

Veranda Learning Solutions Limited
(Formerly known as Veranda Learning Solutions Private Limited)
Special Purpose Consolidated Balance Sheet
(All amounts are in Lakhs of Indian Rupees, unless otherwise stated)

Particulars	Notes	As at 30 September 2021
1. ASSETS		
(1) Non-current assets		
(a) Property, plant and equipment	4	160.47
(b) Intangible Assets	4	8,828.44
(c) Right of use Assets	5	42.03
(d) Intangible Assets under development	6	144.94
(e) Goodwill on Consolidation	7	17,068.09
(f) Deferred Tax assets (net)	8	82.41
(g) Income Tax assets	9	178.89
(h) Other Non Current Assets	10	30.36
Total non-current assets		26,535.63
2. Current assets		
(a) Inventories	11	76.94
(b) Financial assets		
(i) Trade receivables	12	434.69
(ii) Cash and cash equivalents	13	1,983.42
(iii) Bank balances other than (ii) above	13	133.78
(iv) Other financial assets	14	299.02
(c) Current Tax assets (net)	15	56.42
(d) Other current assets	16	1,216.82
Total current assets		4,201.09
Total Assets		30,736.72
11. EQUITY AND LIABILITIES		
1. Equity		
(a) Equity share capital	17	3,760.00
(b) Other equity	18	(1,489.26)
Total equity		2,270.74
2. Liabilities		
Non-current liabilities		
(a) Provisions	19	90.55
(b) Financial liabilities		
(i) Borrowings	20	12,377.87
(ii) Other Financial Liabilities	21	2,390.26
(c) Deferred tax liabilities (net)	8	2,132.56
Total non-current liabilities		16,991.24
3. Current liabilities		
(a) Financial liabilities		
(i) Borrowings	22	4,141.99
(ii) Trade payables	23	
(a) Total outstanding dues of Micro Enterprises and Small Enterprises		80.17
(b) Total outstanding dues of creditors other than Micro Enterprises and Small Enterprises		2,798.24
(iii) Lease Liabilities	5	51.40
(iv) Other Financial Liabilities	24	2,618.70
(b) Provisions	25	32.70
(c) Other current liabilities	26	1,751.54
Total current liabilities		11,474.74
Total liabilities		28,465.98
Total Equity and Liabilities		30,736.72

See accompanying notes forming part of the special purpose consolidated 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

Kalpathi S Suresh
Kalpathi S Suresh
Executive Director cum Chairman

R Rangarajan
R Rangarajan
Chief Financial Officer

M Anantharamkrishnan
M Anantharamkrishnan
Company Secretary

Place: Chennai
Date: 22 December 2021

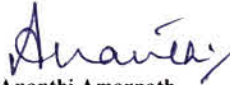
Veranda Learning Solutions Limited
(Formerly known as Veranda Learning Solutions Private Limited)
Special Purpose Consolidated Statement of Profit and Loss
 (All amounts are in Lakhs of Indian Rupees, unless otherwise stated)

Particulars	Notes	For the half year ended 30 September 2021
A Revenue		
Revenue from operations	27	1,546.25
Other income	28	19.79
Total Revenue		1,566.04
B Expenses		
(a) Cost of Materials consumed	29	1.11
(b) Purchase of Stock - in - trade	30	68.48
(c) Changes in Inventory of Stock - in - trade	31	(3.89)
(d) Employee benefits expense	32	717.75
(e) Finance Costs	33	136.72
(f) Depreciation and amortization expense	34	205.85
(g) Other expenses	35	2,287.90
Total expenses		3,413.92
C Loss before tax		(1,847.88)
Tax Expense		
(a) Current Tax		
(b) Deferred Tax	36	(20.81)
Total Tax Expense		(20.81)
Loss for the period		(1,827.07)
D Other comprehensive loss for the period		
(i) Items that will not be subsequently reclassified to profit or loss		
Re-measurement gains/(losses) on defined benefit obligations		(2.28)
(ii) 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 (loss) for the period, net of tax		(2.28)
E Total comprehensive loss for the Period		(1,829.35)

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

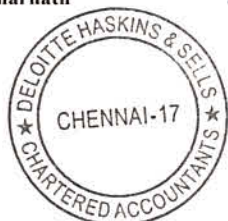
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For Deloitte Haskins & Sells
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For and on behalf of the Board of Directors


Ananthi Amarnath
 Partner


Kalpathi S Suresh
 Executive Director cum Chairman


R Rangarajan
 Chief Financial Officer




M Anantharamkrishnan
 Company Secretary

Place: Chennai
 Date: 22 December 2021

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Veranda Learning Solutions Limited
(Formerly known as Veranda Learning Solutions Private Limited)

Special Purpose Consolidated Statement of Cash Flows

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

Particulars	For the half year ended 30 September 2021
Cash Flow From Operating Activities	
Loss before tax	(1,847.88)
Adjustments for	
Finance cost	136.72
Employee share based payment expense	311.02
Depreciation and amortization expense	205.85
Interest Income on Fixed deposits	(15.31)
Interest on unwinding of Security Deposit	(0.44)
	(1,210.04)
Change in operating assets and liabilities net of acquisition through business combination	
(Increase)/ decrease in Inventories	(4.46)
(Increase)/ decrease in trade receivables	(408.08)
(Increase)/ decrease in Other financial assets	(192.46)
(Increase)/ decrease in Other assets	(73.84)
Increase/ (decrease) in provisions and other liabilities	86.04
Increase/ (decrease) in provisions - Current	30.08
Increase/ (decrease) in trade payables	554.61
Increase/ (decrease) in Other Financial liabilities	37.10
Increase/ (decrease) in Other current liabilities	973.02
Cash used in operations	(208.03)
Less : Income taxes paid (net of refunds)	(291.26)
Net cash used in operating activities (A)	(499.29)
Cash Flows From Investing Activities	
Purchase of property, plant and equipment and intangible assets	(205.70)
Payments for acquisition of subsidiaries	(16,182.57)
Investment in Fixed Deposit	(116.47)
Loans and advances provided	-
Net cash used in investing activities (B)	(16,504.74)
Cash Flows From Financing Activities	
Proceeds from issue of equity share capital (net of share application money)	3,795.01
Proceeds from borrowings	15,190.90
Repayment of borrowings	(12.59)
Repayment of Lease liabilities	(25.66)
Finance cost	(134.81)
Interest on lease liabilities	(1.91)
Net cash from financing activities (C)	18,810.96
Net increase (decrease) in cash and cash equivalents (A+B+C)	1,806.92
Cash and cash equivalents at the beginning of the year / period	42.71
Cash inflow on account of acquisition of subsidiaries	133.79
Cash and cash equivalents at end of the period/year	1,983.42
Notes:	
1. The above cash flow statement has been prepared under indirect method prescribed in Ind AS 7 "Cash Flow Statements".	
2. Components of cash and cash equivalents (Refer Note 13)	
Balances with banks - current accounts	1,983.17
Cash on hand	0.25
	1,983.42
3. Direct taxes paid are treated as arising from operating activities and are not bifurcated between investing and financing activities.	



Veranda Learning Solutions Limited
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Special Purpose Consolidated Statement of Cash Flows

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

4. Statement of Reconciliation of financing activities :

Particulars	For the half year ended 30 September 2021
Opening Balance	615.81
Proceeds from borrowings	15,190.90
Repayment of borrowings	(12.59)
Repayment of Lease liabilities	(25.66)
Non Cash Changes	
- addition due to business combination	751.40
Interest Expense	136.72
Interest on lease liabilities	(1.91)
Interest Paid	(134.81)
Closing Balance	16,519.86

- Figures in bracket indicate cash outflow

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

In terms of our report attached

For Deloitte Haskins & Sells

Chartered Accountants

Ananthi Amarnath

Ananthi Amarnath
Partner



For and on behalf of the Board of Directors

Kalpathi S Suresh *R Rangarajan*

Kalpathi S Suresh
Executive Chairman

R Rangarajan
Chief Financial Officer

M Anantharamakrishnan

M Anantharamakrishnan
Company Secretary

Place: Chennai

Date: 22 December 2021

Place: Chennai

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Veranda Learning Solutions Limited
(Formerly known as Veranda Learning Solutions Private Limited)

Special Purpose Statement of Changes in Equity

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

(A) Equity Share Capital

Balance as at 01 April 2021	Changes in Equity Share Capital due to prior period errors	Balance at the beginning of the current reporting period	Changes in equity share capital during the current period	Balance as at 30 September 2021
700.00	-	700.00	3,060.0	3,760.00

(B) Other Equity

Particulars	Employee stock option outstanding	Securities Premium	Share Warrants	Retained Earnings	Total	
					Equity holders of the Company	Non-Controlling Interest
Balance as at March 31, 2021	151.10	-	-	(857.04)	(705.94)	-
Loss for the Period	-	-	-	(1,827.07)	(1,827.07)	-
Other comprehensive (loss), net of tax	-	-	-	(2.28)	(2.28)	-
Adjustment for investment in subsidiaries	-	-	-	-	-	-
Share based reserve	311.03	-	-	-	311.03	-
Movement during the period	-	540.00	195.00	-	735.00	-
Balance as at September 30, 2021	462.13	540.00	195.00	(2,686.39)	(1,489.26)	-

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

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

Ananthi Anarnath
Partner

Place: Chennai
Date: 22 December 2021

For and on behalf of the Board of Directors

Kalpathi S Suresh
Executive Director cum Chairman

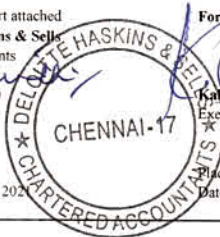
Place: Chennai
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R Rangarajan
Chief Financial Officer

Place: Chennai
Date: 22 December 2021

M Anantharamkrishnan
Company Secretary

Place: Chennai
Date: 22 December 2021



Veranda Learning Solutions Limited
(formerly known as Veranda Learning Solutions Private Limited)

Notes to Special Purpose Consolidated Financial Statements for the half year ended September 30, 2021

1 Corporate Information

Veranda Learning Solutions Limited (Formerly known as Veranda Learning Solutions Private Limited) ("the Company" or "VLS") was incorporated on 20th November, 2018 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. The principal activities of the Holding Company and its subsidiaries (herein referred to as "The Group") are as follows:

The Group is developing & managing an integrated Online to Offline (O2O) EdTech platform which offers wide range of learning programs for learners preparing for competitive and professional exams with highly curated learning contents, books & Q&A in their repository - Tamil Nadu Public Service Commission (TNPSC), SSC, RRB and Banking exams, Chartered Accountancy and IAS courses. Group is also engaged in the business of providing online training and coaching services.

1.1 The group subsidiaries are set out below

Name of the Subsidiary	Country of Incorporation	Proportion of ownership interest	
		As at September 30, 2021	Date of acquiring of interest
M/s. Veranda Race Learning Solutions Private Limited (Formerly Known as M/s. Bharatyar Education Services Private Limited)	India	100%	16-Oct-20
M/s. Veranda XL Solutions Private Limited (Formerly Known as M/s. Veranda Excel Solutions Private Limited)	India	100%	16-Oct-20
M/s. Veranda IAS Learning Solutions Private Limited)*	India	100%	Not applicable
M/s. Brain4ce Education Solutions Private Limited)*	India	100%	17-Sep-21

* The Company has been incorporated on 26th February 2021 by the Holding 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:

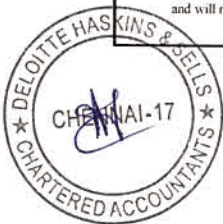
Balance Sheet:

- 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



Veranda Learning Solutions Limited
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Notes to Special Purpose Consolidated Financial Statements for the half year ended September 30, 2021

Standards amended during the year:

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

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

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 Consolidated financial statements

i) Statement of compliance

These Special Purpose Interim Consolidated Financial Statements as at and for the six months 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 submission to National Stock Exchange (NSE) and the preparation of restated consolidated financial Statements as at and for the half year ended September 30, 2021 in relation to the proposed initial public offering ("IPO") of the Holding Company.

These Special Purpose Interim Consolidated Financial Statements have been prepared in terms of the requirements of:-

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

(ii) (i) 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

(ii)(ii) 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 Consolidated Financial Statements shall not be suitable for any purpose other than as disclosed in this note.

ii) Principles of Consolidation and Equity Accounting

Subsidiaries

Subsidiaries are all entities (including structured entities) over which the Group has control. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the relevant activities of the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are deconsolidated from the date that control ceases.

The acquisition method of accounting is used to account for business combinations by the Group.

The Group combines the financial statements of the parent and its subsidiaries line by line adding together like items of assets, liabilities, equity, income and expenses. Intercompany transactions, balances and unrealised gains on transactions between Group companies are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the transferred asset. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

Non-controlling interests in the results and equity of subsidiaries are shown separately in the consolidated statement of profit and loss, consolidated statement of changes in equity and balance sheet respectively.

Historical cost convention

The Consolidated financial statements have been prepared on a historical cost basis, except for the Certain financial assets and liabilities measured at fair value (refer accounting policy regarding financial instruments)



Veranda Learning Solutions Limited
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Notes to Special Purpose Consolidated Financial Statements for the half year ended September 30, 2021

Measurement of fair values

Certain accounting policies and disclosures of the Company require the measurement of fair values, for both financial and non-financial assets and liabilities.

The Company has an established control framework with respect to the measurement of fair values.

The valuation team regularly reviews significant unobservable inputs and valuation adjustments.

Fair values are categorised into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows:

Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2: inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

When measuring the fair value of an asset or a liability, the Company uses observable market data as far as possible. If the inputs used to measure the fair value of an asset or a liability fall into different levels of the fair value hierarchy, then the fair value measurement is categorised in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.

The Company recognizes transfers between levels of the fair value hierarchy at the end of the reporting period during which the change has occurred.

3 Critical accounting judgements and key sources of estimation uncertainty :

In the application of the Company's accounting policies, which are described in note 3, the Directors of the Company are required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates. The estimates and underlying assumptions are reviewed on an ongoing basis.

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

- Revenue Recognition
- Useful lives of Property, plant and equipment
- Fair value of financial assets and financial liabilities
- Provision for employee benefits
- Provision for taxation
- Employee shared based payments - Recognition, measurement, presentation and disclosure
- Assessment of going concern
- Useful lives of Intangible assets

Functional and presentation currency

These Special Purpose Consolidated 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).

3.1 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.

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 and offline) 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.



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Notes to Special Purpose Consolidated Financial Statements for the half year ended September 30, 2021

- 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.

B. Offline revenue : Revenue from offline courses are recognised as revenue on a pro-rata based on actual classes conducted by the educators. The Company does not assume any post performance obligation after the completion of classes. Revenue received for classes to be conducted subsequent to the year end is considered as Deferred revenue which is included in other current liabilities.

C. Revenue from Delivery partner license fee is recognized at a point in time upon transfer of the license to customers.

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.

Income from services rendered is recognized based on agreements / arrangements with the customers as the service is performed in proportion to the stage of completion of the transaction at the reporting date and the amount of revenue can be measured reliably. Unbilled revenue represents revenue for services provided and not yet billed to the customer.

B2C revenue recognition:

For Self Paced courses – Revenue is recognized in the month of the sale

For Live Courses - Revenue is recognized over the period of 45 days from the date of batch allocation

For Master courses - Revenue is recognized over the period of 5 months from the date of batch allocation

PGP (Post Graduation Program) Revenue recognition:

Revenue is recognized over the period of 11 months from the date of batch allocation.

B2B revenue recognition:

Revenue is recognised as and when Invoice is issued against the services provided.

Unbilled revenue included in other current assets represents cost and earnings in excess of billings as at the end of the reporting year.

Unearned revenue included in current liabilities represents billings in excess of revenue recognized.

c) Interest Income

Interest income is recorded using the effective interest rate (EIR). EIR is the rate that exactly discounts the estimated future cash payments or receipts over the expected life of the financial instrument or a shorter period, where appropriate, to the gross carrying amount of the financial asset or to the amortised cost of a financial liability. When calculating the effective interest rate, the Company estimates the expected cash flows by considering all the contractual terms of the financial instrument (for example, prepayment, extension, call and similar options) but does not consider the expected credit losses.

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
Furniture and Fixtures	10
Computers	3
Motor Vehicles	8

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.



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Notes to Special Purpose Consolidated Financial Statements for the half year ended September 30, 2021

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.

<u>Assets Category</u>	<u>Estimated useful life (in years)</u>
Content Development Cost	2
Intellectual Property Right	10
Trade Name	5
Technology	5
Non compete fee	Based on Contract Period
Computer Software	3

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.

Intangible assets acquired

Intangible assets with finite useful lives that are acquired separately are carried at cost less accumulated amortisation and accumulated impairment losses. Amortisation is recognised on a straight-line basis over their estimated useful lives. The estimated useful life and amortisation method are reviewed at the end of each reporting period, with the effect of any changes in estimate being accounted for on a prospective basis. Intangible assets with indefinite useful lives that are acquired separately are carried at cost less accumulated impairment losses.

f) 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 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.

g) 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.

h) Inventories

Inventories are valued at the lower of cost and the net realisable value after providing for obsolescence and other losses, where considered necessary. Cost is determined by First in First Out basis. Cost includes all charges in bringing the goods to the point of sale.

i) Taxes

Current income tax

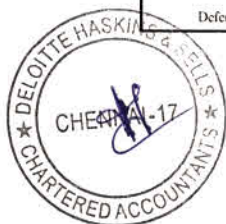
Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date in the countries where the Company operates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



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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 year 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.

j) Retirement and other employee benefits

Provident Fund

Retirement benefit in the form of provident fund is a defined contribution scheme. The Company has no obligation, other than the contribution payable to the provident fund. The Company recognizes contribution payable to the provident fund scheme as expenditure, when an employee renders the related service.

Gratuity

Gratuity is a defined benefit plan. The costs of providing benefits under this plan are determined on the basis of actuarial valuation at each year-end. Separate actuarial valuation is carried out for the plan using the projected unit credit method. Actuarial gains and losses for the plan is recognized in full in the period in which they occur in the statement of profit and loss.

Leave encashment

Short term compensated absences are provided for based on estimates. Long term compensated balances are provided for based on actuarial valuation. The actuarial valuation is done as per projected unit credit method. Leave encashment liability of an employee, who leaves the Company before the close of the year and which is remaining unpaid, is provided for on actual computation basis.

k) Share based Payments

Selected employees of the Company receive remuneration in the form of equity settled instruments or cash settled instruments, for rendering services over a defined vesting period and for Company's performance-based stock options over the defined period. Equity instruments granted are measured by reference to the fair value of the instrument at the date of grant. In cases, where equity instruments are granted at a nominal exercise price, the intrinsic value on the date of grant approximates the fair value. The expense is recognized in the statement of income with a corresponding increase to the share-based payment reserve, a component of equity. The equity instruments or cash settled instruments generally vest in a graded manner over the vesting period. The fair value determined at the grant date is expensed over the vesting period of the respective tranches of such grants (accelerated amortization). The stock compensation expense is determined based on the Company's estimate of equity instruments or cash settled instruments that will eventually vest. Cash Settled instruments granted are re-measured by reference to the fair value at the end of each reporting period and at the time of vesting. The expense is recognized in the statement of income with a corresponding increase to financial liability or Share-based payment reserve, when the liability is settled through allotment of shares of another entity.

l) Impairment of non financial assets

The Company assesses, at each reporting date, whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Company estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash-generating unit's (CGU) fair value less costs of disposal and its value in use. Recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. When the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

m) 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.



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Contingent liability

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.

Contingent assets

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 financial statements.

n) 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.

o) 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.

p) 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.

q) Lease

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.

Under Ind AS 17

In the comparative period, Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee.

The determination of whether an arrangement is (or contains) a lease is based on the substance of the arrangement at the inception of the lease. The arrangement is, or contains, a lease if fulfilment of the arrangement is dependent on the use of a specific asset or assets and the arrangement conveys a right to use the asset or assets, even if that right is not explicitly specified in an arrangement.



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Operating leases (where the Company is the lessee)

Leases, where the lessor effectively retains substantially all the risks and benefits of ownership of the leased item are classified as operating leases. Operating lease payments are recognized as an expense in the statement of profit and loss on a straight-line basis over the lease term.

Operating leases (where the Company is the lessor)

Leases in which the Company does not transfer substantially all the risks and benefits of ownership of the asset are classified as operating leases. Lease income on an operating lease is recognized in the statement of profit and loss on a straight-line basis over the lease term. Costs, including depreciation, are recognized as an expense in the statement of profit and loss. Initial direct costs such as legal costs, brokerage costs, etc. are recognized immediately in the statement of profit and loss.

r) 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.

s) 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.

II 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.

t) Business Combinations

Acquisitions of businesses are accounted for using the acquisition method. The consideration transferred in a business combination is measured at fair value, which is calculated as the sum of the acquisition-date fair values of the assets transferred by the Group, liabilities incurred by the Group to the former owners of the acquiree and the equity interest issued by the Group in exchange of control of the acquiree. Acquisition-related costs are generally recognised in profit or loss as incurred.

• At the acquisition date, the identifiable assets acquired and the liabilities assumed are recognised at their fair value, except that:

• deferred tax assets or liabilities, and assets or liabilities related to employee benefit arrangements are recognised and measured in accordance with Ind AS 12 Income Taxes and Ind AS 19 Employee Benefits respectively;

• liabilities or equity instruments related to share-based payment arrangements of the acquiree or share-based payment arrangements of the Group entered into to replace share-based payment arrangements of the acquiree are measured in accordance with Ind AS 102 Share-based Payment at the acquisition date; and

• assets (or disposal groups) that are classified as held for sale in accordance with Ind AS 105 Non-current Assets Held for Sale and Discontinued Operations are measured in accordance with that Standard.

Goodwill is measured as the excess of the sum of the consideration transferred, the amount of any noncontrolling interests in the acquiree, and the fair value of the acquirer's previously held equity interest in the acquiree (if any) over the net of the acquisition-date amounts of the identifiable assets acquired and the liabilities assumed.

Measurement period adjustments are adjustments that arise from additional information obtained during the 'measurement period' (which cannot exceed one year from the acquisition date) about facts and circumstances that existed at the acquisition date.)

If the initial accounting for a business combination is incomplete by the end of the reporting period in which the combination occurs, the Group reports provisional amounts for the items for which the accounting is incomplete. Those provisional amounts are adjusted during the measurement period (see above), or additional assets or liabilities are recognised, to reflect new information obtained about facts and circumstances that existed at the acquisition date that, if known, would have affected the amounts recognised at that date.

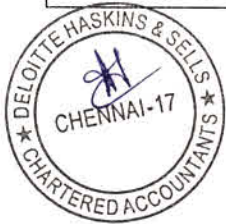


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(All amounts are in Lakhs of Indian Rupees, unless otherwise stated)

4 Property, plant and equipment

Particulars	Tangible Assets					Intangible Assets						
	Furniture and fixtures	Office Equipment	Computers	Vehicles	Total	Non-Compete Fee	Intellectual Property Rights	Content Cost	Software	Trade Name	Technology	Total
Balance as at March 31, 2021	27.48	32.10	100.22	-	159.80	10.00	81.00	75.65	8.42	-	-	175.07
Additions	-	1.43	2.72	-	4.16	-	-	255.51	15.74	-	-	271.26
Addition on account of acquisition of subsidiaries (Refer Note 45.1)	9.05	9.09	166.18	27.27	211.59	3,626.93	-	-	-	2,001.94	2,917.29	8,546.16
Disposals	-	0.11	22.90	-	23.01	-	-	-	-	-	-	-
Balance as at September 30, 2021	36.53	42.51	246.23	27.27	352.53	3,636.93	81.00	331.16	24.16	2,001.94	2,917.29	8,992.48
Accumulated depreciation												
As at March 31, 2021	1.06	4.94	14.63	-	20.63	0.12	2.70	10.65	17.11	-	-	30.58
Depreciation for the period	1.97	3.39	25.32	2.29	32.98	35.28	4.06	51.94	4.45	15.36	22.38	133.46
Addition on account of acquisition of subsidiaries	3.96	6.53	131.22	12.59	154.29	-	-	-	-	-	-	-
Disposals	-	-	15.84	-	15.84	-	-	-	-	-	-	-
Balance as at September 30, 2021	6.99	14.86	155.33	14.88	192.06	35.40	6.76	62.59	21.56	15.36	22.38	164.04
Net Carrying Value												
As at September 30, 2021	29.54	27.65	90.90	12.38	160.47	3,601.53	74.24	268.57	2.61	1,986.58	2,894.91	8,828.44



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5 Leases

This note provides information for leases where the Group is a lessee. The Group has leased a rental premises for office purpose. The rent contract has been made for fixed period of 14 months, but may have extension clauses as described in (v) below.

(i) Amounts recognised in the balance sheet

The balance sheet shows the following amounts relating to leases:

Particulars	As at September 30, 2021
Right-of-use assets	
Buildings**	42.03
Total	42.03
Lease liabilities	
Current***	51.40
Non-Current	-
Total	51.40

(ii) Movement of Right-of-use assets and Lease liabilities

Particulars	Buildings	Total
Gross carrying amount		
As at April 1, 2021	104.36	104.36
Reclassification from property, plant & equipment	-	-
Additions during the year	16.77	16.77
Lease modifications	-	-
Disposals	-	-
Prepaid Lease Rental	-	-
As at September 30, 2021	121.13	121.13
Accumulated depreciation and impairment		
As at April 1, 2021	27.31	27.31
Reclassification from property, plant & equipment	-	-
Depreciation / amortisation charge during the period	51.79	51.79
Disposals	-	-
As at September 30, 2021	79.10	79.10
Net carrying amount as at September 30, 2021	42.03	42.03



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Particulars	As at September 30, 2021
Opening Balance	77.06
Additions during the year	16.63
Lease modifications	-
Finance Cost accrued	1.90
Deletions during the year	-
Payment of lease liabilities	(44.19)
Closing Balance	51.40

5.1 The aggregate depreciation expense on ROU assets is included under depreciation and amortization expense in the statement of Profit and Loss.

The impact of changes in accounting policy on account of adoption of Ind AS 116 is as follows:

Particulars	For the half year ended 30 September 2021
Decrease in Property, Plant and equipment by	-
Increase in lease liability by	51.40
Increase in right of use assets (net of depreciation) by	42.03
Increase/(decrease) in finance cost by	1.90
Increase/(decrease) in depreciation by	51.79
Increase/(decrease) in rent by	(44.19)

5.2 The table below provides details regarding the contractual maturities of lease liabilities on an undiscounted basis:

Particulars	As at September 30, 2021
Less than one year	51.40
One to five years	-
More than five years	-
Total	51.40



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

(ii) Amounts recognised in the statement of profit and loss

The statement of profit and loss shows the following amounts relating to leases:

Particulars	For the half year ended 30 September 2021
Depreciation charge for right-of-use assets (Refer Note 34)	51.79
Total	51.79
Interest expense (included in finance costs) (Refer Note 33)	1.90
Expense relating to short-term leases (included in other expenses) (Refer Note 35)	106.72

(iii) Amounts recognized in cash flow statement

Particulars	For the half year ended 30 September 2021
Total cash (outflows) for leases	(44.19)

(iv) Critical judgements in determining the lease term

In determining the lease term, management considers all facts and circumstances that create an economic incentive to exercise an extension option, or not to exercise a termination option. Extension options (or periods after termination options) are only included in the lease term if the lease is reasonably certain to be extended (or not terminated).

For leases of buildings, the following factors are normally the most relevant:

- (a) If there are significant penalties to terminate (or not extend), the Group is typically reasonably certain to extend and not terminate.
- (b) If any lease hold improvements are expected to have a significant remaining value the Group is typically reasonably certain to extend (or not terminate).
- (c) Otherwise, the Group considers other factors including historical lease durations and the costs and business disruption required to replace the leased asset.

The lease term is reassessed if an option is actually exercised (or not exercised) or the Group becomes obliged to exercise (or not exercise it). The assessment of reasonable certainty is only revised if a significant event or a significant change in circumstances occurs, which affects the assessment, and that is within the control of the lessee. During the current financial year, there was no revision in the lease terms.

(v) Extension and termination options

Extension and termination options are included in a number of property leases. These are used to maximise operational flexibility in terms of managing the assets used in the Group's operations. The majority of extension and termination options held are exercisable only by the Company and not with the respective lessor.

6 Intangible Asset under development

Particulars	As at September 30, 2021
Capital development Cost	144.94
	144.94



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Particulars	As at September 30, 2021				
	To be completed in				
	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
Content Development Cost					
Projects in progress	144.94	-	-	-	144.94
Project suspended	-	-	-	-	-

7 Goodwill on Consolidation

Particulars	As at September 30, 2021
Goodwill on consolidation (Refer note 45)	17,068.09 17,068.09

7.1 Movement of Goodwill during the period / year

Particulars	For the half year ended 30 September 2021
Opening Balance	6.62
Acquired during the year (Refer note 45)	17,061.47
Closing Balance	17,068.09

8 Deferred Tax Liability

Particulars	As at September 30, 2021
Deferred Tax Liability	
On account of fair value of assets acquired through Business combination	(2,132.56)
	(2,132.56)

Deferred Tax Assets

Particulars	As at September 30, 2021
Deferred Tax Asset	
On property plant and equipment	18.27
On expenses allowable on payment basis	35.49
On Prepaid Income	6.68
Provision for gratuity	17.99
Provision for leave encashment	3.98
Deferred Tax Assets	82.41



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

9 Income tax assets (net)	
Particulars	As at September 30, 2021
Advance tax and TDS receivable	161.88
MAT Credit Entitlement	17.01
Total	178.89

10 Other Non Current Assets	
Particulars	As at September 30, 2021
Capital advances	30.36
Total	30.36

11 Inventories	
Particulars	As at September 30, 2021
Valued at lower of cost and Net Realisable value unless otherwise stated	
Packing Material	1.74
Stock in Trade (Books)	75.20
Total	76.94

12 Trade receivables	
Particulars	As at September 30, 2021
Trade receivables - Unsecured considered good	
Undisputed trade receivables	411.81
Receivable from payment gateway	22.88
Credit impaired	4.40
Allowance for credit losses	(4.40)
Total	434.69



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

Particulars	As at 30 September 2021					
	Outstanding for following periods from due date of payment					
	Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	Total
(i) Undisputed trade receivables – considered good	434.69	-	-	-	-	434.69
(ii) Undisputed trade receivables – which have significant increase in credit risk	-	-	-	-	-	-
(iii) Undisputed trade receivables – credit impaired	-	-	-	-	-	-
(iv) Disputed trade receivables – considered good	-	-	-	-	-	-
(v) Disputed trade receivables – which have significant increase in credit risk	-	-	-	-	-	-
(vi) Disputed trade receivables – credit impaired	-	-	-	-	-	-

13 Cash and cash equivalents

Particulars	As at September 30, 2021
Balances with Banks - In current accounts	1,983.17
Cash - on - Hand	0.25
	1,983.42
Other bank balances	
In Fixed deposit - with remaining maturity less than 12 months - Under Lien (Refer Note 13.1 below)	133.78
	133.78
	2,117.20

13.1 The fixed deposit are held under lien against issue of Corporate Credit cards.

14 Other Financial assets

Particulars	As at September 30, 2021
(Unsecured considered good)	
Interest receivable on loans	32.68
Interest accrued but not due on bank deposits	2.52
Security Deposits	158.11
Unbilled Revenue	105.71
	299.02

14.1 Unbilled Revenue Ageing

Particulars	As at 30 September 2021					
	Outstanding for following periods from due date of payment					
	Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	Total
Unbilled revenue	105.71	-	-	-	-	105.71



Veranda Learning Solutions Limited
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Notes to Special Purpose Consolidated Financial Statements for the half year ended September 30, 2021

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

15 Current tax Asset

Particulars	As at September 30, 2021
TDS receivable	56.42
	56.42

16 Other current assets

Particulars	As at September 30, 2021
Advance to vendors	317.31
Advance to employees	2.17
Prepaid Income	45.73
Prepaid Expenses	670.00
Other Receivables	39.64
Balance With Government Authorities	141.96
	1,216.82

17 Share Capital

Particulars	As at September 30, 2021
Amount	
6,00,00,000 Equity Shares of Rs 10/- each	6,000.00
	6,000.00
Issued Share Capital	
3,76,00,010 Equity Shares of Rs 10/- each	3,760.00
	3,760.00
Subscribed and fully paid up share capital	
3,76,00,010 Equity Shares of Rs 10/- each	3,760.00
	3,760.00

17.1 Reconciliation of number of equity shares subscribed

	As at September 30, 2021	
	No of Shares	Amount
Balance at the beginning of the year	7,00,00,000	700.00
Issued during the year	3,06,00,010	3,060.00
Equity Share arising on share split from Rs. 10 to Rs. 1 per share	-	-
Equity Share arising on share Consolidation from Rs 1 to Rs. 10 per share	(6,30,00,000)	-
Balance at the end of the year	3,76,00,010	3,760.00



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Notes to Special Purpose Consolidated Financial Statements for the half year ended September 30, 2021

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

17.2 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. 1 each. The equity shares of the company having par value of Rs.1/- 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.

17.3 The Company has allotted equity shares on right basis at face value of Rs. 10/- each to all its existing shareholders during the period as follows:

Board meeting date	Shareholder	No. of shares allotted
September 2, 2021	Kalpathi S Aghoram	8,00,000
	Kalpathi S Ganesh	8,00,000
	Kalpathi S Suresh	8,00,000
		24,00,000
September 7, 2021	Kalpathi S Aghoram	94,00,002
	Kalpathi S Ganesh	93,99,999
	Kalpathi S Suresh	93,99,999
		2,82,00,000
September 21, 2021	Bennett & Coleman Company Limited	10
Total		3,06,00,010

17.4 Pursuant to the approval of the shareholders at the Extraordinary General Meeting of the Company held on July 30, 2021, ten equity share of face value of Rs. 1/- per share was consolidated into one equity shares of face value of Re. 10/- per share with effect from July 30, 2021. Consequently, the basic and diluted earnings per share have been computed for all the periods presented in the Consolidated Financial Statements of the Company on the basis of the new number of equity shares in accordance with Ind AS 33 – Earnings per Share.

17.5 Pursuant to the approval of the shareholders on September 06, 2021, Company has issued bonus shares in the ratio of 3:1 to all shareholders. Consequently, the basic and diluted earnings per share have been computed for all the periods presented in the Consolidated Financial Statements of the Company on the basis of the new number of equity shares in accordance with Ind AS 33 – Earnings per Share.

17.6 The authorised share capital of the company has increased from Rs. 2,500 Lakhs to Rs. 5,500 Lakhs pursuant to the approval of the shareholders at the Extraordinary General Meeting of the Company held on July 26, 2021.

17.7 The authorised share capital of the company has increased from Rs. 5,500 Lakhs to Rs. 6,000 Lakhs pursuant to the approval of the shareholders at the Extraordinary General Meeting of the Company held on September 22, 2021.



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17.8 Shareholders holding more than 5% of the total share capital

Name of the share holder	September 30, 2021	
	No of shares	% of Holding
Kalpathi S Aghoram	1,25,33,336	33.33%
Kalpathi S Ganesh	1,25,33,332	33.33%
Kalpathi S Suresh	1,25,33,332	33.33%

17.9 Shareholdings of Promoters *

Name of the share holder	September 30, 2021	
	No of shares	% of Holding
Kalpathi S Aghoram	1,25,33,336	33.33%
Kalpathi S Ganesh	1,25,33,332	33.33%
Kalpathi S Suresh	1,25,33,332	33.33%

* Promoters as defined under the Companies Act 2013 has been considered for the purpose of disclosure

18 Other Equity

Particulars	As at September 30, 2021
Retained earnings	(2,686.39)
Securities Premium Reserve	540.00
Money received against share warrants	195.00
Employee stock option Reserve	462.13
	(1,489.26)
a) Retained earnings	
Balance at the beginning of the period / year	(857.04)
Net Loss as per the Statement of Profit and Loss	(1,827.07)
Adjustment for investment in subsidiaries	-
Other Comprehensive Loss	(2.28)
Balance at the end of the period / year	(2,686.39)
b) Other Comprehensive Income	
Balance at the beginning of the period / year	-
Transferred during the period / year	-
Balance at the end of the period / year	-
c) Money received against share warrants	
Balance at the beginning of the period / year	-
Additions during the period / year (Refer Note 18.1 below)	195.00
Balance at the end of the period / year	195.00



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

d) Securities Premium Reserve	
Balance at the beginning of the period / year	-
Additions during the period / year	540.00
Balance at the end of the period / year	540.00
e) Employee stock option Reserve	
Balance at the beginning of the year / period	151.10
Transfer during the period	311.03
Transfer to Retained Earnings	-
Balance at the end of the year / period	462.13

- 18.1 On September 20 2021, the Company has issued 6 warrants for a consideration of Rs.32,50,000/- per warrant aggregating to Rs.19,500,000. These warrants are to be exercised anytime post determination of the Conversion Price but within a period of six years from the warrant exercise period at the sole discretion of the warrant holder. Provided that upon the Company proposing to have an IPO of its shares, the option holder may exercise the warrants at any time after the appointment of a lead manager for such IPO but prior to expiry of timeline prescribed under applicable Laws of conversion of convertible securities of the Company in the event the Company proposing to have an IPO of its shares. The warrants will be converted into shares by dividing the subscription amount by the conversion price, which is higher of minimum conversion price of Rs.28 per share or at the price per share considered for any liquidity event that occurs prior to exercise of warrants by the warrant holder.

19 Provisions (Non - Current)

Particulars	As at September 30, 2021
Provision for Gratuity (Refer Note 44)	80.79
Provision for Leave Encashment (Refer Note 44)	9.76
	90.55

20 Non Current Financial liabilities - Borrowings

Particulars	As at September 30, 2021
Non Convertible Debentures	7,378.59
Hinduja Leyland Finance Ltd	4,992.92
Vehicle loans (Refer Note 20.2)	13.70
Business loans (Refer Note 20.3)	269.35
Less: Current Maturities of long term debt	(276.69)
	12,377.87



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Notes to Special Purpose Consolidated Financial Statements for the half year ended September 30, 2021

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

20.1 Details of Borrowings

Particulars	Interest Rate	Repayment Terms	As at 30 September 2021
Hinduja Leyland Finance Ltd - Secured	9.75%	Payable in monthly instalments from February'22	4,992.92
Non Convertible Debentures - Unsecured	4.00%	Payable on 16 September 2024	7,378.59

20.2 (Secured against hypothecation of vehicle and further secured by the personal guarantee of the promoter directors of the company. Defaults in instalments - Nil. Loans are repayable over a period of 60 monthly instalments).

20.3 (Secured against current and fixed assets and further secured by the personal guarantee of the promoter directors of the company. Defaults in instalments - Nil. Loans are repayable over a period of 48 monthly instalments).

21 Other Financial Liabilities - Non Current

Particulars	As at September 30, 2021
Purchase consideration payable - Non Current	832.97
Other Financial Liabilities - ESOP Liability (Refer Note 44.5)	1,557.29
	2,390.26

22 Short Term Borrowings

Particulars	As at September 30, 2021
Loan repayable on demand	
Loan from Private Financial Institution	8.33
Kalpathi S Aghoram	302.35
Kalpathi S Ganesh	302.35
Kalpathi S Suresh	302.35
Loans from Others (Unsecured)	460.01
From Others (Secured)	
HDFC Bank	2,489.91
(Secured by the personal guarantee of the promoter directors of the company. The Loan is repayable on demand. Rate of interest ranges from 6.20% p.a. to 7.0% p.a.)	
Current Maturities of Long-term debt	276.69
	4,141.99

22.1 The inter corporate loans are borrowed at interest rate of 7% and repayable on demand (Unsecured)



Veranda Learning Solutions Limited
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Notes to Special Purpose Consolidated Financial Statements for the half year ended September 30, 2021

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

23 Trade Payables

Particulars	As at September 30, 2021
(a) Total outstanding dues of Micro Enterprises and Small Enterprises	80.17
(b) Total outstanding dues of creditors other than Micro Enterprises and Small Enterprises	2,798.24
	2,878.41

** 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. Please refer note 38.

Particulars	Consolidated As at 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) MSME	80.17	-	-	-	80.17
(ii) Others	2,776.30	21.94	-	-	2,798.24
(iii) Disputed dues - MSME	-	-	-	-	-
(iv) Disputed dues - Others	-	-	-	-	-

24 Other Financial Liabilities

Particulars	As at September 30, 2021
Accrued Expenses	74.58
Purchase consideration payable	2,544.12
	2,618.70

25 Provisions (Current)

Particulars	As at September 30, 2021
Provision for Gratuity (Refer Note 44)	15.51
Provision for Leave Encashment (Refer Note 44)	17.19
	32.70

26 Other current liabilities

Particulars	As at September 30, 2021
Statutory Dues Payable	324.54
Deferred Revenue	1,416.42
Franchisee Deposits	6.00
Advance received from customers	4.58
	1,751.54



	For the half year ended 30 September 2021
27 Revenue from Operations	
Sale of Online courses	678.13
Sale of Offline courses	687.59
Web Hosting Fees	2.26
Sale of Books	112.65
Franchisee License Fees	48.00
Other Operating Revenue	
Shipping Revenue	17.62
	<u>1,546.25</u>
27.1 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:	
Over time	
Sale of Offline Courses	687.59
Web Hosting Fees	2.26
Point in time	
Sale of Online Courses	678.13
Sale of Books	112.65
Delivery Partner Fees	-
Shipping Revenue	17.62
Franchisee License Fees	48.00
	<u>1,546.25</u>
27.2 Reconciliation of revenue with contract price	
Particulars	
Contract Price	
Sale of Online Courses	679.31
Sale of Offline Courses	2,020.64
Sale of Books	112.65
Web Hosting Fees	2.26
Delivery Partner Fees	-
Shipping Revenue	17.62
Franchisee License Fees	48.00
Adjustments:	
Discounts	(1.19)
Prepaid Income	(1,333.04)
Total	<u>1,546.25</u>
Contract balances :	
Revenue from operations recognised is collected as per the terms of the contract. Trade receivables have been disclosed under Note 12 and Deferred revenue disclosed under Note 26	
Performance Obligations :	
The Contracts with customers are structured in such a way that the Company has the right to consideration from a customer in an amount that corresponds directly with the value to the customer of the performance obligation complete to date and the Company has the right to invoice. Therefore, taking the practical expedient, the details on transaction price allocated to the remaining performance obligations are not disclosed.	
Information about major customers:	
During the year, there is no revenue from a single customer which is more than 10% of the Company's total revenue.	
28 Other Income	
Interest Income	
Interest on Fixed deposit	15.31
Interest on loans	0.38
Interest on unwinding of Security deposit	0.44
Miscellaneous Income	0.41
Foreign exchange gain, net	3.26
	<u>19.79</u>



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

	30 September 2021
29 Cost of Materials Consumed	
Opening Stock of Packing Material	1.17
Purchase of Packing Material	1.68
Less : Closing Stock of Packing Material	<u>(1.74)</u>
	<u>1.11</u>
	30 September 2021
30 Purchase of Stock - in - trade	
Purchase of Books	68.48
	<u>68.48</u>
	30 September 2021
31 Changes in Inventory of stock-in-trade	
Opening Stock of Books	71.31
Less : Closing Stock of Books	<u>(75.20)</u>
	<u>(3.89)</u>
32 Employee benefit expense	
Salaries, wages and bonus	377.49
Gratuity Expenses (Refer Note 44)	5.85
Contribution to provident and other funds (Refer Note 44)	11.03
Staff Welfare Expenses	12.36
Compensation cost for Restricted Stock Units (RSU) (Refer Note no 44.4)	311.02
	<u>717.75</u>
33 Finance costs	
Interest on Borrowings	87.29
Interest on Lease liabilities	1.91
Interest on NCD	12.13
Interest on MSME	1.39
Other Interest Expense	34.00
	<u>136.72</u>
34 Depreciation and amortization expense	
Depreciation on property, plant and equipment (Refer Note 4)	93.23
Depreciation on Right of use assets (Refer Note 5)	51.79
Amortisation on Intangible asset (Refer Note 4)	60.83
	<u>205.85</u>
35 Other expenses	
Power & Fuel	6.31
Rent	76.20
Repairs & Maintenance	14.70
Examination preparation Cost	17.15
Advertisement & Sales Promotion	627.77
Affiliate cost	10.01
Manpower Charges	232.47
Delivery Partner Fee	709.42
Faculty Content Charges	65.94
Rates and taxes	56.65
Auditors Remuneration	
- as statutory auditor	13.69
- as tax auditor	-
Legal & professional charges	302.49
Security Charges	0.82
Printing & Stationery	2.90
Mentor Incentive	-
Payment Gateway Charges	23.30
Freight charges	12.29
Insurance & Business Support Services expenses	0.37
Communication Expenses	14.88
Postage & Courier	0.16
Subscription Charges	73.26
Office expenses	0.39
Travelling & Conveyance	10.75
Bank charges	5.24
Miscellaneous expenses	10.74
	<u>2,287.90</u>



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

36	Tax expense:		
	Deferred tax		
	Deferred tax		(20.81)
			<u>(20.81)</u>

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

Deferred tax (liabilities)/assets in relation to:	Opening balance	Acquired through business combination	Recognised in profit or loss	Closing Balance
Property, plant, and equipment and Intangible Assets	(3.90)	(78.26)	(4.20)	(86.36)
On expenses allowable on payment basis	1.27	-	(4.96)	(3.69)
On Prepaid Income	0.80	-	8.29	9.09
On Accrual on share based component	3.05	-	(1.26)	1.79
On fair valuation of financial instruments	(0.43)	-	(0.43)	(0.86)
Total	<u>0.79</u>	<u>(78.26)</u>	<u>(2.56)</u>	<u>(80.03)</u>

On Account of business combination:

Deferred tax (liabilities)/assets in relation to:	Opening balance	Acquired through business combination	Recognised in profit or loss	Closing Balance
Property, plant, and equipment and Intangible Assets	-	2,150.81	(18.25)	2,132.56
Others	-	-	-	-
Total	<u>-</u>	<u>2,150.81</u>	<u>(18.25)</u>	<u>2,132.56</u>

Reconciliation of accounting Profits

**Consolidated
For the Period ended
September 30, 2021**

Accounting (loss) before tax	(1,847.88)
Income tax rate	26%
At Statutory income tax rate	(480.45)
Non - deductible expenses for tax purposes	
Property, plant, and equipment and Intangible Assets	(4.20)
On expenses allowable on payment basis	(4.96)
On Prepaid Income	8.29
On Accrual on share based component	(1.26)
On fair valuation of financial instruments	(0.43)
Deferred tax on intangible assets acquired through business combination	(18.25)
Deferred tax not considered on Business loss and unabsorbed depreciation	480.45
At the effective income tax rate	
Income tax expenses reported in the statement of profit and loss	<u>(20.81)</u>

Brain4ce Educations Solutions Private Limited - Subsidiary

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

Deferred tax (liabilities)/assets in relation to:	Acquired through	Recognised in profit or loss	Recognised in OCI	Closing Balance
Property, plant, and equipment and Intangible Assets	17.03	-	-	17.03
On expenses allowable on payment basis	61.22	-	-	61.22
Total	<u>78.26</u>	<u>-</u>	<u>-</u>	<u>78.26</u>

37 Earnings per share

Profit for the period / year attributable to owners of the Company	(1,829.35)
Weighted average number of ordinary shares outstanding Basic (Refer Notes below)	3,55,73,334
Weighted average number of ordinary shares outstanding for diluted EPS (Refer Notes below)	3,55,81,667
Basic earnings per share (Rs)	(51.42)
Diluted earnings per share (Rs)	(51.41)

37.1 The restricted stock units issued by the Company is based on specified conditions involving future events/valuation of the Company. The number of ordinary shares contingently issuable may depend on the future market price of the ordinary shares and are therefore treated as contingently issuable shares because their issue is contingent upon satisfying specified conditions in addition to the passage of time. Contingently issuable ordinary shares are not included in the diluted earnings per share calculation unless both conditions are met. As at year end / period end, since both the conditions have not been met, they have not been included in the calculation of diluted earnings per share. Also Refer Note 44.5.

37.2 Pursuant to the approval of the shareholders at the Extraordinary General Meeting of the Company held on July 30, 2021, ten equity share of face value of Rs. 1/- per share was consolidated into one equity shares of face value of Re. 10/- per share with effect from July 30, 2021. Consequently, the basic and diluted earnings per share have been computed on the basis of the new number of equity shares in accordance with Ind AS 33 – Earnings per Share.

37.3 Pursuant to the approval of the shareholders on September 06, 2021, Company has issued bonus shares in the ratio of 3:1 to all shareholders. Consequently, the basic and diluted earnings per share have been computed for on the basis of the new number of equity shares in accordance with Ind AS 33 – Earnings per Share.



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- 37.4 On September 20 2021, the Company has issued 6 warrants for a consideration of Rs.32.50 Lakhs per warrant aggregating to Rs.195 Lakhs. These warrants are to be exercised anytime post determination of the Conversion Price but within a period of six years from the warrant exercise period at the sole discretion of the warrant holder. Provided that upon the Company proposing to have an IPO of its shares, the option holder may exercise the warrants at any time after the appointment of a lead manager for such IPO but prior to expiry of timeline prescribed under applicable Laws of conversion of convertible securities of the Company in the even the Company proposing to have an IPO of its shares.

The warrants will be converted into shares by dividing the subscription amount by the conversion price, which is higher of minimum conversion price of Rs.28 per share or at the price per share considered for any liquidity event that occurs prior to exercise of warrants by the warrant holder.

Subsequent to the balance sheet date, the Company has made a private placement of equity share with a face value of Rs.10/- at a premium of Rs.120/- per share. Based on this liquidity event, the conversion price is assumed to be Rs.130/- per share for purposes of computation of EPS. The number of potential equity shares to be issued for a consideration of Rs.195 Lakhs @ Rs.130/- per share, will be 150,000 shares which has been considered in the weighted average potential equity shares.

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

Particulars	Consolidated For the Period ended September 30, 2021
(a) The principal amount remaining unpaid at the end of the year*	80.17
(b) The delayed payments of principal amount paid beyond the appointed	0.04
(c) Interest actually paid under Section 16 of MSMED Act	0.00
(d) Normal Interest due and payable during the year, as per the agreed	-
(e) Total interest accrued during the year and remaining unpaid	0.00

*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 Group.

39 Corporate Social Responsibility

No amount is required to be spent by the Group towards corporate social responsibility under Section 135 of the Companies Act, 2013 on account of losses.

40 Contingent liabilities & Commitments

Particulars	Consolidated As at September 30,2021
Contingent Liabilities	Nil
Commitments (Refer Note 40.1 below)	129.55

- 40.1 The group 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 Group has also entered into content development agreement on 5th March 2021 with this Academy and paid advance of Rs. 34.40 Lakhs (excluding GST). Total contract value as per terms of the agreement is Rs. 158.90 Lakhs (excluding GST) and Capital commitment outstanding included above is Rs.135.50 Lakhs.

41 Operating Segment

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. The Group's revenue from operations and non-current operating assets are from single segment i.e. is India



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42 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	16,519.86
Less: Cash and bank balances	1,983.42
Net debt	14,536.44
Total equity	2,270.74
Net debt to equity ratio (%)	640.16%

Credit risk management:

Credit Risk on cash and cash equivalents, deposits with the banks/financial institutions is generally low as the said deposits have been made 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 (comprising the undrawn borrowing facilities below) 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.

Market risk management:

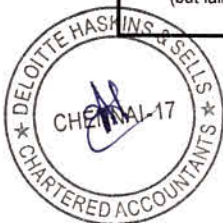
Market risk is the risk that the future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: interest rate risk, currency risk and other price risk. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return.

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.

Particulars	September 30, 2021			Carrying amount
	Due in 1st year	Due in 2nd to 5th year	Due after 5th year	
Borrowings (Fixed rate)	16,519.86	-	-	16,519.86
Trade payables (Non-interest bearing)	2,878.42	-	-	2,878.42
Lease Liabilities (Non-interest bearing)	51.40	-	-	51.40
Other Financial Liabilities (Non - Interest bearing)	2,618.70	-	-	2,618.70
	22,068.38	-	-	22,068.38

Particulars	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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Notes to Special Purpose Consolidated Financial Statements for the half year ended September 30, 2021
 (All amounts are in lakhs of Indian Rupees, unless otherwise stated)

42.1 Fair value measurements

Financial instruments measured at Amortised cost

Financial assets	Note	Hierarchy	September 30, 2021
Trade Receivables	12	NA	434.69
Cash and cash equivalents	13	NA	1,983.42
Bank balances other than cash and cash equivalents	13	NA	133.78
Other Financial assets	14	NA	299.02
Total financial assets			2,850.91

Financial liabilities	Note	Note	September 30, 2021
Borrowings	20	NA	16,519.86
Trade payables	23	NA	2,878.42
Lease Liabilities	5	NA	51.40
Other Financial Liabilities	24	NA	2,618.70
Total financial liabilities			22,068.38

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



43 Related party disclosure

a) List of parties having significant influence

Entities having control or controlled by the Company

Subsidiary Companies

Veranda Race Learning Solutions Private Limited (formerly Bharathiyar Education Private Limited)

Veranda XL Learning Solutions Private Limited (formerly known as Veranda Excel Learning Solutions Private Limited)(formerly Aggrenc Education Management Private Limited)

Veranda IAS Learning Solutions Private Limited

Key management personnel (KMP) and their Relatives

Mr. Kalpathi S Aghoram	Director
Mr. Kalpathi S Ganesh	Director
Mr. Kalpathi S Suresh	Director
Mr. K. Praveen Kumar*	Director
Mr.R. Rangarajan**	Director

* Sri Praveen Kumar has resigned as director on 28th October 2021 and was appointed as President - Corporate Strategy w.e.f 29th October 2021.

** Sri Rangarajan R has resigned as director on 28th October 2021 and was appointed as Chief Financial Officer w.e.f 29th October 2021.

Enterprises in which Key Management Personnel and their Relatives have significant influence

Leonne Hill Property Developments Private Limited
Grasslands Agro Private Limited

b) Transactions during the year

S.No.	Nature of transactions	Amount
		For the Half Year period April 01,2021 to September 30, 2021
1	Loans taken From	
	Kalpathi S Aghoram	118.20
	Kalpathi S Ganesh	118.20
	Kalpathi S Suresh	118.20
2	Loan repaid to	
	Grassland Agro Private Limited	12.45
3	Rent paid towards Registered office	
	Kalpathi S Aghoram	0.04
	Kalpathi S Ganesh	0.04
	Kalpathi S Suresh	0.04
4	Rent paid towards Corporate office	
	Leonne Hill Property Developments Private Limited	66.52



S.No.	Nature of transactions	Amount
		For the Half Year period April 01,2021 to September 30, 2021
5	Shares allotted Kalpathi S Aghoram Kalpathi S Ganesh Kalpathi S Suresh	102.00 102.00 102.00
6	Finance Costs Grasslands Agro Private Limited	0.20
7	Remuneration to Key Managerial Personnel M Anantharamakrishnan R Rangarajan	15.50 11.38

c) Balance outstanding at the year end

S.No.	Particulars	Amount
		As at September 30, 2021
1	Loans taken From Kalpathi S Aghoram Kalpathi S Ganesh Kalpathi S Suresh	302.35 302.35 302.35



Notes to Special Purpose Consolidated Financial Statements for the half year ended September 30, 2021
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44 Retirement benefit plans

44.1 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 September 31, 2021 an amount of Rs. 11.03 Lakhs towards expenses under defined contribution plans and included in 'Contribution to provident and other funds'.

44.2 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	6.70%
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 of these

	September 30, 2021
Current service cost	4.70
Net interest expense	0.04
Return on plan assets (excluding amounts included in net interest expense)	-
	<u>4.74</u>
Components of defined benefit costs recognised in profit or loss	
Remeasurement on the net defined benefit liability comprising:	
Actuarial (gains)/losses recognised during the period	1.88
Components of defined benefit costs recognised in other comprehensive income	<u>1.88</u>
	<u>6.62</u>

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.



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

	September 30, 2021
Present value of defined benefit obligation	7.72
Fair value of plan assets	-
Net liability arising from defined benefit obligation	<u>7.72</u>
Funded	-
Unfunded	<u>7.72</u>
	<u>7.72</u>

The above provisions are reflected under Provision for gratuity (Long-term provisions) - [Refer Note 19]

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

Opening defined benefit obligation	1.10
Current service cost	4.70
Past service cost - (vested benefit)	-
Interest cost	0.04
Actuarial (gains)/losses	1.88
Acquired through business combination	88.59
Benefits paid	-
Closing defined benefit obligation	<u>96.30</u>

Proportionate cost for the period 18 September 2021 to 30 September 2021 for one subsidiary has been included above.

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

Opening fair value of plan assets	-
Expected return on assets	-
Contributions	-
Benefits paid	-
Expected return on plan assets (excluding amounts included in net interest)	-
Closing fair value of plan assets	<u>-</u>

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.

Sensitivity analysis

In view of the fact that the Company for preparing the sensitivity analysis considers the present value of the defined benefit obligation which has been calculated using the projected unit credit method at the end of the reporting period, which is the same as that applied in calculating the defined benefit obligation liability recognised in the balance sheet.

Defined benefit obligation sensitivities were as follows:	As at September 30, 2021
1) DBO - Base assumptions	7.72
2) Discount rate: +1%	6.80
3) Discount rate: -1%	8.82
4) Salary escalation rate: +1%	8.81
5) Salary escalation rate: -1%	6.79
6) Attrition rate: 25% increase	7.37
7) Attrition rate: 25% decrease	8.08

44.3 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.

Particulars	September 30, 2021 (Amount in lakhs)	
	Current	Non-current
Compensated absences	17.19	9.76



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44.4 Share based payments

During the year ended March 31, 2021, Veranda Race Learning Solutions Private Limited ("VRLSPL"), subsidiary company has issued RSU to one of its employees, where the employee had the following options:

- Cash Option to the extent of Rs.4200 Lakhs; or
- Equity Option to the extent of Rs.5600 Lakhs; or
- Lower of Equity Option of Rs.5600 Lakhs or 1.33 times the turnover of calendar year ended 31.12.2027 (duly adjusted for proportionate debt) of VRSPL.

Vesting conditions:

The vesting options would be subject to continued employment with the VRLSPL, no breach in terms mentioned in the framework agreement dated 31.12.2020 and upon occurrence of Veranda Liquidity event or Veranda Partial Liquidity Event or as on 31.12.2027 as detailed below:

- Veranda Liquidity Event means the successful closure of any event whereby Veranda Learning Solutions Limited receives external equity funding of not less than US \$ 1000 Lakhs (at a valuation of Veranda Learning Solutions Limited of not less than US\$ 1,0000 Lakhs); or, where Veranda Learning Solutions Limited, publicly lists its shares on any recognized stock exchange with an IPO issue and valuation of not less than INR equivalent of US\$ 1,0000 Lakhs.
- Veranda Partial Liquidity Event means successful closure of any event other than a Veranda Liquidity Event, whereby the company receives external equity funding, but shall not include a Deemed Partial Liquidity Event. In the event that only a Veranda Partial Liquidity Event occurs, VRLSPL shall have the right (but not an obligation) to treat the same as Veranda Liquidity Event. If it does so, then, all the rights the option holder possesses in relation of the Veranda Liquidity Event shall be exercisable mutatis mutandis in relation to the Veranda Partial Liquidity Event, provided however, that the Cash Option and Share Option referred above shall be proportionately reduced to reflect the ratio of actual external equity funding received by the Holding Company to the extent the same is less than US \$ 1000 Lakhs.
- If, as on 31.12.2027, no Veranda Liquidity Event have consummated, then, the employee shall be entitled to subscribe to shares only in VRLSPL worth Rs.5600 Lakhs, or share valuing 1.33 times of Turnover, valuing the enterprise of VRLSPL at 3 times of Turnover (duly adjusted for debt) of calendar year ending 31.12.2027, whichever is lower after adjusting any Cash Paid or shares issued by VRLSPL.

In the event of the termination of the RSU Agreement or the Employment agreement with the employee, the above rights shall no longer be available to or exercisable by the employee and the RSUs shall lapse.

Exercise of Options:

The options are required to be exercised within 30 days from the vesting date (RSU exercise time limit). Otherwise, the options would lapse.

In the event of a Veranda Liquidity Event or Veranda Partial Liquidity Event, during the RSU exercise time limit, the employee shall have the right to either take a cash option or a share option after adjusting any amounts paid or shares issued.

Upon exercising the share option, the VRLSPL, subsidiary company shall issue shares worth Rs.5600 Lakhs. The exercise price for the share option shall be 1% of the value of the share options, i.e., 1% of Rs.5600 Lakhs, which amounts to Rs. 56 Lakhs. Within 45 days of the exercise date, the employee shall submit to the VRLSPL, subsidiary company all necessary forms for exchange of shares so allotted by VRSPL with the shares worth Rs.5600 Lakhs of the Holding Company. At the time of exercise of option, the shares allotted by VRLSPL will be exchanged with the shares of the Holding company.

In the event, when no Veranda Liquidity Event has been consummated, then, the employee shall be entitled to subscribe to shares only in VRLSPL worth Rs.5600 Lakhs, or share valuing 1.33 times of Turnover, valuing the enterprise of VRSPL at 3 times of Turnover (duly adjusted for debt) of calendar year ending 31.12.2027, whichever is lower after adjusting any Cash Paid or shares issued by VRLSPL. The shares of VRSPL will not be exchanged with shares of holding company in this case.

Based on the management's assessment on the date of issue, the occurrence of Veranda Liquidity Event / Veranda Partial Liquidity Event is considered probable.

The fair value is discounted at a rate of 8% and is amortized over the vesting period (i.e. 31.12.2027). Accordingly, the fair value is discounted at a rate of 8% and is amortized over the vesting period (i.e.31.12.2027). Further as the shares of the holding company will be exchanged for Nil consideration, the amount of compensation cost charged to the statement of profit and loss has been considered as deemed investment from the parent company and credited to "Share - based payment reserve" in other equity in the books of the company.

The total compensation cost recognized as Deemed investment for the year ended September 30, 2021 amounted to Rs. 311.03 lakhs.

44.5 ESOPs issued by Brain4ce Education Solutions Private Limited (Subsidiary):

On the date of acquisition of Brain4ce, the subsidiary had granted 89,914 options issued to their eligible employees under the ESOP Scheme which were fully vested but not exercised.

As per the shareholders agreement entered into between the holding company and Brain4ce, these options will be settled through issuance of redeemable preference shares in the ratio of 1:1 instead of issuance of equity shares in the ratio of 1:1. The exercise period has been capped at 31st July, 2024 instead of 96 months from the vesting date. All the redeemable preference shares issued on such exercise will be redeemed at a price of Rs.2,415 in August 2024. These cash settled share options are accounted for at their fair value on the balance sheet date.



45 Business Combinations

Subsidiaries

45.1 Brain4ce Education Solutions Private Limited

Group acquired 100% shareholding of Brain4ce Education Solutions Private Limited on 17th September 2021. Goodwill on consolidation was computed as under:

Particulars	Provisional
Property, plant and equipment	37.50
Intangibles	
- Brand - Brain4ce	2,001.94
- Technology - Brain4ce	2,917.29
- Non - Compete - Brain4ce	3,626.93
Cash & Bank Balance	133.79
Other Non Current Assets	257.14
Other Current Assets	635.30
Total Assets	9,609.90
Borrowings	(751.40)
Trade Payables	(1,986.10)
Other Non current financial liability	(1,560.71)
Other Non-Current Liabilities	(73.09)
Other Current Liabilities	(821.17)
- Deferred Tax Liabilities on above intangible assets	-
Total Liabilities	(5,192.47)
Net identifiable Asset Acquired	4,417.43

Calculation of Goodwill

Particulars	Provisional
Purchase Consideration	19,328.09
Add: Deferred tax liability recognised on Intangible Assets acquired	2,150.81
Less: Net identifiable assets acquired	4,417.43
Goodwill*	17,061.47

*Goodwill is not deductible for tax purpose.

The Company signed a Term Sheet dated July 15 2021 and Share purchase agreement dated August 30, 2021 to acquire 100% shareholding and control of Brain4ce Education Solutions Private Limited (Brain4ce) for a total consideration of Rs. 19,328.09 Lakhs. The effective date of acquisition is 17th September 2021.

As at 30 September 2021, initial accounting for the business combination is incomplete and Company has recorded the provisional amounts of identified assets and liabilities. Company has initiated the process of identification of assets and liabilities and appointed an external independent expert to carry out detailed Purchase Price Allocation ("PPA") of the purchase consideration paid/payable to the shareholders of Brain4ce Education Solutions Private Limited. Company is confident of completing this evaluation during the measurement period (One year from the date of acquisition i.e. 17th September 2021).

At the end of the above process of identification or measurement period whichever is earlier, Company shall retrospectively adjust the provisional amounts recognised at the acquisition date or recognise additional assets or liabilities to reflect the new information obtained about the facts and circumstances that existed as on the acquisition date, and, if known, would have affected the measurement of the amounts recognised as of that date.

45.2 Veranda Race Learning Solutions Private Limited

Group acquired 100% shareholding of Veranda Race Learning Solutions Private Limited on 16th October 2020. Goodwill on consolidation was computed as under:

Particulars	Amount
Property, plant and equipment	30.70
Cash & Bank Balance	0.45
Other Assets	5.18
Total Assets	36.33
Borrowings	18.82
Trade Payables	18.14
Other Current Liabilities	0.02
Total Liabilities	36.98
Net identifiable Asset Acquired	(0.65)
Purchase Consideration	0.10
Goodwill	0.75



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45.3 Veranda Excel Learning Solutions Private Limited

Group acquired 100% shareholding of Veranda Race Learning Solutions Private Limited on 16th October, 2020. Goodwill on consolidation was computed as under:

Particulars	Amount
Cash & Bank Balance	0.32
Investment	-
Loans	11.91
Other assets	94.85
Total Assets	107.08
Borrowings	102.32
Trade Payables	9.70
Other Current Liabilities	0.84
Total Liabilities	112.86
Net identifiable Asset Acquired	(5.77)
Purchase Consideration	0.10
Goodwill	5.87

45.4 Veranda IAS Learning Solutions Private Limited

On February 26, 2021, Group incorporated wholly owned subsidiary Veranda IAS Learning Solutions Private Limited with a share capital of Rs.1 Lakh which is offering affordable online learning solutions for IAS course through experienced faculty members.

45.5 Goodwill on consolidation

Goodwill represents goodwill on consolidation and is the excess of purchase consideration paid over net asset value of acquired subsidiary on the date of such acquisition. Such goodwill is tested for impairment annually or more frequently, if there are indicators for impairment. The management does not foresee any risk of impairment on the carrying value of goodwill as at reporting date.

Goodwill on consolidation as at September 30, 2021 stood at Rs.17068.09 Lakhs. The Group acquired 100% equity share stake in Brain4ce Education Solutions Private Limited during the period and excess purchase consideration paid over the net assets taken over to the extent was recognised as Goodwill amounting to INR 17,061.47 Lakhs on the acquisition.

For the purpose of impairment testing, goodwill acquired in a business combination is allocated to the Group's cash generating unit that is expected to benefit from the synergies of the acquisition. The Chief operating decision maker reviews the goodwill for any impairment at each reporting date. The fair value of a CGU is determined based on pre-tax cash flow projections for a CGU over a period of five years. As of September 30, 2021 the estimated recoverable amount of the CGU exceeds its carrying amount. The recoverable amount was computed based on the fair value less cost to sell being higher than value-in-use.



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46 Note on Common Control

The share capital of M/s. Veranda Learning Solutions Limited (Formerly Known as M/s. Veranda Learning Solutions Private Limited) is held by Kalpathi S Aghoram, Kalpathi S Ganesh and Kalpathi S Suresh (collectively known as shareholders) in the proportion of 33.33% each. The Company acquired 100% shareholding in M/s. Veranda XL Solutions Private Limited (Formerly known as M/s. Veranda Excel Solutions Private Limited) with effect from 16th October 2020. Prior to this date, the shares of M/s. Veranda XL Solutions Private Limited was held by M/s. Grassland Agro Private Limited., the share capital of which was also held by the same shareholders in the proportion of 33.33% each. Based on representations provided by the shareholders, there is no contractual arrangement between them to collectively control and govern the financial and operating policies of any of the above mentioned entities and all decisions about the relevant activities require a simple majority of the shareholders. Accordingly, the acquisition of M/s. Veranda XL Solutions Private Limited is accounted under acquisition method under Ind AS 103 and not considered as a Common Control Business Combination.

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

M/s. Veranda Learning Solutions Limited ("The Holding 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, PPE & Intangibles etc., Based on current indicators of future economic conditions, M/s. Veranda Learning Solutions Limited ("The Holding 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 special purpose interim financial statements. M/s. Veranda Learning Solutions Limited ("The Holding Company") will continue to closely monitor any material changes arising of future economic conditions and impact on its business.

48 Ratio analysis

a) Current Ratio = Current Assets/ Current Liabilities

Particulars	September 30, 2021
Current assets	4,201.09
Current liabilities	11,474.74
Ratio	0.37

Change in ratios of more than 25% is compared to the previous years is because the company has started its commercial operations in September 2020.

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	16,519.86
Total equity	2,270.74
Ratio	7.28

Change in ratios of more than 25% is compared to the previous years is because the company has started its commercial operations in September 2020.

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

Particulars	September 30, 2021
(Loss) before tax for the period*	(1,827.07)
Add: Non cash expenses and finance costs	
Depreciation and amortization expense	205.85
Finance costs	136.72
Earnings available for debt services	(1,484.50)
Interest cost on borrowings	87.29
Principle repayments	2.40
Total interest and principal repayments	89.69
Ratio	(16.55)

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

Change in ratios of more than 25% is compared to the previous years is because the company has started its commercial operations in September 2020.

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

Particulars	September 30, 2021
(Loss) before tax for the period*	(1,827.07)
Total Equity	2,270.74
Ratio	(0.80)

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

Change in ratios of more than 25% is compared to the previous years is because the company has started its commercial operations in September 2020.



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

Particulars	September 30, 2021
Purchases	68.48
Changes in inventory*	(3.89)
Closing Inventory	76.94
Ratio	0.84

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

Change in ratios of more than 25% is compared to the previous years is because the company has started its commercial operations in September 2020.

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

Particulars	September 30, 2021
Credit sales	1,546.25
Closing trade receivables	434.69
Ratio	3.56

Change in ratios of more than 25% is compared to the previous years is because the company has started its commercial operations in September 2020.

g) Trade payables turnover ratio = Credit purchases divided by closing trade payables

Particulars	September 30, 2021
Credit purchases	68.48
Closing trade payables	2,878.42
Ratio	0.02

Change in ratios of more than 25% is compared to the previous years is because the company has started its commercial operations in September 2020.

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

Particulars	September 30, 2021
Revenue from operations*	1546.249374
Net Working Capital	(7,273.66)
Ratio	(0.49)

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

Change in ratios of more than 25% is compared to the previous years is because the company has started its commercial operations in September 2020.

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

Particulars	September 30, 2021
Loss for the year*	(1,827.07)
Revenue from operations	1546.249374
Ratio	(1.18)

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

Change in ratios of more than 25% is compared to the previous years is because the company has started its commercial operations in September 2020.

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

Particulars	September 30, 2021
(Loss) before tax* (A)	(1,847.88)
Finance Costs* (B)	136.72
Other income* (C)	19.79
EBIT (D) = (A)+(B)-(C)	(1,730.95)
Capital Employed- Pre Cash (J)=(E)-(F)-(G)-(H)-(I)	17,144.78
Total Assets (E)	30,736.72
Current Liabilities (F)	11,474.74
Current Investments (G)	-
Cash and Cash equivalents (H)	1,983.42
Bank balances other than cash and cash equivalents (I)	133.78
Ratio (D/J)	-0.10

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

Change in ratios of more than 25% is compared to the previous years is because the company has started its commercial operations in September 2020.

The Non-GAAP measures presented may not be comparable to similarly titled measures reported by other companies. Further, it should be noted that EBIDTA, EBITDA Margin, Gross Margin, Net worth, Return on Net Worth, Net Asset Value (per Equity Share), debt equity ratio, Return on Capital Employed, Return on Equity is not a measure of operating performance or liquidity defined by generally accepted accounting principles and may not be comparable to similarly titled measures presented by other companies.



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49 Events after the Reporting Date

49.1 The name of the holding company has been changed from Veranda Learning Solutions Private limited to Veranda Learning Solutions limited with effect from October 12, 2021.

49.2 Issue Of Equity Shares On Private Placement Basis Before Initial Public Offer (IPO)

Board of directors in its meeting dated 18 December 2021, proposed to issue 30,76,969 Equity Shares at a face value of Rs. 10/- (Rupees Ten) each for cash, at a premium of Rs. 120/- per share aggregating to Rs. 4000.06 Lakhs on private placement basis.

50 Approval of Special purpose interim consolidated financial statements.

The Special purpose interim consolidated financial statements were approved by the Board of Directors and authorised for issuance on December 22, 2021

For and on behalf of the Board of Directors


Kalpathi S Suresh
Executive Chairman


R Rangarajan
Director


M Anantharamakrishnan
Company Secretary

Place : Chennai
Date : 22 December , 2021

