Veranda IAS Learning Solutions Private Limited
Special Purpose Balance Sheet as at September 30, 2021
(All amounts are in lakhs of Indian Rupees, unless otherwise stated)

Particulars	Notes	As at September 30, 2021
I. ASSETS		
1. Non-current assets		
(a) Property, Plant & Equipment	4	0.09
(b) Intangible Assets	4	34.46
(c) Intangible Assets under Development	5	32.43
(d) Other non-current assets	6	30.36
(e) Deferred Tax assets	7	-
Total non current assets		**97.34**
2. Current assets		
(a) Inventories	8	29.62
(b) Financial assets		
(i) Cash and cash equivalents	9	9.80
(ii) Other Financials assets	10	4.55
(c) Other current assets	11	40.35
Total current assets		**84.32**
Total assets		**181.66**
II. EQUITY AND LIABILITIES		
1. Equity		
(a) Equity share capital	12	1.00
(b) Other equity	13	(252.63)
Total equity		**(251.63)**
2. Non-Current liabilities		
(a) Provisions	14	0.25
		0.25
2. Current liabilities		
(a) Financial liabilities		
(i) Borrowings	15	213.46
(ii) Trade payables	16	
(a) Total outstanding dues of Micro Enterprises and Small Enterprises		14.41
(b) Total outstanding dues of creditors other than Micro Enterprises and Small Enterprises		177.08
(iii) Other financial liabilities	17	13.76
(b) Provisions	18	0.02
(c) Other current liabilities	19	14.31
Total current liabilities		**433.04**
Total liabilities		**433.29**
Total equity and liabilities		**181.66**

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

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

Ananthi Amarnath
Partner

Place : Chennai
Date : 22 December, 2021

For and on behalf of the Board of Directors

K Praveen Kumar
Director

Place : Chennai
Date : 22 December, 2021

R Rangarajan
Director

DELOITTE HASKINS & SELLS ★ CHENNAI-17 ★ CHARTERED ACCOUNTANTS

Veranda IAS Learning Solutions Private Limited

Special Purpose Statement of Profit and Loss for the half year ended September 30, 2021

(All amounts are in lakhs of Indian Rupees, unless otherwise stated)

Particulars	Notes	For the half year ended 30 September 2021
A Income		
Revenue from operations	20	-
Total income		-
B Expenses		
Cost of materials consumed	21	(0.59)
Purchase of Stock - in - trade	22	29.27
Changes in inventory of stock - in - trade	23	(29.03)
Finance costs	24	3.46
Depreciation and Amortization Expense	25	2.26
Employee benefits expense	26	9.46
Other expenses	27	230.98
Total expenses		**245.81**
C Loss before tax		**(245.81)**
D Tax expense	28	
Current Tax		-
Deferred Tax		-
E Loss for the period		**(245.81)**
F Other comprehensive income		
Items that will not be subsequently reclassified to profit or loss		
Re-measurement gains/(losses) on defined benefit obligations		-
Income-tax relating to items that will not be subsequently reclassified to profit or loss		
Re-measurement gains/(losses) on defined benefit obligations		-
Other comprehensive income/(loss) for the period, net of tax		-
		-
G Total comprehensive loss for the period		**(245.81)**
H Loss per share in INR	29	
Basic Earnings per share (Nominal value per equity share of Rs.10/-)		(2,458.10)
Diluted Earnings per share (Nominal value per equity share of Rs.10/-)		(2,458.10)

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

In terms of our report attached

For Deloitte Haskins & Sells

Chartered Accountants

DELOITTE HASKINS & SELLS CHENNAI-17 CHARTERED ACCOUNTANTS

Ananthi Amarnath

Partner

Place : Chennai

Date : 22 December, 2021

For and on behalf of the Board of Directors

K Praveen Kumar

Director

R Rangarajan

Director

Place : Chennai

Date : 22 December, 2021

Veranda IAS Learning Solutions Private Limited

Special Purpose Statement of Cash Flows for the half year ended September 30, 2021

(All amounts are in lakhs of Indian Rupees, unless otherwise stated)

Particulars	As at September 30, 2021
Cash flow from operating activities	
Loss before tax	(245.81)
Adjustments for non cash expenditure	
Depreciation and Amortization Expense	2.26
Finance cost	3.46
	(240.09)
Change in operating assets and liabilities	
(Increase)/ decrease in Inventories	(29.62)
(Increase)/ decrease in Other assets	(39.85)
(Increase)/ decrease in Non-Current Assets	15.28
Increase/ (decrease) in Other financial liabilities	13.57
Increase/ (decrease) in Other liabilities	11.03
Increase/ (decrease) in Long Term Provisions	0.25
Increase/ (decrease) in Short Term Provisions	0.02
Increase/ (decrease) in Trade payables	184.88
Cash generated from operations	(84.53)
Less : Income taxes paid (net of refunds)	-
Net cash from (used in) operating activities (A)	**(84.53)**
Cash flows from investing activities	
Purchase of property, plant and equipment and intangible assets	(69.24)
Net cash from investing activities (B)	**(69.24)**
Cash flows from financing activities	
Proceeds from borrowings	163.46
Net cash from financing activities (C)	**163.46**
Net increase (decrease) in cash and cash equivalents (A+B+C)	**9.69**
Cash and cash equivalents at the beginning of the period	**0.11**
Cash and cash equivalents at end of the period	**9.80**

Notes:

1. The above cash flow statement has been prepared under indirect method prescribed in Ind AS 7 "Statement of Cash Flows".

2. Components of cash and cash equivalents (Refer Note 9)

Balances with banks - current accounts	9.73
Cash on hand	0.07
	9.80

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

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Veranda IAS Learning Solutions Private Limited
Special Purpose Statement of Cash Flows for the half year ended September 30, 2021
(All amounts are in lakhs of Indian Rupees, unless otherwise stated)

4. Statement of Reconciliation of financing activities:

Particulars	**As at September 30, 2021**
Opening Balance	50.00
Proceeds from borrowings	163.46
Repayment of borrowings	-
Non Cash Changes	-
Interest Expense	-
Interest Paid	-
Closing Balance	**213.46**

* Figures in bracket indicate cash outflow

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

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

DELOITTE HASKINS & SELLS CHENNAI-17 CHARTERED ACCOUNTANTS

Ananthi Amarnath
Partner

Place : Chennai
Date : 22 December, 2021

For and on behalf of the Board of Directors

K Praveen Kumar
Director

R Rangarajan
Director

Place : Chennai
Date : 22 December, 2021

Veranda IAS Learning Solutions Private Limited
Special Purpose Statement of Changes in Equity for the period ended September 30, 2021
(All amounts are in lakhs of Indian Rupees, unless otherwise stated)

Statement of changes in equity

(A) Equity share capital

Balance at the beginning of the current reporting period	Changes in Equity Share Capital due to prior period errors	Restated balance at the beginning of the current reporting period	Changes in equity share capital during the current year	Balance at the end of the current reporting period
1.00	-	-	-	1.00

(B) Other equity

Particulars	Retained Earnings	Total
Balance as at March 31, 2021	**(6.82)**	**(6.82)**
Loss for the period	(245.81)	(245.81)
Other comprehensive income / (loss) for the period	-	-
Total comprehensive loss for the period	(245.81)	(245.81)
Balance as at September 30, 2021	**(252.63)**	**(252.63)**

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

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

Ananthi Amarnath
Partner

DELOITTE HASKINS & SELLS
CHENNAI-17
CHARTERED ACCOUNTANTS

Place : Chennai
Date : 22 December, 2021

For and on behalf of the Board of Directors

K Praveen Kumar
Director

R Rangarajan
Director

Place : Chennai
Date : 22 December, 2021

Veranda IAS Learning Solutions Private Limited

Notes to Special Purpose interim financial statements for the half year ended September 30, 2021

1 Corporate information

Veranda IAS Learning Solutions Private Limited ("the Company" or "VILS") was incorporated on February 26, 2021 under the provisions of the Companies Act, 2013, with its registered office at Old No 54, New No 34, Thirumalai Pillai Road, T. Nagar, Chennai - 600017, Tamil Nadu. VILS is offering affordable online learning solutions for IAS course through experienced faculty members.

These special purpose interim Ind AS financial statements are prepared for the purpose of submission to Veranda Learning Solutions Limited (formerly Veranda Learning Solutions Private Limited), the holding company for the purpose of their consolidation and is not to be used for any other purpose or to be distributed to any other parties.

On 16 February 2015, the Ministry of Corporate Affairs notified the Companies (Indian Accounting Standards) Rules, 2015. The Rules specify the Indian Accounting Standards (Ind AS) to certain class of companies and sets out the date of applicability. As stated above, the Company has adopted Ind AS notified under the Companies (Indian Accounting Standards) Rules, 2015 with effect from February 26, 2021 being the date of incorporation of the Company.

2A Recent accounting pronouncements

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

Balance sheet:

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

Statement of profit and loss:

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

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

Standards amended during the year:

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

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

Ind AS 116 - COVID-19-Related Rent Concessions

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

Interest Rate Benchmark Reform - Phase 2

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

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

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

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

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Amendments to Ind AS consequential to Conceptual Framework under Ind AS

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

2B Basis of preparation of Special Purpose interim financial statements

i) Statement of compliance

These Special Purpose Interim Financial Statements as at and for the half year ended September 30, 2021 have been prepared in accordance with the recognition and measurement principles of Indian Accounting Standard 34, 'Interim financial reporting' prescribed under section 133 of the Act and other accounting principles generally accepted in India for the purpose of preparation of restated financial Statements as at and for the half year ended September 30, 2021 for the purpose of inclusion in Updated draft red herring prospectus (the "UDRHP" or the "Offer Documents") as required under the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 as amended from time to time ("ICDR Regulations") in relation to the proposed initial public offering ("IPO") of the holding Company.

These Special Purpose Interim Standalone Financial Statements have been prepared by the Company for the purpose of inclusion in draft red herring prospectus (the "DRHP" or the "Offer Documents") in terms of the requirements of:-

(i) Section 26 of Chapter III of the Act;

(ii) relevant provisions of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, issued by the Securities and Exchange Board of India ('SEBI'), as amended ("ICDR Regulations"); and

(iii) Guidance Note on Reports in Company Prospectuses (Revised 2019) issued by the Institute of Chartered Accountants of India ("ICAI") (the "Guidance Note").

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

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

ii) Basis of preparation and presentation

Historical cost convention

The Special Purpose interim financial statements have been prepared on a historical cost basis, except for certain financial assets and liabilities measured at fair value (refer accounting policy regarding financial instruments).

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 and 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.

Functional and presentation currency

These Special Purpose interim financial statements are presented in Indian Rupees (INR), which is the Company's functional currency. All financial information presented in INR has been rounded to the nearest lakhs (up to two decimals).

3 Significant accounting policies

a) Current versus non-current classification

The Company presents assets and liabilities in the balance sheet based on current/ non-current classification.

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An asset is treated as current when it is:

i) Expected to be realised or intended to be sold or consumed in normal operating cycle:
ii) Held primarily for the purpose of trading:
iii) Expected to be realised within twelve months after the reporting period, or
iv) Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period

All other assets are classified as non-current.

A liability is current when:

i) It is expected to be settled in normal operating cycle:
ii) It is held primarily for the purpose of trading:
iii) It is due to be settled within twelve months after the reporting period, or
iv) There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period

All other liabilities are classified as non-current.

Deferred tax assets and liabilities are classified as non-current assets and liabilities.

The operating cycle is the time between the acquisition of assets for processing and their realisation in cash and cash equivalents. The Company has identified 12 months as its operating cycle.

b) Revenue Recognition

Operating revenue:
Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured. The company derives its revenue from Edutech services (online) by providing comprehensive learning programmes.

A. Online revenue : Revenue from sale of online courses is recognised based on satisfaction of performance obligations as below:
i) Supply of books is recognised when control of the goods is transferred to the customer at an amount that reflects the consideration entitled as per the contract / understanding in exchange for the goods or services.
ii) Supply of online content is recognised upfront upon access being provided for the uploaded content to the learners.
iii) Supply of hosting service is recognised over the period of license of access provided to the learners at an amount that reflects the consideration entitled as per the contract / understanding in exchange for such services.

Other operating revenue:
Shipping revenue is recognised at the time of delivery to end customers. Shipping revenue received towards deliveries subsequent to the year end is considered as Deferred revenue which is included in other current liabilities.
Revenue is recognised on accrual basis, net of refunds and taxes.

c) Loans and borrowings

Borrowings are initially recognised at fair value, net of transaction costs incurred. Borrowings are subsequently measured at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognised in profit or loss over the period of the borrowings using the effective interest method.

Borrowings are classified as current liabilities unless the Company has an unconditional right to defer settlement of the liability for at least 12 months after the reporting period. Where there is a breach of a material provision of a long-term loan arrangement on or before the end of the reporting period with the effect that the liability becomes payable on demand on the reporting date, the Company does not classify the liability as current, if the lender agreed, after the reporting period and before the approval of the Special Purpose interim financial statements for issue, not to demand payment as a consequence of the breach.

Derecognition of financial liabilities

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expired. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the statement of profit or loss.

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d) Property, plant and equipment (PPE)

Presentation

Property, plant and equipment are stated at cost, net of accumulated depreciation and accumulated impairment losses, if any. Such cost includes the cost of replacing part of the plant and equipment and borrowing costs of a qualifying asset, if the recognition criteria are met. When significant parts of plant and equipment are required to be replaced at intervals, the Company depreciates them separately based on their specific useful lives. All other repair and maintenance costs are recognised in profit or loss as incurred.

Advances paid towards the acquisition of tangible assets outstanding at each balance sheet date, are disclosed as capital advances under long term loans and advances and the cost of the tangible assets not ready for their intended use before such date, are disclosed as capital work in progress.

Derecognition

Gains or losses arising from derecognition of property, plant and equipment are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognized in the statement of profit and loss when the asset is derecognized.

Depreciation on property, plant and equipment

Depreciation is the systematic allocation of the depreciable amount of an asset over its useful life.

Assets Category	Estimated useful life (in years)
Office Equipment	5

The Useful life is as per the companies Act

Depreciation for PPE on additions is calculated on pro-rata basis from the date of such additions. For deletion/ disposals, the depreciation is calculated on pro-rata basis up to the date on which such assets have been discarded/ sold. Additions to fixed assets, costing Rs.5,000 each or less are fully depreciated retaining its residual value.

The residual values, estimated useful lives and methods of depreciation of property, plant and equipment are reviewed at each financial year end and adjusted prospectively, if appropriate.

e) Intangible assets

Internally generated intangible asset are measured on initial recognition at cost. The cost comprises of all directly attributable costs necessary to create, produce, and prepare the asset to be capable of operating in the manner intended by management.

Subsequent to initial recognition, internally-generated intangible assets are reported at cost less accumulated amortisation and accumulated impairment losses, on the same basis as intangible assets that are acquired separately.

Useful life and amortisation of intangible assets

The useful lives of intangible assets are assessed as either finite or indefinite. Intangible assets with finite lives are amortised over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at least at the end of each reporting period.

The amortisation expense on intangible assets with finite lives is recognised in the statement of profit and loss unless such expenditure forms part of carrying value of another asset.

Assets Category	Estimated useful life (in years)
Content Development Cost	2

Intangible under development

Costs incurred during research phase are charged to profit or loss in the year in which they are incurred. Development phase expenses are initially recognized as intangible assets under development until the development phase is complete, upon which the amount is capitalized as intangible asset.

f) 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.

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g) Taxes

Current income tax

Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date in the countries where the Company operates and generates taxable income.

Current income tax relating to items recognised outside profit or loss is recognised outside profit or loss (either in other comprehensive income or in equity). Current tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

Deferred tax

Deferred tax is provided using the liability method on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date.

Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised. Where there is deferred tax assets arising from carry forward of unused tax losses and unused tax created, they are recognised to the extent of deferred tax liability.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are re-assessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

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

Deferred tax relating to items recognised outside profit or loss is recognised outside profit or loss (either in other comprehensive income or in equity). Deferred tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity.

Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

h) Provisions, contingent liabilities and contingent asset

Provisions

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

Provisions are discounted, if the effect of the time value of money is material, using pre-tax rates that reflects the risks specific to the liability. When discounting is used, an increase in the provisions due to the passage of time is recognised as finance cost. These provisions are reviewed at each Balance Sheet date and adjusted to reflect the current best estimates.

Necessary provision for doubtful debts, claims, etc., are made if realisation of money is doubtful in the judgement of the management.

A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the company or a present obligation that is not recognized because it is not probable that an outflow of resources will be required to settle the obligation. A contingent liability also arises in extremely rare cases where there is a liability that cannot be recognized because it cannot be measured reliably. Contingent liabilities are disclosed separately.

Show cause notices issued by various Government authorities are considered for evaluation of contingent liabilities only when converted into demand.

Where an inflow of economic benefits is probable, the Company discloses a brief description of the nature of the contingent assets at the end of the reporting period, and, where practicable, an estimate of their financial effect. Contingent assets are disclosed but not recognised in the Special Purpose interim financial statements.

i) Cash and cash equivalents

Cash comprises cash in hand and demand deposits with banks. Cash equivalents are short-term balances with original maturity of less than 3 months, highly liquid investments that are readily convertible into cash, which are subject to insignificant risk of changes in value.

j) Cash flow statement

Cash flows are presented using indirect method, whereby profit/ (loss) before tax is adjusted for the effects of transactions of non-cash nature and any deferrals or accruals of past or future cash receipts or payments.

Bank borrowings are generally considered to be financing activities. However, where bank overdrafts which are repayable on demand form an integral part of an entity's cash management, bank overdrafts are included as a component of cash and cash equivalents for the purpose of cash flow statement.

k) Earnings per share

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

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

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l) Leases

The Company assesses whether a contract contains a lease, at inception of a contract. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Company assesses whether:
(i) the contract involves the use of an identified asset
(ii) the Company has substantially all of the economic benefits from use of the asset through the period of the lease and
(iii) the Company has the right to direct the use of the asset.

At the date of commencement of the lease, the Company recognizes a right-of-use asset ("ROU") and a corresponding lease liability for all lease arrangements in which it is a lessee, except for leases with a term of twelve months or less (short-term leases) and low value leases. For these short-term and low value leases, the Company recognizes the lease payments as an operating expense on a straight-line basis over the term of the lease. Certain lease arrangements includes the options to extend or terminate the lease before the end of the lease term. ROU assets and lease liabilities includes these options when it is reasonably certain that they will be exercised. The right-of-use assets are initially recognized at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or prior to the commencement date of the lease plus any initial direct costs less any lease incentives. They are subsequently measured at cost less accumulated depreciation and impairment losses.

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

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

m) 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.

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n) Financial instruments

Financial assets

(i) Initial recognition and measurement:
All financial assets are initially recognised at fair value. Transaction costs that are directly attributable to the acquisition of financial assets , which are not at fair value through profit or loss, are added to the fair value on initial recognition. Purchase and sale of financial assets are recognised using trade date accounting.

(ii) Subsequent measurement:
-Financial assets carried at amortised cost (AC)
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 (FVTOCI)
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 (FVTPL)
A financial asset which is not classified in any of the above categories are fair valued through profit or loss.

(iii) Impairment of financial assets
In accordance with Ind AS 109, the Company use 'Expected Credit Loss' (ECL) model, for evaluating impairment assessment of financial assets other than those measured at fair value through profit and loss (FVTPL). Expected credit losses are measured through a loss allowance at an amount equal to:

a) The 12-months expected credit losses (expected credit losses that result from those default events on the financial instrument that are possible within 12 months after the reporting date); or

b) Full lifetime expected credit losses (expected credit losses that result from all possible default events over the life of the financial instrument)

For trade receivables Company applies 'simplified approach' which requires expected lifetime losses to be recognised from initial recognition of the receivable. Further the Company uses historical default rates to determine impairment loss on the portfolio of the trade receivables. At every reporting date these historical default rates are reviewed and changes in the forward looking estimates are analysed. For other assets, the Company uses 12 months ECL to provide for impairment loss where there is no significant increase in credit risk. If there is significant increase in credit risk full lifetime ECL is used.

Financial liabilities

(i) Initial recognition and measurement:
All financial liabilities are recognized initially at fair value and in case of loans net of directly attributable cost. Fees of recurring nature are directly recognised in profit or loss as finance cost.

(ii) Subsequent measurement:
Financial liabilities are carried at amortized 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.

3A Critical accounting judgements and key sources of estimation uncertainty :

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:

- Fair value of financial assets and financial liabilities
- Useful life of intangible assets under development
- Going Concern Assessment
- Provision for taxation

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(All amounts are in lakhs of Indian Rupees, unless otherwise stated)

4 Property, Plant and Equipment

Particulars	Tangible Assets		Intangible Assets	
	Office Equipment	Total	Content Cost	Total
Gross carrying value				
Balance as at March 31, 2021	-	-	-	-
Additions	0.09	0.09	36.72	36.72
Disposals	-	-	-	-
Balance as at September 30, 2021	**0.09**	**0.09**	**36.72**	**36.72**
Accumulated Depreciation				
As at March 31, 2021	-	-	-	-
Additions	-	-	2.26	2.26
Disposals	-	-	-	-
As at September 30, 2021	-	-	**2.26**	**2.26**
Net Block				
As at September 30, 2021	**0.09**	**0.09**	**34.46**	**34.46**

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5 Intangible assets under development

Particulars	As at September 30, 2021
Content development cost	32.43
	32.43

Particulars	As at September 30, 2021				
	To be completed in				
Intangible assets under development	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
Content development Cost					
Projects in progress	32.43	-	-	-	32.43
Projects suspended	-	-	-	-	-

6 Other non-current assets

Particulars	As at September 30, 2021
Capital advances	30.36
*(Refer Note 31)	**30.36**

7 Deferred tax asset - net

Particulars	As at September 30, 2021
Deferred tax liability	
On property plant and equipment	0.07
	0.07
Deferred tax asset	
On expenses allowable on payment basis	(0.07)
	(0.07)
Net deferred tax asset	-

The company has commenced its operation in Financial Year 2020-21. Therefore, based on assessment of probability of taxable profits against which the deferred tax asset pertaining to unabsorbed business loss and depreciation loss accounting to Rs.65.68 lakhs can be utilised, the company has not recognized deferred tax asset thereon. The company shall continue to assess the recoverability of such deferred tax asset at the end of every reporting period.

8 Inventories

Particulars	As at September 30, 2021
Valued at lower of cost and Net Realisable value unless otherwise stated	
Packing Materials	0.59
Stock in Trade (Books)	29.03
	29.62

9 Cash and cash equivalents

Particulars	As at September 30, 2021
Balances with banks in current accounts	9.73
Cash in hand	0.07
	9.80

10 Other Financials Assets

Particulars	As at September 30, 2021
(Unsecured, considered good)	
Security deposit	4.55
	4.55

11 Other current assets

Particulars	As at September 30, 2021
(Unsecured, considered good)	
Prepaid expenses	4.98
Balance With Government Authorities	33.22
Advance to Vendors (other than Capital Advances)	2.15
	40.35

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12 Share capital

Particulars	As at September 30, 2021
Authorised share capital	
1,00,000 Equity Shares of Rs.10/- each	10.00
	10.00
Issued share capital	
1,00,000 Equity Shares of Rs.10/- each	1.00
	1.00
Subscribed and fully paid up share capital	
1,00,000 Equity Shares of Rs.10/- each	1.00
	1.00

Notes:

i) Reconciliation of equity shares as at the beginning & at end of the reporting period

Particulars	As at September 30, 2021	
	No of Shares	Amount
Balance as at the beginning of the period	10,000	1.00
Issued during the period	-	-
Balance at the end of the period	**10,000**	**1.00**

ii) Rights, preferences and restrictions in respect of equity shares issued by the Company

a. The company has issued only one class of equity shares having a par value of Rs. 10 each. The equity shares of the company having par value of Rs.10/- rank pari-passu in all respects including voting rights.

b. The Company has not declared dividend on equity shares.

c. In the event of liquidation, shareholders will be entitled to receive the remaining assets of the company after distribution of all preferential amounts. The distribution will be proportionate to the number of equity shares held by the shareholder.

iii) Shares held by holding company, its subsidiaries and associates

Name of the share holder	As at September 30, 2021	
	No of shares	% of Holding
Veranda Learning Solutions Limited (formerly known as Veranda Learning Solutions Private Limited)	9,999	99.99%
K. Praveen Kumar*	1	0.01%

*shares held on behalf of Veranda Learning Solutions Limited (formerly Veranda Learning Solutions Private Limited)

iv) Shareholders holding more than 5% of the total share capital

Name of the share holder	As at September 30, 2021	
	No of shares	% of Holding
Veranda Learning Solutions Limited (formerly known as Veranda Learning Solutions Private Limited)	9,999	99.99%

(v) Shareholding of promoters*

Name of the promotor	As at September 30, 2021		
	No of shares	% of Holding	% Change during the year
Kalpathi S Aghoram	-	0.00%	Nil
Kalpathi S Ganesh	-	0.00%	Nil
Kalpathi S Suresh	-	0.00%	Nil

* Promoter as defined under the Companies Act, 2013 has been considered for the purpose of disclosure.

13 Other equity

Particulars	As at September 30, 2021
Retained Earnings	(252.63)
	(252.63)
a) Retained Earnings	
Balance at the beginning of the period	(6.82)
Total comprehensive loss for the period	(245.81)
Balance at the end of the period	**(252.63)**

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14 Long Term Provisions

Particulars	As at September 30, 2021
Provision for Gratuity	0.09
Provision for Leave Encashment	0.16
	0.25

15 Short term borrowings

Particulars	As at September 30, 2021
Loan repayable on demand (Refer Note 15.1)	
From related parties (Unsecured)	
Veranda Learning Solutions Limited (formerly known as Veranda Learning Solutions Private Limited)	213.46
	213.46

15.1 The inter corporate loans borrowed from holding company at an interest rate of 7% and repayable on demand (unsecured).

16 Trade payables

Particulars	As at September 30, 2021
Total outstanding dues of creditors of micro and small enterprises**	14.41
Total outstanding dues of creditors other than micro and small enterprises	177.08
	191.49

** Dues to Micro and Small Enterprises have been determined to the extent such parties have been identified on the basis of information collected by the management represents the principal amount payable to these enterprises. There are no interest due and outstanding as at the reporting date. Refer Note 30.

Particulars	As on 30 September 2021				
	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	14.41	-	-	-	**14.41**
(ii) Undisputed dues - Others	177.08	-	-	-	**177.08**
(iii) Disputed dues – MSME	-	-	-	-	-
(iv) Disputed dues - Others	-	-	-	-	-

17 Other financial liabilities

Particulars	As at September 30, 2021
Accrued Expenses	3.29
Advance from customers	0.57
Contractually reimbursable expenses	9.90
	13.76

18 Short Term Provisions

Particulars	As at September 30, 2021
Provision for Gratuity *	-
Provision for Leave Encashment	0.02
	0.02

19 Other current liabilities

Particulars	As at September 30, 2021
Statutory dues	7.07
Deferred Revenue	7.24
	14.31

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20 Revenue from Operations

Particulars	For the half year ended 30 September 2021
Sale of Online courses	-
Other Operating Revenue	
Shipping Revenue	-
	-

20.1 Disaggregated Revenue

The Company derives revenue from transfer of goods and services over time and at a point in time as given below:
Timing of recognition:

Particulars	For the half year ended 30 September 2021
At a point in time	
Sale of Online Courses	-
Shipping Revenue	-
	-

20.2 Reconciliation of revenue with contract price

Particulars	For the half year ended 30 September 2021
Contract Price	
Sale of Online Courses	-
Shipping Revenue	-
Adjustments:	
Discounts	-
Prepaid Income	-
	-

21 Cost of materials consumed

Particulars	For the half year ended 30 September 2021
Opening Stock of Packing Material	-
Purchase of Packing Material	-
Less : Closing Stock of Packing Material	(0.59)
	(0.59)

22 Purchase of Stock - in - trade

Particulars	For the half year ended 30 September 2021
Stock - Books	29.27
	29.27

23 Changes in inventory of stock - in - trade

Particulars	For the half year ended 30 September 2021
Stock - in - trade	
Opening Stock of Books	-
Less : Closing Stock of Books	(29.03)
	(29.03)

24 Finance costs

Particulars	For the half year ended 30 September 2021
Interest on borrowings	3.44
Interest on MSME	0.02
	3.46

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(All amounts are in lakhs of Indian Rupees, unless otherwise stated)

25 Depreciation and Amortization Expense

Particulars	For the half year ended 30 September 2021
Depreciation on property, plant and equipment (Refer Note 4)	-
Amortisation on Intangible asset (Refer Note 4)	2.26
	2.26

26 Employee Benefits expense

Particulars	For the half year ended 30 September 2021
Salaries, wages & Bonus	9.17
Contribution to Provident and other funds (Refer note 36)	0.16
Staff welfare expenses	0.04
Gratuity Expenses (Refer note 36)	0.09
	9.46

27 Other expenses

Particulars	For the half year ended 30 September 2021
Share of common expenses	85.36
Share of studio expenses	3.11
Power and fuel	2.26
Rent	16.04
Faculty Content cost	28.00
Advertisement Expense	58.85
Repairs & maintenance	2.78
Rates and taxes	0.95
Subscription charges	1.11
Travelling expenses	6.20
Printing & Sationary	0.28
Communication Expenses	0.73
Payment to auditors *	1.00
Legal and professional Charges	12.64
Manpower charges	9.00
Security charges	0.82
Miscellaneous expenses	1.85
	230.98

*** Payment to Auditors**

Auditors Remuneration	For the half year ended 30 September 2021
Statutory Audit	1.00
Tax Audit	-
Out of pocket expenses	-
	1.00

28 Tax expense:

Particulars	For the half year ended 30 September 2021
Deferred tax	
Deferred tax expenses	-
	-

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(All amounts are in lakhs of Indian Rupees, unless otherwise stated)

a) Movement of deferred tax expense during the period ended September 30, 2021

Deferred tax liabilities/(assets) in relation to:	Opening balance	Recognised in profit or loss	Recognised in OCI	Closing balance
Property, plant, and equipment and Intangible Assets	-	0.07	-	0.07
On expenses allowable on payment basis	-	(0.07)	-	(0.07)
	-	-	-	-

Reconciliation of accounting profits	For the half year ended 30 September 2021
Accounting (loss) before tax	(245.81)
Income tax rate	26.00%
At statutory income tax rate	(63.91)
Non - deductible expenses for tax purposes	
Property, plant, and equipment and Intangible Assets	0.07
On expenses allowable on payment basis	(0.07)
Deferred tax not considered on business loss	63.91
At the effective income tax rate	
Income tax expenses reported in the statement of profit and loss	-

This is the first year of commercial operation of the Company. Therefore, based on assessment of probability of taxable profits against which the deferred tax asset pertaining to unabsorbed business loss amounting to Rs. 65.68 lakhs can be utilised, the company has not recognized deferred tax asset thereon. The company shall continue to assess the recoverability of such deferred tax asset at the end of every reporting period.

29 Loss per share

Particulars	For the half year ended 30 September 2021
Loss for the period attributable to owners of the Company	(6.82)
Weighted average number of ordinary shares outstanding	10,000
Basic loss per share (Rs)	(68.20)
Diluted loss per share (Rs)	(68.20)

30 Disclosures required by the Micro and Small Enterprises Development (MSMED) Act, 2006 are as under

Particulars	For the half year ended 30 September 2021
(a) The principal amount remaining unpaid at the end of the	14.41
(b) The delayed payments of principal amount paid beyond the appointed date during the period	-
(c) Interest actually paid under Section 16 of MSMED Act	-
(d) Normal Interest due and payable during the period, as per the agreed terms	0.02
(e) Total interest accrued during the period and remaining unpaid	0.02

*There are micro, small and medium enterprises to whom the company owes dues which are outstanding for more than 45 days at the Balance Sheet date, computed on unit wise basis.

**The above information has been determined to the extent such parties have been identified on the basis of information available with the Company.

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31 Contingent liabilities & commitments

Particulars	As at September 30, 2021
Contingent liabilities	-
Commitments (Refer Note 41)	129.05

31.1 The Company has signed a Term Sheet on 5th March 2021 with an Academy, which operates on the similar line of activity as that of the Company, for acquiring its training business under slump sale basis, including arrangements with colleges / educational institutions, subject to the terms and conditions as mentioned in the term sheet and due diligence.

The Company has also entered into content development agreement on 5th March 2021 with this Academy and paid advance of Rs. 25.64 Lakhs (excluding GST) as on 30 September, 2021. Total contract value as per terms of the agreement is Rs. 193.37 Lakhs (excluding GST) and Capital commitment outstanding disclosed under Note 31 is Rs. 129.05 Lakhs .

32 Operating segments

Operating segments reflect the Company's management structure and the way the financial information is regularly reviewed by the Company's Chief Operating Decision Maker (CODM). The CODM considers the business from both business and product perspective based on the dominant source, nature of risks and returns and the internal organisation and management structure. The operating segments are the segments for which separate financial information is available and for which operating profit / (loss) amounts are evaluated regularly by the executive Management in deciding how to allocate resources and in assessing performance. The Company's operations predominantly relates to sale of comprehensive learning programs and, accordingly, this is the only operating segment.

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33 Financial instruments

Capital management

The Company manages its capital to ensure that entities in the Company will be able to continue as going concern, while maximising the return to stakeholders through the optimisation of the debt and equity balance.

The Company determines the amount of capital required on the basis of annual operating plans and long-term product and other strategic investment plans. The funding requirements are met through equity, long-term borrowings and other short-term borrowings.

For the purposes of the Company's capital management, capital includes issued capital and all other equity reserves attributable to the equity holders.

Gearing ratio:	September 30,2021
Debt	213.46
Less: Cash and bank balances	9.80
Net debt	**203.66**
Total equity	(251.63)
Net debt to equity ratio (%)	(80.94%)

Credit risk management

Credit Risk on cash and cash equivalents is generally low as they have been held with the banks/financial institutions, who have been assigned high credit rating by international and domestic rating agencies.

Liquidity risk management

Management monitors rolling forecasts of the company's liquidity position and cash and cash equivalents on the basis of expected cash flows. The company's liquidity management policy involves projecting cash flows and considering the level of liquid assets necessary to meet these, monitoring balance sheet liquidity ratios against internal requirements.

Liquidity tables

The following tables detail the Company's remaining contractual maturity for its non-derivative 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.

	September 30,2021			
Particulars	**Due in 1st year**	**Due in 2nd to 5th year**	**Due after 5th year**	**Carrying amount**
Borrowings (Fixed rate instruments)	213.46	-	-	213.46
Trade payables (Non - interest bearing)	191.49	-	-	191.49
Other financial liabilities (Non - interest bearing)	13.76	-	-	13.76
	418.71	-	-	**418.71**

	September 30,2021
Fair value of financial assets and financial liabilities that are not measured at fair value (but fair value disclosures are required):	Nil

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(All amounts are in lakhs of Indian Rupees, unless otherwise stated)

34 Fair value measurements

Financial instruments measured at amortised cost

Financial assets	**Note**	**Hierarchy**	**September 30,2021**
Other financial assets	10	NA	4.55
Cash and cash equivalents	9	NA	9.80
Total financial assets			**14.35**

Financial liabilities	**Note**	**Hierarchy**	**September 30,2021**
Borrowings	15	NA	213.46
Trade payables	16	NA	191.49
Other financial liabilities	17	NA	13.76
Total financial liabilities			**418.71**

Fair value measurement

This section explains the judgements and estimates made in determining the fair values of the financial instruments that are (a) recognised and measured at fair value and (b) measured at amortised cost and for which fair values are disclosed in the Special Purpose financial statements.

To provide an indication about the reliability of the inputs used in determining fair value, the Company has classified its financial instruments into the three levels prescribed under the accounting standard. An explanation of each level is as under:

Level 1: Level 1 hierarchy includes financial instruments measured using quoted prices. This includes listed equity instruments, traded bonds and mutual funds that have quoted price. The fair value of all equity instruments (including bonds) which are traded in the stock exchanges is valued using the closing price as at the reporting period. The mutual funds are valued using the closing NAV.

Level 2: The fair value of financial instruments that are not traded in an active market (for example, traded bonds, over-the-counter derivatives) is determined using valuation techniques which maximise the use of observable market data and rely as little as possible on entity-specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.

Level 3: If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3. This is the case for unlisted equity securities, contingent consideration and indemnification asset included in level 3.

Valuation technique used to determine fair value

Specific valuation techniques used to value financial instruments include:

-the use of quoted market prices or dealer quotes for similar instruments

-the fair value of the remaining financial instruments is determined using discounted cash flow analysis.

The carrying amounts of trade receivables, trade payables, cash and cash equivalents and other current financial liabilities are considered to be the same as their fair values, due to their short-term nature.

For financial assets and liabilities that are measured at fair value, the carrying amounts are equal to the fair values.

The external borrowing rate of the Company has been taken as the discount rate used for determination of fair value.

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35 Related party transactions and disclosures

a) List of related parties

Entities having control or controlled by the Company

Holding company

Veranda Learning Solutions Limited (formerly known as Veranda Learning Solutions Private Limited) — (Since February 26, 2021)

Fellow subsidiary companies

Veranda Race Learning Solutions Private Limited (formerly Bharathiyar Education Services Private Limited) — (Since February 26, 2021)

Veranda XL Learning Solutions Private Limited (formerly known as Veranda Excel Learning Solutions Private Limited) — (Since February 26, 2021)

Key management personnel (KMP) and their relatives

Sri. K Praveen Kumar — Director

Sri. R Rangarajan — Director

b) Transactions during the period

S.No.	Nature of transactions	Amount For the half year ended 30 September 2021
1	**Loans taken from holding company**	
	Veranda Learning Solutions Limited	163.46
2	**Interest on borrowings**	
	Veranda Learning Solutions Limited (formerly known as Veranda Learning Solutions Private Limited)	3.44
3	**Cross charge of Common Expenses**	
	Veranda Learning Solutions Limited (formerly known as Veranda Learning Solutions Private Limited)	85.36
4	**Cross charge of Studio Expenses**	
	Veranda Learning Solutions Limited (formerly known as Veranda Learning Solutions Private Limited)	3.11

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c) Balance outstanding at the period end

S.No.	Nature of transactions	Amount
		As at September 30, 2021
1	**Loans taken from holding company**	
	Veranda Learning Solutions Limited (formerly known as Veranda Learning Solutions Private Limited)	213.46
2	**Contractually Reimbursable expenses**	
	Veranda Learning Solutions Ltd - Reimbursement	9.90
3	**Interest payable**	
	Veranda Learning Solutions Limited (formerly known as Veranda Learning Solutions Private Limited)	3.44

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36 Retirement benefit plans

36.1 Defined Contribution plans

The Group has defined contribution plan of provident fund. Additionally, the Group also provides, for covered employees, health insurance through the employee state insurance scheme.

Contributions are made to provident fund in India for employees at the rate of 12% of basic salary as per regulations. The obligation of the Group is limited to the amount of disbursement required and it has no further contractual nor any constructive obligation. The obligation of the Group is limited to the amount of disbursement required and it has no further contractual nor any constructive obligation. The Group has recognized in the Statement of Profit and Loss for the period ended Septemer 30, 2021 an amount of Rs. 0.16 Lakhs towards expenses under defined contribution plans and included in 'Contribution to provident and other funds'.

36.2 Defined benefit plans

(a) Gratuity

Gratuity is payable as per Payment of Gratuity Act, 1972. In terms of the same, gratuity is computed by multiplying last drawn salary (basic salary including dearness Allowance if any) by completed years of continuous service with part thereof in excess of six months and again by 15/26. The Act provides for a vesting period of 5 years for withdrawal and retirement and a monetary ceiling on gratuity payable to an employee on separation, as may be prescribed under the Payment of Gratuity Act, 1972, from time to time. However, in cases where an enterprise has more favourable terms in this regard the same has been adopted.

These plans typically expose the Group to actuarial risks such as: investment risk, interest rate risk and salary risk.

Interest risk	A decrease in the bond interest rate will increase the plan liability. However, this will be partially offset by an increase in the return on the plan's debt investments.
Longevity risk	The present value of the defined benefit plan liability is calculated by reference to the best estimate of the mortality of plan participants both during and after their employment. An increase in the life expectancy of the plan participants will increase the plan's liability.
Salary risk	The present value of the defined benefit plan liability is calculated by reference to the future salaries of plan participants. As such, an increase in the salary of the plan participants will increase the plan's liability.

The principal assumptions used for the purposes of the actuarial valuations were as follows:

Particulars	September 30,2021
Attrition rate	5.00%
Discount Rate	6.44%
Rate of increase in compensation level	6.00%

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

Amounts recognised in total comprehensive income in respect

Particulars	September 30,2021
Current service cost	0.09
Net interest expense	-
Return on plan assets (excluding amounts included in net interest expense)	-
Components of defined benefit costs recognised in profit or loss	**0.09**
Remeasurement on the net defined benefit liability comprising:	
Actuarial (gains)/losses recognised during the period	-
Components of defined benefit costs recognised in other comprehensive income	-
	0.09

The current service cost and the net interest expense for the year are included in the 'employee benefits expense' in profit or loss.
The actuarial gain/ loss on remeasurement of the net defined benefit liability is included in other comprehensive income.

The amount included in the balance sheet arising from the Group's obligation in respect of its defined benefit plans is as follows:

Particulars	September 30,2021
Present value of defined benefit obligation	0.09
Fair value of plan assets	-
Net liability arising from defined benefit obligation	**0.09**
Funded	-
Unfunded	0.09
	0.09

The above provisions are reflected under Provision for gratuity (Short-term provisions)(Refer Note:18)

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Movements in the present value of the defined benefit obligation in the current year were as follows:

Particulars	September 30,2021
Opening defined benefit obligation	-
Current service cost	0.09
Past service cost - (vested benefit)	-
Interest cost	-
Actuarial (gains)/losses	-
Benefits paid	-
Closing defined benefit obligation	**0.09**

Movements in the fair value of the plan assets in the current year were as follows:

Particulars	September 30,2021
Opening fair value of plan assets	-
Expected return on assets	-
Contributions	-
Benefits paid	-
Expected return on plan assets (excluding amounts included in net interest expense)	-
Closing fair value of plan assets	-

Defined benefit obligation sensivities were as follows:

Particulars	September 30,2021
1) DBO - Base assumptions	0.09
2) Discount rate: +1%	0.08
3) Discount rate: -1%	0.11
4) Salary escalation rate: +1%	0.11
5) Salary escalation rate: -1%	0.08
6) Attrition rate: 25% increase	0.09
7) Attrition rate: 25% decrease	0.10

Assumptions regarding future mortality are set based on actuarial advice in accordance with published statistics and experience. The estimates of future salary increases, considered in actuarial valuation, take into account, inflation, seniority, promotions and other relevant factors such as demand and supply in the employment market.

36.3 Compensated absences

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

	September 30, 2021 (Amount in lakhs)	
Particulars	**Current**	**Non-current**
Compensated absences	0.02	0.16

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(All amounts are in lakhs of Indian Rupees, unless otherwise stated)

37 Estimation of uncertainties relating to the global health pandemic from COVID-19

The Company has made detailed assessment of its liquidity position for the next year and the recoverability and carrying value of its assets comprising other assets. Based on current indicators of future economic conditions, the Company expects to recover the carrying amount of these assets. The situation is changing rapidly giving rise to inherent uncertainty around the extent and timing of the potential future impact of the COVID-19 which may be different from that estimated as at the date of approval of the financial results. The Company will continue to closely monitor any material changes arising of future economic conditions and impact on its business.

38 Ratio analysis

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

Particulars	September 30, 2021
Current assets	84.32
Current liabilities	433.04
Ratio	**0.19**

The Company was incorporated on February 26, 2021. These special purpose interim financial statements are for the period April 01, 2021 to September 30, 2021 as stated in Note 1. Hence the change in ratios of more than 25% is not comparable to the previous period.

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

Particulars	September 30, 2021
Total debt	213.46
Total equity	(251.63)
Ratio	**(0.85)**

The Company was incorporated on February 26, 2021. These special purpose interim financial statements are for the period April 01, 2021 to September 30, 2021 as stated in Note 1. Hence the change in ratios of more than 25% is not comparable to the previous period.

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

Particulars	September 30, 2021
Loss for the period*	(245.81)
Add: Non cash expenses and finance costs	5.72
Depreciation and amortization expense	2.26
Finance costs	3.46
Earnings available for debt services	(240.09)
Interest cost on borrowings	3.44
Total interest and principal repayments	3.44
Ratio	**(69.79)**

*Loss for the half period ended September 30, 2021 were not annualized.

The Company was incorporated on February 26, 2021. These special purpose interim financial statements are for the period April 01, 2021 to September 30, 2021 as stated in Note 1. Hence the change in ratios of more than 25% is not comparable to the previous period.

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Notes to Special Purpose interim financial statements for the half year ended September 30, 2021

(All amounts are in lakhs of Indian Rupees, unless otherwise stated)

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

Particulars	September 30, 2021
Loss for the period*	(245.81)
Total Equity	(251.63)
Ratio	**0.98**

*Loss for the half period ended September 30, 2021 were not annualized.

The Company was incorporated on February 26, 2021. These special purpose interim financial statements are for the period April 01, 2021 to September 30, 2021 as stated in Note 1. Hence the change in ratios of more than 25% is not comparable to the previous period.

e) **Inventory Turnover Ratio = Changes in inventory divided by closing inventory**

Particulars	September 30, 2021
Changes in inventory	(29.03)
Closing Inventory	29.62
Ratio	**(0.98)**

The Company was incorporated on February 26, 2021. These special purpose interim financial statements are for the period April 01, 2021 to September 30, 2021 as stated in Note 1. Hence the change in ratios of more than 25% is not comparable to the previous period.

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

Particulars	September 30, 2021
Credit sales	-
Closing trade receivables	-
Ratio	-

The Company was incorporated on February 26, 2021. These special purpose interim financial statements are for the period April 01, 2021 to September 30, 2021 as stated in Note 1. Hence the change in ratios of more than 25% is not comparable to the previous period.

g) **Trade payables turnover ratio = Purchases divided by closing trade payables**

Particulars	September 30, 2021
Purchases	29.27
Closing trade payables	191.49
Ratio	**0.15**

The Company was incorporated on February 26, 2021. These special purpose interim financial statements are for the period April 01, 2021 to September 30, 2021 as stated in Note 1. Hence the change in ratios of more than 25% is not comparable to the previous period.

h) **Net capital Turnover Ratio =Revenue from Operations divided by Net Working capital**

Particulars	September 30, 2021
Revenue from operations*	-
Net Working Capital	(348.72)
Ratio	-

*Loss for the half period ended September 30, 2021 were not annualized.

The Company was incorporated on February 26, 2021. These special purpose interim financial statements are for the period April 01, 2021 to September 30, 2021 as stated in Note 1. Hence the change in ratios of more than 25% is not comparable to the previous period.

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Notes to Special Purpose interim financial statements for the half year ended September 30, 2021

(All amounts are in lakhs of Indian Rupees, unless otherwise stated)

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

Particulars	September 30, 2021
Loss for the period*	(245.81)
Revenue from operations	-
Ratio	-

*Loss for the half period ended September 30, 2021 were not annualized.

The Company was incorporated on February 26, 2021. These special purpose interim financial statements are for the period April 01, 2021 to September 30, 2021 as stated in Note 1. Hence the change in ratios of more than 25% is not comparable to the previous period.

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

Particulars	September 30, 2021
(Loss) before tax* (A)	(245.81)
Finance Costs* (B)	3.46
Other income* (C)	-
EBIT (D) = (A)+(B)-(C)	**(242.35)**
Capital Employed- Pre Cash (J)=(E)-(F)-(G)-(H)-(I)	**(261.18)**
Total Assets (E)	181.66
Current Liabilities (F)	433.04
Current Investments (G)	-
Cash and Cash equivalents (H)	9.80
Bank balances other than cash and cash equivalents (I)	-
Ratio (D/J)	**0.93**

*Loss for the half period ended September 30, 2021 were not annualized.

The Company was incorporated on February 26, 2021. These special purpose interim financial statements are for the period April 01, 2021 to September 30, 2021 as stated in Note 1. Hence the change in ratios of more than 25% is not comparable to the previous period.

39 Going concern

The Company commenced operations only in Financial Year 2021 and is also in the process of developing further content for expanding their offerings and customer base. Based on the business projection for FY 2021-22, the Company is expected to have adequate funds to meet its obligation as they occur. Further, the Holding Company [Veranda Learning Solutions Limited (formerly Veranda Learning Solutions Private Limited)] has provided a letter of continued financial support up to 31 December, 2022. Therefore, despite erosion in the networth of the Company, onsidering 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.

40 Approval of accounts

The Special Purpose interim financial statements for the half period ended September 30, 2021 were approved by the Board of Directors and authorised for issuance on 22 December, 2021.

For and on behalf of the Board of Directors

K Praveen Kumar
Director

R Rangarajan
Director

Place : Chennai
Date : 22 December, 2021

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