

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

CAUTIONARY STATEMENT:

Certain statements made in the management discussion and analysis report relating to Company's objectives, Projections, outlooks, expectations, estimates and others may constitute forward looking statements within the meaning of applicable laws & regulations. Actual results may differ from such expectations, projections and son on whether express or implied. However, company has also submitted various risks associated with the business.

INDUSTRY OVERVIEW:

India holds an important place in the global education industry. India has one of the largest networks of higher education institutions in the world with 850 universities (as of April 2018) and 42,026 colleges. A total of 35.7 million people were enrolled in higher education institutes in 2016-17. However, there is still a lot of potential for further development in the education system.

Moreover, the aim of the government to raise its current gross enrolment ratio to 30 per cent by 2020 will also boost the growth of the distance education in India.

The education sector in India is poised to witness major growth in the years to come as India will have world's largest tertiary-age population and second largest graduate talent pipeline globally by the end of 2020. Higher education system in India has undergone rapid expansion. Currently, India's higher education system is the largest in the world enrolling over 70 million students while in less than two decades, India has managed to create additional capacity for over 40 million students. By 2025, the segment is expected to reach US\$ 35.03 billion.

The country has become the second largest market for e-learning after the US. The sector is expected to reach US\$ 1.96 billion by 2021 with around 9.5 million users.

GOVERNMENT INITIATIVES

Some of the other major initiatives taken by the Government of India are:

- In order to boost the Skill India Mission, two new schemes, Skills Acquisition and Knowledge Awareness for Livelihood Promotion (SANKALP) and Skill Strengthening for Industrial Value Enhancement (STRIVE), have been approved by the Cabinet Committee on Economic Affairs (CCEA), Government of India, with an outlay of Rs 6,655 crore (US\$ 1.02 billion) and will be supported by the World Bank.
- The Government of India has signed a Financing Agreement with the World Bank for IDA credit of US\$ 125 million for the "Skills Strengthening for Industrial Value Enhancement Operation (STRIVE) Project".
- NITI Aayog is launching the Mentor India Campaign which will bring leaders and students together at more than 900 Atal Tinkering Labs in India, as part of the Atal Innovation Mission. As of June 2018, 5,441 schools have been selected across India for establishing Atal Tinkering Labs (ATLs) under the Atal Innovation Mission (AIM).
- The Government of India will spend around Rs 20,000 crore (US\$ 3.10 billion) to build six new Indian Institutes of Technology (IITs) by March 2024, of which Rs 7,000 crore (US\$ 1.08 billion) will be spent by March 2020.
- The Ek Bharat Shreshtha Bharat (EBSB) campaign is undertaken by Ministry of Human Resource Development to increase engagement between states, union territories, central ministries, educational institutions and general public.
- Prime Minister Mr Narendra Modi launched the Skill India initiative – 'Kaushal Bharat, Kushal Bharat'. Under this initiative, the government has set itself a target of training 400 million citizens by 2022 that would enable them to find jobs. The initiatives launched include various programmes like: Pradhan Mantri Kaushal Vikas Yojana (PMKVY), National Policy for Skill Development and Entrepreneurship 2015, Skill Loan scheme, and the National Skill Development Mission.

ROAD AHEAD

In 2030, it is estimated that India's higher education will:

- Adopt transformative and innovative approaches in Higher education.
- Have an augmented Gross Enrolment Ratio (GER) of 50 per cent
- Reduce state-wise, gender based and social disparity in GER to 5 per cent.
- Emerge as a single largest provider of global talent, with one in four graduates in the world being a product of the Indian higher education system.
- Be among the top 5 countries in the world in terms of research output with an annual R&D spent of US\$ 140 billion.
- Have more than 20 universities among the global top 200.

Various government initiatives are being adopted to boost the growth of distance education market, besides focusing on new education techniques, such as E-learning and M-learning.

Education sector has seen a host of reforms and improved financial outlays in recent years that could possibly transform the country into a knowledge haven. With human resource increasingly gaining significance in the overall development of the country, development of education infrastructure is expected to remain the key focus in the current decade. In this scenario, infrastructure investment in the education sector is likely to see a considerable increase in the current decade

Moreover, availability of English speaking tech-educated talent, democratic governance and a strong legal and intellectual property protection framework are enablers for world class product development.

The Government of India has taken several steps including opening of IIT's and IIM's in new locations as well as allocating educational grants for research scholars in most government institutions. Furthermore, with online modes of education being used by several educational organizations, the higher education sector in India is set for some major changes and developments in the years to come.

PERFORMANCE

There had been no business activity in the year 2018-19 and as such no revenue was generated by the company. The Company had closed all of its computer center franchise w.e.f. April 01, 2017 and is thriving to exploit the Formal Education Sector by acquiring/ investing in Private Colleges and Universities.

EXPENDITURE

Total expenses of the Company are Rs. 94.02 Lacs as compared to Rs. 91.02 Lacs in the previous year. Depreciation expense contributes largest share of expenses with Rs. 50.74. Other Expenses of the Company have decreased to Rs. 19.53 Lacs as against Rs. 20.59 Lacs in the previous year, a decline of almost 5.15%. Employee Benefit expenses are Rs. 23.63 Lacs against last year's Rs. 19.68 Lacs. Considering the losses accruing to the Company, Dr. Navin Gupta, Chairman of the Company has not drawn any wages from the Company in this year also..

FIXED ASSETS

The fixed Assets of the Company stood at Rs. 47.26 Lacs for the fiscal Year under consideration, last year it was Rs. 118.59 Lacs. The Company has not acquired any new asset or disposed of any asset of the Company during the period under review.

HUMAN RESOURCES

Company always has an encouraging work environment that leads to higher caliber and encouragement among employees, contribute to the overall growth and performance of the personnel while adhering to the highest degree of quality and integrity. Company believes that even a pin of an organization matters that is every employee irrespective of his/her place he/she holds, is a contribution

in the growth of the organization.

INTERNAL CONTROL SYSTEM

Your Company has a proper and adequate system of internal controls commensurate with its size and nature of operations to provide reasonable assurance that all assets are safeguarded, transactions are authorized, recorded and reported properly and applicable statutes, codes of conduct and corporate policies are duly complied with. The Internal Audit Department reviews the adequacy and efficacy of the key internal controls. The scope of the audit activity is guided by the annual audit plan, which is approved by the Audit Committee of the Board.

FUTURE ROAD MAP

Management of the company is looking to restart the activities of the company in the current year. Your company is in talk with foreign universities for running their programs in India as well as abroad. Major focus areas proposed to be:

- Reconnect with our franchisees spread all over India to provide various high end and very specialized educational programs designed and developed/to be developed by the company.
- Tie up with national and international corporate to work on skill sets they are looking at in their prospective employees at various levels and according develop corporate specific modules together with various finishing programs to make the student skilled specific to corporate requirements.
- Tie up with Indian as well as foreign educational institute of repute to run their programs in india and abroad by strengthening our network system.
- Looking for tie ups with startups/companies engaged in developing educational software solutions/mobile apps, various e. Governance solutions for the Centre as well as state Govt.
- Seek opportunities in new avenues in non-formal education and training sectors, to bag more contracts for providing Management Services in education sector

Your company is likely to finalize its blue print for its revival in the next 2-3 months. We have starting strengthening our board as well as top management. In this direction your company has appointed Mrs. Anita Menon and Mr. Sunil Kumar, renowned educationists as director of the company. To further their vision recently, your company has appointed Mr. C V Jain, as CEO of the company. Mr. Jain has more than 30 years of experience in finance, education and management. We expect a beginning of a major positive turn around in your company in the years ahead.

You have always been our strength and your continuous support even at this juncture is commendable. We thank you very much for the same. We assure you that from here onwards your company will again stride ahead towards achieving new heights.

For and on behalf of the Board

Navin Gupta
(Managing Director)
DIN-00097128

Anita Menon
(Director)
DIN-08439459

Date: August 14, 2019
Place: New Delhi