

**BOARDS' REPORT**

To,  
The Members  
**Brain4ce Education Solutions Private Limited**

The Directors have pleasure in presenting **Ninth** Annual Report on the business and operations of **Brain4ce Education Solutions Private Limited** (hereinafter referred to as the 'Company') along with the Audited Financial Statements for the financial year ended 31<sup>st</sup> March, 2020.

The Company was incorporated on 13<sup>th</sup> May, 2011. The registered office of the Company is situated at 3rd Floor, Indiqube ETA, No. 38/4, Doddanekundi Village, Outer Ring Road, Bengaluru - 560048.

**1. REVIEW OF PERFORMANCE AND STATE OF COMPANY'S AFFAIRS:**

Your Company is in the process of setting up an industrial park. The financial results for the year are summarized below:

Sl. No.	Particulars	(Amount in Rs.)	
		FY 2019-2020	FY 2018-19
1	Revenue from operations and other income	70,43,48,422	53,05,24,037
2	Expenditure	93,44,89,928	65,59,21,071
3	Profit/Loss Before Tax	(23,01,41,506)	(12,53,97,036)
4	<b>Provision for Taxation</b>		
	(1) Current Tax (Including MAT)	-	-
	(2) Deferred Tax	(6,81,13,188)	(3,57,66,060)
5	Profit/Loss after Tax	(16,20,28,318)	(8,96,30,974)
6	<b>Earning Per Equity Share:</b>		
	(1) Basic	(222.18)	(122.92)
	(2) Diluted	(196.80)	(109.03)

During the current year your Company has generated a revenue of Rs. 70.16 Crores from online training services as against Rs. 52.43 Crores in the preceding financial year. Gross operating revenue has increased by 74.72% during the current year.

The Consolidated financial results for the year are summarized below:

Sl. No.	Particulars	(Amount in Rs.)	
		FY 2019-2020	FY 2018-19
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**Brain4ce Education Solutions Pvt. Ltd.**

Unit Nos. : 3rd Floor, Indiqube ETA, No. 38/4, Doddanekundi, Outer Ring Road, Bengaluru - 560048. India.

CIN U80200KA2011PTC094081 www.edureka.co

**2. TRANSFER TO RESERVES:**

In view of the losses, the Board of Directors of your Company has not transferred any amount to the Reserves for the year under review. .

**3. DIVIDEND:**

In view of the losses, the Board of Directors of your Company has not recommended any Dividend for the year under review.

**4. PERFORMANCE OF SUBSIDIARIES, JOINT VENTURES AND ASSOCIATE COMPANIES:**

Your Company has a Wholly Owned subsidiary in Singapore in the name of Edureka Pte. Ltd. The details of Edureka Pte. Ltd. have been provided in form AOC-1 attached as **Annexure 1** to this report.

**5. MAINTENANCE OF COST RECORDS**

The maintenance of cost records as specified by the Central Government under sub-section (1) of section 148 of the Companies Act, 2013, is not required by the Company and accordingly no such accounts and records are made and maintained.

**6. COST AUDIT:**

The provisions of Section 148 relating to the appointment of Cost auditor is not applicable to your Company.

**7. FRAUDS REPORTED BY AUDITORS:**

During the year under review neither management has noted nor the Auditor has reported frauds under sub-section (12) of section 143 of the Companies Act, 2013 during the year.

**8. CHANGE IN NATURE OF BUSINESS, IF ANY:**

There was no change in the nature of business of your Company during the year.

**9. BOARD MEETINGS CONDUCTED DURING THE YEAR:**

8 Board Meetings were held during the year under review in accordance with the provisions of Section 173 of the Companies Act, 2013.

The intervening gap between any two meetings was within 120 days as prescribed by the Companies Act, 2013.

**10. DIRECTORS RESPONSIBILITY STATEMENT:**

In accordance with the provisions of Section 134(5) of the Companies Act, 2013 the Board hereby submits that:

- a. In the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures;
- b. The directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company at the end of financial year and of the profit and loss of the company for that period;
- c. The directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this act for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities;
- d. The directors had prepared the annual accounts on a going concern basis;
- e. The directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

**11. PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS:**

There were no loans, guarantees given or investments made by the company under Section 186 of the Companies Act, 2013 during the year.

**12. CONTRACTS AND ARRANGEMENTS MADE WITH RELATED PARTIES:**

There were no related party transactions carried by the Company during the financial year under section 188 of the Companies Act, 2013.

**13. MATERIAL CHANGES AND COMMITMENTS:**

There were no material changes and commitments affecting the financial position of the Company occurred between the end of the financial year to which these financial statements relate and the date of this report.

**14. CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNINGS AND OUTGO:**

The details of the conservation of energy, technology absorption as required to be disclosed under section 134(3)(m) of the Companies Act, 2013 read with rule 8(3) of the Companies (Accounts) Rules, 2014 are given hereunder:

**(a) Conservation of energy:**

(i)	the steps taken or impact on conservation of energy	The operations of your Company are not energy-intensive. Significant measures are being taken to reduce energy consumption by ensuring that the entire product range including personal computers, servers, and peripherals are purchased keeping in view the Company's energy saving philosophy.
(ii)	the steps taken by the company for utilizing alternate sources of energy	Considering the nature of the industry, location of offices and quantum of energy utilised by the company it is not economically viable for utilizing

		alternate sources of energy.
(iii)	the capital investment on energy conservation equipments	Considering the nature of the industry, location of offices and quantum of energy utilised by the company, it is not economically viable for capital investment on energy conservation equipments.

**(b) Technology Absorption:**

(i)	the efforts made towards technology absorption	Your Company constantly evaluates new technologies and invests to make its infrastructure latest in the technologies adopted.
(ii)	the benefits derived like product improvement, cost reduction, product development or import substitution	Acquiring IT equipments with latest technologies results in cost reduction and better performance.
(iii)	in case of imported technology (imported during the last three years reckoned from the beginning of the financial year) -	Your company has not imported technology during the last three years from the beginning of the financial year.
	(a) the details of technology imported	
	(b) the year of import;	
	(c) whether the technology been fully absorbed	
	(d) if not fully absorbed, areas where absorption has not taken place, and the reasons thereof	
(iv)	the expenditure incurred on Research and Development	Your company did not incur any expenditure on Research and Development during the year.

**(c) Foreign Exchange Earnings:**

Foreign exchange earnings in terms of actual inflows was:

Particulars	FY 2019-20	FY 2018-19
Income from Online Training	32,57,55,465	22,79,19,088

**(d) Foreign Exchange Outflow:**

Particulars	FY 2019-20	FY 2018-19
Business Support Services	3,65,64,559	1,51,24,227
Marketing Expense	1,16,10,434	1,84,78,780

**15. RISK MANAGEMENT POLICY OF THE COMPANY:**

Your Company has an effective Risk Management Policy which is capable of identifying various types of risks associated with the business, its assessment, risk handling, monitoring and reporting.

**16. CORPORATE SOCIAL RESPONSIBILITY POLICY AND INITIATIVES:**

The provisions of Section 135 of the Companies Act, 2013 pertaining to the Corporate Social Responsibility were not applicable to the Company for the financial year 2019-20.

**17. DIRECTORS:**

The composition of the Board of Directors and the Key Managerial Personnel of your Company as at 31<sup>st</sup> March, 2020 is stated below:

Sl. No	Name	Designation	DIN
1	Kapil Tyagi	Whole time Director	01212240
2	Lovleen Bhatia	Director	05158609
3	Rajul Garg	Director	00085256
4	Ramakanth Sharma	Director	02318054

**18. DECLARATION BY INDEPENDENT DIRECTORS:**

Your Company being a private limited company, the provisions of Section 149(4) of the Companies Act, 2013 relating to the appointment of Independent Directors are not applicable.

**19. COMMITTEES OF THE BOARD:**

Your Company being a private limited company, the provisions of Section 177 and Section 178 of the Companies Act, 2013 relating to the formation of Audit Committee and Nomination and Remuneration Committee are not applicable.

However, the Company had formed Compensation Committee to oversee Employee Stock Option Plan.

**20. EXTRACT OF ANNUAL RETURN:**

An extract of the Annual Return in Form MGT-9 is enclosed herewith as Annexure - II to this Report and will be available on the website of the Company at <https://www.edureka.co>.

**21. DEPOSITS:**

As per Section 74 of the Companies Act, 2013 your Company has neither accepted nor renewed any deposits during the year under review. There were no such instances of deemed deposits in the company during the financial year.

**22. STATUTORY AUDITORS & THEIR REPORT:**

M/s. K. R. Kiran Kumar and Associates, Chartered Accountants, were appointed as statutory auditors of the company to hold office till the conclusion of the Annual General Meeting to be held in the calendar year 2023. In this regard, the Company has received a certificate from the auditors to the effect that they are not disqualified in accordance with the provision of Section 141 of the Companies Act 2013.

**23. QUALIFICATIONS, RESERVATIONS OR ADVERSE REMARKS OR DISCLAIMERS MADE BY THE AUDITORS IN THEIR REPORTS:**

There are no qualifications, reservations or adverse remarks made by the Auditors in their report.

The Notes to the Audited Financial Statements referred to in the Auditors' Report are self-explanatory and do not call for any further comments.

**24. INTERNAL AUDIT:**

The provisions of Section 138 relating to the appointment of Internal Auditor is not applicable to the Company.

**25. SECRETARIAL AUDIT:**

The provisions of Section 204 of the Companies Act, 2013 were not applicable to your Company during the year under review.

**26. QUALIFICATIONS, RESERVATIONS OR ADVERSE REMARKS OR DISCLAIMERS MADE BY THE SECRETARIAL AUDITORS IN THEIR REPORTS:**

The provisions of Secretarial Audit pursuant to the provisions of Section 204 of the Companies Act, 2013 were not applicable to the company during the year under review.

**27. SIGNIFICANT AND MATERIAL ORDERS:**

There were no significant and material orders passed against your Company by any Regulators or Courts or Tribunals during the year under review impacting the going concern status and Company's operations in future.

**28. ADEQUACY OF INTERNAL CONTROLS ON FINANCIAL STATEMENTS:**

Your Company has effective and adequate internal financial controls with reference to the Financial Statements.

**29. SECRETARIAL STANDARDS:**

The Board confirms that the applicable Secretarial Standards i.e., SS-1 and SS-2 relating to Board Meetings and General Meetings respectively have been duly complied by your Company.

**30. PARTICULARS OF EMPLOYEES:**

Your Company being a private limited company, is not required to give Disclosure under Rule 5 sub rule (2) Companies (Appointment and Remuneration of managerial Personnel) Rules, 2014 pursuant to Section 197(12) of the Companies Act, 2013.

**31. VIGIL MECHANISM:**

It was not mandatory for your Company to have a vigil mechanism process during the year under review.

**32. PREVENTION OF SEXUAL HARASSMENT AT WORKPLACE:**

Your Company has zero tolerance for sexual harassment at workplace. Your company did not have any female employees employed in India for the period under review, thus the provisions of Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 are not applicable for the time being.

**33. IMPACT OF COVID-19:**

The spread of Novel Corona virus (COVID-19) worldwide, including India and the national lock down, has affected the day to day livelihood of the population across the world and has affected the businesses also. Outcome of the pandemic is assessed by the management and is highly dependent on the circumstances / developments as they evolve in the subsequent periods. Your Company also indicates that uncertainties exist and it is currently not possible to reasonably estimate the future impact. .

Revenue from B2C Business did not decline, however, we could only see negligible growth in the business when compared with growth rates of past years. Reason for negligible growth was, people in the IT industry were losing their jobs during the pandemic, leading to lower purchasing power in our target clientele.

**34. ACKNOWLEDGEMENT:**

We thank our vendors, investors & bankers for their continued support during the year under review.

For and on behalf of Board of Directors



**Kapil Tyagi**  
Whole Time Director  
DIN: 01212240



**Lovleen Bhatia**  
Director  
DIN: 05158609

Date: 4<sup>th</sup> December, 2020

Place: Bengaluru