06	22.32
	Bad Debts written off	55.04	-
	Credit impairement allowance	89.37	-
	Expected Credit Facility loss	2.39	-
	Power and fuel	2.55	3.40
	Repairs and maintenance - others	6.29	3.88
	Loss on sale of property, plant and equipment	3.98	-
	Payment to auditors (Refer note 32A)	24.00	33.00
	Travelling and conveyance	99.85	11.66
	Insurance expenses	0.41	0.95
	Printing and stationery	3.21	0.52
	Miscellaneous expenses	13.28	4.31
	Bank charges	11.22	5.46
	Total	**7,597.32**	**5,266.85**
32A	**Payments to the auditor as:**		
	For statutory audit	24.00	19.00
	For Special Purpose Audit	-	10.00
	Certificates	-	2.50
	Other taxation matters	-	1.50
	Total	**24.00**	**33.00**

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33 Related party disclosure

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

Sl. No.	Name of the related party	Relationship
1	**Key management personnel**	
	Lovleen Bhatia	Director (Resigned on Nov 17, 2022, Re-appointed back on Dec 27, 2022 and again resigned on Feb 8, 2023)
	Kapil Tyagi	Director (Resigned on Sep 17, 2021)
	Rajul Garg	Director (Resigned on Sep 17, 2021)
	Ramakanth Sharma	Director (Resigned on Sep 17, 2021)
	Koorapati Praveen Kumar	Director (Director w.e.f Sep 17, 2021)
	Rangarajan	Director (Director w.e.f Sep 17, 2021)
	Lakshminarayanan Seshadri	Director (Director w.e.f Nov 8, 2021)
2	**Details of the Group**	
	Veranda Learning Solutions Limited	Holding company (Since Sep 17, 2021)
	Edureka Pte Ltd	Subsidary company (Closed w.e.f Nov 7, 2022)
	Veranda IAS Learning Solutions Private Limited	Subsidary of Holding Company
	Veranda Race Learning Solutions Private Limited	Subsidary of Holding Company
	Veranda XL Learning Solutions Private Limited	Subsidary of Holding Company
	J.K.Shah Education Private Limited	Subsidary of Holding Company
	Veranda Management Learning Solutions Private Limited	Subsidary of Holding Company
	Veranda Administrative Learning Solutions Private Limited	Subsidary of Holding Company

(ii) Related party transactions:

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Remuneration to Directors		
Lovleen Bhatia	55.01	42.72
Kapil Tyagi	-	6.10
Director Sitting Fee		
Koorapati Praveen Kumar	2.00	0.60
Rangarajan	1.60	0.60
Lakshminarayanan Seshadri	2.00	0.60
Lovleen Bhatia	0.60	0.20
Cross charge of expenses		
Veranda Learning Solutions Limited	413.47	-
Business Support Services provided to		
Veranda Learning Solutions Limited	32.08	-
Loan taken		
Lovleen Bhatia	-	130.00
Kapil Tyagi	-	130.00
Veranda Learning Solutions Limited	2,785.30	1,717.00
Loan & advances given		
Veranda IAS Learning Solutions Private Limited	20.00	-
Veranda Race Learning Solutions Private Limited	80.00	-
Veranda XL Learning Solutions Private Limited	1,325.00	-
Loan Repaid		
Lovleen Bhatia	-	230.00
Kapil Tyagi	-	230.00
Veranda Learning Solutions Limited	128.41	1,192.00

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Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Loan & advances recovered		
Veranda IAS Learning Solutions Private Limited	20.00	-
Veranda Race Learning Solutions Private Limited	80.00	-
Veranda XL Learning Solutions Private Limited	20.00	-
Interest Expenses		
Veranda Learning Solutions Limited	103.93	9.59
Interest income		
Veranda IAS Learning Solutions Private Limited	0.15	-
Veranda Race Learning Solutions Private Limited	0.79	-
Veranda XL Learning Solutions Private Limited	66.81	-
Right shares issued		
Veranda Learning Solutions Limited		
Share Capital	0.83	-
Securites Premium	199.62	-
Deemed Equity Contriubtion		
Veranda Learning Solutions Limited	208.25	-

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

Particulars	As at March 31, 2023	As at March 31, 2022
Loan payable		
Veranda Learning Solutions Limited	3,181.89	525.00
Loan & advances receivable		
Veranda XL Learning Solutions Private Limited	1,305.00	-
Interest payable		
Veranda Learning Solutions Limited	106.51	7.02
Other payable		
Veranda Learning Solutions Limited	640.85	-
Interest receivable		
Veranda XL Learning Solutions Private Limited	11.30	-
Other Receivable		
Veranda Learning Solutions Limited	34.65	-

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34 Income Tax

(a) Amounts recognised in Statement of Profit and Loss

	For the year ended 31 March 2023	For the year ended 31 March 2022
Current tax	-	-
Deferred tax (credit)	(46.67)	(14.08)
Tax expense for the year	**(46.67)**	**(14.08)**

(b) Amounts recognised in other comprehensive income

	For the year ended 31 March 2023	For the year ended 31 March 2022
Items that will not be reclassified subsequentlyto statement of profit and loss		
Remeasurements of the defined benefit plans (before tax)	(4.61)	15.11
Tax(expense)/benefit	1.20	(3.93)
Net of tax	**(3.41)**	**11.18**

(c) The following table provides the details of income tax assets and income tax liabilities as of March 31, 2023 and March 31, 2022

	As at March 31, 2023	As at March 31, 2022
Income tax assets (net)	154.12	209.17
Current tax liabilities (net)	-	-
Net current income tax asset / (liability) at the end	**154.12**	**209.17**

(d) The gross movement in the current income tax asset / (liability) for the year ended March 31, 2023 and year ended March 31, 2022 is as follows:

	As at March 31, 2023	As at March 31, 2022
Net income tax asset / (liability) at the beginning	209.17	120.64
Income tax paid (Net of refund)	(53.58)	92.46
Current income tax expense	-	-
Income tax on other comprehensive income and others	(1.46)	(3.93)
Net current income tax asset/(liability) at the end	**154.12**	**209.17**

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

	As at March 31, 2023		As at March 31, 2022	
	Amount	**Tax Amount**	**Amount**	**Tax Amount**
Profit / (Loss) Before tax from Operations	(4,088.74)		(1,668.81)	
Income Tax using the Company's domestic Tax rate at 26%		-		-
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	179.51	46.67	54.14	14.08
Income Tax recognised In P&L from Operations		(46.67)		(14.08)

(f) The applicable tax rate for the company is 25%, plus surcharge and cess under the old tax regime.

35 Movement in deferred tax assets (net)

Particulars	As at April 01, 2021	(Charged)/credited to Profit or loss	(Charged)/credited to Other comprehensive income	As at March 31, 2022	(Charged)/credited to Profit or loss	(Charged)/credited to Other comprehensive income	As at March 31, 2023
(i) On difference between book balance and tax balance of property, plant & equipment	18.95	(3.64)	-	15.31	13.75	-	29.06
(ii) Provision for gratuity	22.76	5.00	(3.93)	23.84	3.65	1.20	28.69
(iii) Provision for leave encashment	3.44	2.16	-	5.60	0.75	-	6.35
(iv) Provision for Bonus	-		-	-	1.55	-	1.55
(v) Expenses on which tax is not deducted	34.54	9.91	-	44.45	3.75	-	48.20
(vi) Provision for doubtful receivables	-	0.64	-	0.64	23.23	-	23.87
(vii) Expected credit loss -facility	-	-	-	-	0.62	-	0.62
(viii) Leases	-	-	-	-	5.93	-	5.93
(ix) Loan Processing Fees	-	-	-	-	(6.56)	-	(6.56)
(x) Others	17.01	-	-	17.01	-	-	17.01
Total	**96.70**	**14.08**	**(3.93)**	**106.85**	**46.67**	**1.20**	**154.72**

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36 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 year ended March 31, 2023	For the year ended March 31, 2022
a)	**The amounts recognized in the Balance Sheet are as follows:**		
	Present value of the obligation as at the end of the year	110.37	91.70
	Fair value of plan assets as at the end of the year	-	-
	Net liability recognized in the Balance Sheet	**110.37**	**91.70**
b)	**Changes in the present value of defined benefit obligation**		
	Defined benefit obligation as at beginning of the year	91.70	87.56
	Service cost	36.07	21.00
	Interest cost	5.49	5.90
	Benefits settled	(27.49)	(7.63)
	Actuarial (gain)/loss:		
	-due to demographic assumption changes in DBO	-	-
	-due to financial assumption changes in defined benefit obligation	-	-
	-due to experience adjustments on defined benefit obligation	(1.47)	(1.65)
	Benefits paid	6.08	(13.47)
		-	-
	Defined benefit obligation as at the end of the period	**110.37**	**91.70**
	Current liability (within 12 months)	17.18	16.49
	Non-current liability	93.19	75.21
c)	**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	-	-
	Funded Status		
	Closing PBO	110.37	91.70
	Closing Fair value of plan assets	-	-
	Closing Funded status	110.37	91.70
	Net asset/(Liability) recognized in the balance sheet	**110.37**	**91.70**
d)	**Net gratuity cost for the year ended March 31, 2023 and March 31, 2022 comprises of following components**		
	Service cost	36.07	21.00
	Interest cost	5.49	5.89
	Expected return on plan assets	-	-
	Components of defined benefit costs recognized in Statement of Profit and Loss	**41.56**	**26.89**
e)	**Other comprehensive income**		
	Actuarial (gain)/loss:		
	-due to demographic assumption changes in DBO	-	-
	-due to financial assumption changes in defined benefit obligation	(1.47)	(1.65)
	-due to experience on defined benefit obligation	6.08	(13.47)
	Components of defined benefit costs recognized in other comprehensive income	**4.61**	**(15.12)**
	Assumptions used in the above valuations are as under:		
	Discount Rate	7.29%	7.04%
	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 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.

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	Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
f)	**Experience adjustments**		
	Defined benefit obligation as at the end of the year	110.37	91.70
	Plan assets	-	-
	Surplus/(deficit)	110.37	(91.70)
	Experience Adjustment on Plan Liabilities	6.08	(13.47)
	Experience Adjustment on Plan Assets	-	-

g) Maturity profile of defined benefit obligation

Period	As at March 31, 2023		As at March 31, 2022	
	Discounted value	Actual value	Discounted value	Actual value
Year 1	17.95	18.92	16.48	17.35
Year 2	12.41	14.04	11.37	12.81
Year 3	8.64	10.48	8.30	10.01
Year 4	6.47	8.42	5.50	7.10
Year 5	5.00	6.99	4.32	5.96
Year 6-10	18.69	31.34	10.47	17.24
After 10 years	41.21	95.11	35.25	83.89
	110.37	**185.30**	**91.71**	**154.36**
Vested benefit obligation		**71.53**		**72.60**

(ii) Compensated Absences

The compensated absences cover the Company's liability for privilege leave provided to the employees . Based on past experience, the Company does not expect all employees to take the full amount of accrued leave or require payment for such leave within the next 12 months

	As at March 31, 2023		As at March 31, 2022	
Particulars	**Current**	**Non-Current**	**Current**	**Non-Current**
Compensated Absences	7.12	17.32	7.38	14.19

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36 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 ₹ 122.31 lakhs for the year ended March 31, 2023 and ₹ 67.32 lakhs for the year ended March 31, 2022.

36 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 ill iquid 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.

Market Risk: Market risk is a collective term for risks that are related to the changes and fluctuations of the financial markets. One actuarial assumption that has a material effect is the discount rate. The discount rate reflects the time value of money. An increase in discount rate leads to decrease in Defined Benefit Obligation of the plan benefits & vice versa. This assumption depends on the yields on the corporate / government bonds and hence the valuation of liability is exposed to fluctuations in the yields as at the valuation date.

Investment Risk: For funded plans that rely on insurers for managing the assets, the value of assets certified by the insurer may not be the fair value of instruments backing the liability. In such cases, the present value of the assets is independent of the future discount rate. This can result in wide fluctuations in the net liability or the funded status if there are significant changes in the discount rate during the inter-valuation period.

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Legislative Risk: Legislative risk is the risk of increase in the plan liabilities or reduction in the plan assets due to change in the legislation / regulation. The government may amend the Payment of Gratuity Act thus requiring the companies to pay higher benefits to the employees. This will directly affect the present value of the Defined Benefit Obligation. The new labour code is a case in point.
And the same will have to be recognized immediately in the year when any such amendment is effective.

Significant actuarial assumptions for the determination of the defined benefit obligation are discount rate, expected salary increase and mortality. The sensitivity analysis below have been determined based on reasonably possible changes of the assumptions occurring at the end of the reporting period, while holding all other assumptions constant. The results of sensitivity analysis is given below:

Defined benefit plan - Gratuity	As at March 31, 2023		As at March 31, 2022	
	Decrease	Increase	Decrease	Increase
Discount rate (- / + 1%)	6.59	(5.89)	(5.02)	5.66
Salary growth rate (- / + 1%)	(4.25)	4.57	2.76	(2.79)
Attrition rate (- / + 1%)	1.20	(1.17)	(0.21)	0.20

Defined benefit plan - Leave encashment	As at March 31, 2023		As at March 31, 2022	
	Decrease	Increase	Decrease	Increase
Discount rate (- / + 1%)	1.17	(1.04)	0.94	(0.83)
Salary growth rate (- / + 1%)	(0.86)	0.96	(0.66)	0.74
Attrition rate (- / + 1%)	0.15	(0.15)	0.13	(0.12)

Sensitivity analysis presented above may not be representative of the actual change in the defined benefit obligation as it is unlikely that the change in assumptions would occur in isolation of one another as some of the assumptions may be correlated. There are no changes from the previous period in the methods and assumptions used in preparing the sensitivity analysis.
There is no change from the previous period in the methods and assumptions used in the preparation of above analysis, except that the base rates have changed

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37 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 March 31, 2023	As at March 31, 2022
Total equity (Refer Note 15 & 16)	(7,239.07)	(3,602.30)
Total Debt (Refer Note 17 and 21)	4,848.42	852.84
Cash and Bank Balance (Refer Note 11)	220.34	196.40
Net Debt	4,628.08	656.43
Net Debt to equity ratio	-63.93%	-18.22%

2. Categories of Financial Instruments

Particulars	Note	As at March 31, 2023	As at March 31, 2022
Financial assets			
At amortized cost			
Loans receivable-Non Current	6	1,231.27	-
Loans receivable-Current	12	73.73	-
Trade receivables	10	417.89	280.60
Cash and cash equivalents	11.1	10.08	9.44
Bank balances other than (ii) above	11.2	210.26	186.96
Other financial assets	7&13	225.60	219.38
Total assets		**2,168.83**	**696.38**
Financial liabilities			
At amortized cost			
Borrowings- Non current	17	1,269.01	50.88
Borrowings- Current	21	3,579.41	801.96
Lease Liabilities-Non current	18	308.43	
Lease Liabilities-Current	22	162.82	
Trade payables	23	2,174.15	1,386.17
Other financial liabilities	19&24	1,930.79	6.45
Total liabilities		**9,424.62**	**2,245.47**

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.

38 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 forsee the unpredictability of financial markets and seek to minimsie 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:

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(All the Amounts are in Indian Rupees Lakhs, except for share information or as otherwise stated)

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 31 March 2022, 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.

Liquidity and Interest Risk Tables :

The following tables detail the Company's remaining contractual maturity for its financial liabilities with agreed repayment periods. The tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Company can be required to pay. The tables include both interest and principal cash flows.

Particulars	Weighted average interest rate (%) - Annualized	Less than 1 year	1-2 years	2 years and above
As at March 31, 2023				
Non-interest bearing	NA	4,104.94	-	-
Interest rate instruments (borrowings)	4.25%	3,742.24	282.50	1,294.94
Total		**7,847.17**	**282.50**	**1,294.94**
As at March 31, 2022				
Non-interest bearing	NA	1,392.62	-	-
Interest rate instruments (borrowings)	4.14%	801.96	40.86	10.02
Total		**2,194.59**	**40.86**	**10.02**

The following table details the Company's expected maturity for its financial assets. The table has been drawn up based on the undiscounted contractual maturities of the financial assets including interest that will be earned on those assets. The inclusion of information on financial assets is necessary in order to understand the Company's liquidity risk management as the liquidity is managed on a net asset and liability basis.

Particulars	Less than 1 year	1-2 years	2 years and above
As at March 31, 2023			
Non-interest bearing	653.57	-	-
Interest rate instruments	284.00	58.92	1,172.35
Total	**937.57**	**58.92**	**1,172.35**
As at March 31, 2022			
Non-interest bearing	509.42	-	-
Interest rate instruments (borrowings)	186.96		
Total	**696.38**	-	-

Market risk

Market risk is the risk that changes in market prices - such as foreign exchange rates and interest rates - will affect the Company's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return.

Interest rate risk

The Company's borrowings are carried at amortized cost. They are therefore not subject to interest rate risk as defined in Ind-AS 107, 'Financial Instruments - Disclosures', since neither the carrying amount nor the future cash flows will fluctuate because of a change in market interest rates.

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Currency risk

Foreign currency risk is the risk that the fair value of future cash flows of a financial instruments will fluctuate because of changes in foreign exchange rates. The Company is exposed to currency risk to the extent that there is mismatch between the currencies in which revenue, expenses are denominated and the respective functional currencies of Company.

	For the year ended March 31, 2023	For the year ended March 31, 2022
Earnings in foreign currency		
Income from Online Training & Coaching	2,873.11	2,850.73
Expenditure in foreign currency		
Business Support Services	370.75	589.15
Communication Expenses	46.05	-
Marketing Expense	72.35	11.84

Exposure to currency risk

The year end foreign currency exposures that have not been hedged by a derivative instrument or otherwise are as under:

A. Receivables:	**As at March 31, 2023**	**As at March 31, 2022**
United States Dollars (USD)	0.17	0.29
Equivalent Indian Rupees (INR)	13.92	22.16
Singapore Dollars (SGD)	0.04	-
Balance (INR)	2.34	-
B. Payables:	**As at March 31, 2023**	**As at March 31, 2022**
Balance (USD)	0.61	1.41
Balance (INR)	50.31	106.78
Balance (GBP)	0.01	-
Balance (INR)	0.94	-
Balance (AUD)	0.00	-
Balance (INR)	0.20	-
Balance (AED)	-	0.00
Balance (INR)	-	0.26

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39 Earnings per share

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Loss after tax as per Statement of Profit and Loss (A)	(4,042.07)	(1,654.74)
Weighted average number of equity shares outstanding for basic EPS (B) (No's)	8,57,521	7,99,784
Weighted average number of equity shares outstanding for diluted EPS (C) (No's)	8,57,521	7,99,784
Nominal value of shares (Rs.)	10	10
Earnings per share (basic) (Rs.) (A/B)	**(471.37)**	**(206.90)**
Earnings per share (diluted) (Rs.) (A/C)	**(471.37)**	**(206.90)**
Earnings per share (diluted) restricted to basic EPS for previous year*	**(471.37)**	**(206.90)**

* As per Para 33 of Ind AS 20, Potential ordinary shares are antidilutive when their conversion to ordinary shares would increase earnings per share or decrease loss per share from continuing operations. The calculation of diluted earnings per share does not assume conversion, exercise, or other issue of potential ordinary shares that would have an antidilutive effect on earnings per share.

40 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	For the year ended March 31, 2023	For the year ended March 31, 2022
Revenue from Operations:		
India	5,170.42	3,978.24
Rest of the World	2,873.11	2,850.73
Segment Assets:		
India	3,776.49	1,368.31
Rest of the World	16.26	22.16
Capital Expenditure:		
India	416.47	17.76
Rest of the World	-	-

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

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 March 31, 2023	As at March 31, 2022
The principal amount and the interest due thereon remaining unpaid to any supplier as at the end of the year;		
- Principal	665.82	-
- Interest	1.30	
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.	1.30	-
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 deductable expenditure under the MSMED Act, 2006	-	-

42 Contingent liabilities & Commitments

No contingent liabilities and commitments exists as at March 31, 2023

43 Corporate Social Responsibility (CSR)

Particulars	As at March 31, 2023	As at March 31, 2022
-Gross amount required to be spent by the company during the year	-	-
-Amount spent during the year	-	-

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Brain4ce Education Solutions Private Limited
Notes to Consolidated Financial statements for the year ended March 31,2023
CIN: U80200KA2011PTC094081
(All the Amounts are in Indian Rupees Lakhs, except for share information or as otherwise stated)

44 Ratio Analysis

a) **Current Ratio = Current Assets/ Current Liabilities**

Particulars	As at March 31, 2023	As at March 31, 2022
Current assets	1,368.33	1,022.15
Current liabilities	7,544.10	3,217.46
Ratio	0.18	0.32

Change in ratios of more than 25% compared to the previous years is because the Company has unpaid dues to Veranda Learning Solutions Limited for corporate cross charge and other reimbursements payable to Holding company for expenses incurred on behalf of the Company.

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

Particulars	As at March 31, 2023	As at March 31, 2022
Total debt	4,848.42	852.84
Total equity	(7,239.07)	(3,602.30)
Ratio	(0.67)	(0.24)

Change in ratios of more than 25% compared to the previous years is because the Company has availed loans from the Holding company for its working capital requirements, also the networth of the Company has eroded on account of new business operations started during the year.

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

Particulars	As at March 31, 2023	As at March 31, 2022
Loss for the year	(4,042.07)	(1,654.74)
Add: Non cash expenses and finance costs:		
Depreciation and amortization expense	202.95	26.20
Finance costs	226.05	35.57
Earnings available for debt services	**(3,613.06)**	**(1,592.96)**
Interest cost on borrowings	(195.19)	(35.33)
Principal Repayments	(126.62)	(369.29)
Total interest and principal repayments	**(321.81)**	**(404.63)**
Ratio	0.09	0.25

Change in ratios of more than 25% compared to the previous years is because there is a significant reduction in earnings available for debt servicing as the Company started off with new business operations during the year.

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

Particulars	As at March 31, 2023	As at March 31, 2022
Loss for the year	(4,042.07)	(1,654.74)
Total equity	(7,239.07)	(3,602.30)
Ratio	0.56	0.46

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

Particulars	As at March 31, 2023	As at March 31, 2022
Total sales	8,043.53	6,828.97
Closing trade receivables	417.89	280.60
Ratio	19.25	24.34

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

Particulars	As at March 31, 2023	As at March 31, 2022
Expenses	12,129.44	8,447.04
Closing trade payables	1,507.03	1,386.17
Ratio	8.05	6.09

Change in ratios of more than 25% compared to the previous years is because the Company has unpaid dues to Veranda Learning Solutions Limited for corporate cross charge and other reimbursements payable to Holding company for expenses incurred on behalf of the Company.

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

Particulars	As at March 31, 2023	As at March 31, 2022
Revenue from operations	8,043.53	6,828.97
Net Working Capital	(6,175.77)	(2,195.31)
Ratio	(1.30)	(3.11)

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

Particulars	As at March 31, 2023	As at March 31, 2022
Loss for the year	(4,042.07)	(1,654.74)
Revenue from operations	8,043.53	6,828.97
Ratio	(0.50)	(0.24)

Change in ratios of more than 25% compared to the previous years is because of increased losses for the year as the Company started off with new business operations during the year.

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

Particulars	As at March 31, 2023	As at March 31, 2022
Loss before tax (A)	(4,088.74)	(1,668.81)
Finance Costs (B)	226.05	35.57
Other income (C)	235.79	11.03
EBIT (D) = (A)+(B)-(C)	(4,098.47)	(1,644.27)
Capital Employed- Pre Cash (J)=(E)-(F)-(G)-(H)-(I)	**(3,971.69)**	**(2,023.40)**
Total Assets (E)	3,792.75	1,390.47
Current Liabilities (F)	7,544.10	3,217.46
Current Investments (G)	-	-
Cash and Cash equivalents (H)	10.08	9.44
Bank balances other than cash and cash equivalents (I)	210.26	186.96
Ratio (D/J)	1.03	0.81

Change in ratios of more than 25% compared to the previous years is because of reduced earnings before interest and tax as the Company started off with new business operations during the year.

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45 Going Concern

The Company's net worth has fully eroded and the current liabilities exceeded current assets as of March 31, 2023. The accumulated losses were mainly due to costs incurred towards new businesses started during the year in Bangalore and Gurgaon locations which accounts for losses upto Rs.2,603.80 lakhs for the year.
The Company was acquired by Veranda Learning Solutions Limited (formerly known as Veranda Learning Solutions Private Limited) in FY 2021-22. During the current financial year, the Holding Company had infused funds of Rs.2,785.30 Lakhs by way of loan to the company.Also the Holding company had provided a corporate guarentee of Rs.750 Lakhs for various faciilities availed by the Company from HDFC bank.
Based on the business projection for FY 2023-24, the Company is expected to have adequate funds to meet its obligations as they occur. Further, the Holding company had provided a letter of continued financial support upto June 30, 2024. Therefore despite erosion in the net worth of the Company, considering the continued financial support from the holding company and the current initiatives of the Company during the year which are expected to yield revenue in the future, the financial statements have been prepared on a going concern basis.

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

Rangarajan
Director
DIN: 00591483

Koorapati Praveen Kumar
Director
DIN: 00591450

Place: Chennai
Date: May 27, 2023

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