

**Veranda XL Learning Solutions Private Limited**  
**(formerly known as Veranda Excel Learning Solutions Private Limited)**

**Special Purpose Balance Sheet as at September 30, 2021**

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

Particulars	Notes	As at September 30, 2021
<b>I. ASSETS</b>		
<b>1. Non-current assets</b>		
(a) Property, plant and equipment	4	0.33
(b) Intangible assets	4	163.56
(c) Intangible asset under development	5	37.87
<b>Total non-current assets</b>		<b>201.76</b>
<b>2. Current assets</b>		
(a) Inventories	6	34.60
(b) Financial assets		
(i) Cash and cash equivalents	7	12.91
(ii) Trade Receivables	8	4.93
(c) Other current assets	9	101.82
<b>Total current assets</b>		<b>154.26</b>
<b>Total assets</b>		<b>356.02</b>
<b>II. EQUITY AND LIABILITIES</b>		
<b>1. Equity</b>		
(a) Equity share capital	10	100.00
(b) Other equity	11	(750.73)
<b>Total equity</b>		<b>(650.73)</b>
<b>2. Non - Current liabilities</b>		
(a) Provisions	12	2.45
		<b>2.45</b>
<b>3. Current liabilities</b>		
(a) Financial liabilities		
(i) Borrowings	13	675.32
(ii) Trade payables	14	
(a) Total outstanding dues of Micro Enterprises and Small Enterprises		4.99
(b) Total outstanding dues of creditors other than Micro Enterprises and Small Enterprises		295.45
(iii) Other financial liabilities	15	14.97
(b) Provisions	16	0.13
(c) Deferred Tax liability	17	-
(d) Other current liabilities	18	13.44
<b>Total current liabilities</b>		<b>1,004.30</b>
<b>Total liabilities</b>		<b>1,006.75</b>
<b>Total equity and liabilities</b>		<b>356.02</b>

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

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

*Ananthi Amarnath*  
**Ananthi Amarnath**  
Partner



Place: Chennai  
Date: 22 December, 2021

For and on behalf of the Board of Directors

*K Praveen Kumar*  
**K Praveen Kumar**  
Director

*R Rangarajan*  
**R Rangarajan**  
Director

Place: Chennai  
Date: 22 December, 2021

**Veranda XL Learning Solutions Private Limited**  
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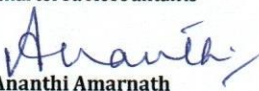
**Special Purpose Statement of Profit and Loss for the half year ended September 30, 2021**

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

Particulars	Notes	For the Half year ended September 30, 2021
<b>A Income</b>		
Revenue from operations	19	31.90
<b>Total Income</b>		<b>31.90</b>
<b>B Expenses</b>		
Cost of materials consumed	20	0.10
Purchase of stock - in - trade	21	0.63
Changes in inventory of stock - in - trade	22	5.38
Employee benefits expenses	23	58.82
Finance Costs	24	13.09
Depreciation and amortization expense	25	19.42
Other expenses	26	422.45
<b>Total expenses</b>		<b>519.89</b>
<b>C Loss before tax</b>		<b>(487.99)</b>
<b>D Tax expense</b>	27	-
Current tax		-
Deferred tax		-
<b>E Loss for the period</b>		<b>(487.99)</b>
<b>F Other comprehensive Income</b>		
<b>Items that will not be subsequently reclassified to profit or loss</b>		
Re-measurement gains/(losses) on defined benefit obligations		-
<b>Income-tax relating to items that will not be subsequently reclassified to profit or loss</b>		
Re-measurement gains/(losses) on defined benefit obligations		-
<b>Other comprehensive income/(loss) for the period, net of tax</b>		-
<b>G Total comprehensive loss for the period</b>		<b>(487.99)</b>
<b>H Loss per share</b>	28	
Basic Earnings per share (Nominal value per equity share of Rs. 10)		(48.80)
Diluted Earnings per share (Nominal value per equity share of Rs. 10)		(48.80)

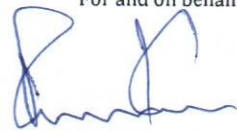
See accompanying notes forming part of the special purpose standalone interim financial statements

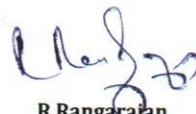
In terms of our report attached  
**For Deloitte Haskins & Sells**  
Chartered Accountants

  
**Ananthi Amarnath**  
Partner



For and on behalf of the Board of Directors

  
**K Praveen Kumar**  
Director

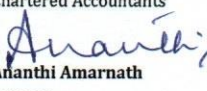
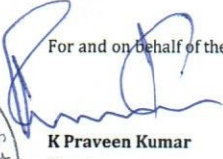
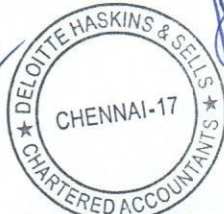
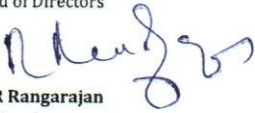
  
**R Rangarajan**  
Director

Place: Chennai  
Date: 22 December, 2021

Place: Chennai  
Date: 22 December, 2021



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

Particulars	For the Half year ended September 30,2021
<b>Cash flow from operating activities</b>	
Loss before tax	(487.99)
Adjustments for non cash expenditure	
Depreciation and amortization expense	19.42
Finance costs	13.09
	(455.48)
Change in operating assets and liabilities	
(Increase)/ decrease in inventories	5.48
(Increase)/ decrease in other assets	(44.44)
(Increase)/ decrease in trade receivables	(4.93)
Increase/ (decrease) in Long Term Provisions	2.45
Increase/ (decrease) in other financial liabilities	11.19
Increase/ (decrease) in other liabilities	(13.01)
Increase/ (decrease) in trade payables	249.03
Cash used in operations	(249.71)
Less : Income taxes paid (net of refunds)	-
<b>Net cash used in operating activities (A)</b>	<b>(249.71)</b>
<b>Cash flows from investing activities</b>	
Purchase of property, plant and equipment and intangible assets (including intangible under development)	(56.20)
<b>Net cash used in investing activities (B)</b>	<b>(56.20)</b>
<b>Cash flows from financing activities</b>	
Repayment of borrowings to Grassland Agro Private Limited	(12.45)
Repayment of borrowings to Directors	(0.14)
Proceeds from borrowings	329.27
<b>Net cash from financing activities (C)</b>	<b>316.68</b>
<b>Net increase in cash and cash equivalents (A+B+C)</b>	<b>10.77</b>
Cash and cash equivalents at the beginning of the period	2.14
<b>Cash and cash equivalents at end of the period</b>	<b>12.91</b>
<b>Notes:</b>	
1. The above cash flow statement has been prepared under indirect method prescribed in Ind AS 7 "Statements of Cash Flows".	
2. Components of cash and cash equivalents (Refer Note 7)	
Balances with banks - current accounts	12.89
Cash on hand	0.02
	12.91
3. Direct taxes paid are treated as arising from operating activities and are not bifurcated between investing and financing activities.	
4. Statement of Reconciliation of financing activities :	
Particulars	For the Half year ended September 30,2021
Opening Balance	222.43
Proceeds from borrowings	329.27
Repayment of borrowings	(12.59)
Dues to holding company converted into borrowings	136.21
Interest Expense	-
Interest Paid	-
Closing Balance	675.32
- Figures in bracket indicate cash outflow	
See accompanying notes forming part of the special purpose standalone interim financial statements	
In terms of our report attached	
<b>For Deloitte Haskins &amp; Sells</b>	
Chartered Accountants	
 <b>Ananthi Amarnath</b> Partner	 For and on behalf of the Board of Directors <b>K Praveen Kumar</b> Director
	 <b>R Rangarajan</b> Director
Place: Chennai Date: 22 December, 2021	Place: Chennai Date: 22 December, 2021

**Veranda XL Learning Solutions Private Limited**  
**(formerly known as Veranda Excel Learning Solutions Private Limited)**  
**Special Purpose Statement of Changes in Equity for the half year ended September 30, 2021**  
 (All amounts are in lakhs of Indian Rupees, unless otherwise stated)

**Statement of changes in equity**

**(A) Equity share capital**

Balance at the beginning of the current reporting period	Changes in Equity Share Capital due to prior period errors	Restated balance at the beginning of the current reporting period	Changes in equity share capital during the current year	Balance at the end of the current reporting period
100.00	-	-	-	100.00

**(B) Other equity**

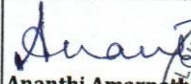
Particulars	Retained Earnings	Total
<b>Balance as at March 31, 2021</b>	<b>(262.74)</b>	<b>(262.74)</b>
Loss for the period	(487.99)	(487.99)
Changes in accounting policy or prior period errors	-	-
Restated balance at the beginning of the current reporting period	-	-
Other comprehensive income/(loss), net of tax	-	-
<b>Total comprehensive loss for the Period</b>	<b>(487.99)</b>	<b>(487.99)</b>
<b>Balance as at September 30, 2021</b>	<b>(750.73)</b>	<b>(750.73)</b>

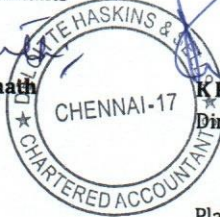
See accompanying notes forming part of the special purpose standalone interim financial statements

In terms of our report attached For and on behalf of the Board of Directors

**For Deloitte Haskins & Sells**

Chartered Accountants

  
**Ananthi Amarnath**  
 Partner



  
**K Praveen Kumar**  
 Director

  
**R Rangarajan**  
 Director

Place: Chennai

Date: 22 December, 2021

Place: Chennai

Date: 22 December, 2021



**Veranda XL Learning Solutions Private Limited**  
**(formerly known as Veranda Excel Learning Solutions Private Limited)**  
**Notes to Special Purpose financial statements for the half year ended September 30,2021**

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

**1 Corporate information**

Veranda XL Learning Solutions Private Limited (formerly known as Veranda Excel Learning Solutions Private Limited) ("the Company" or "VXLS") was incorporated on January 4, 2019 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. VXLS is offering affordable online learning solutions for Chartered Accountancy course through experienced faculty members.

**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:

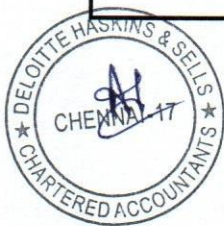
Balance Sheet:

- 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





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

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**Standards amended during the year:**

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

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

**Ind AS 116 - COVID-19-Related Rent Concessions**

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

**Interest Rate Benchmark Reform - Phase 2**

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

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

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

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

**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 financial statements**

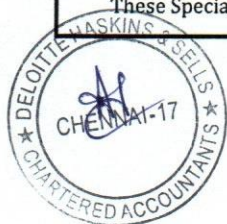
**i) Statement of compliance**

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

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

- (i) Section 26 of Chapter III of the Act;
  - (ii) relevant provisions of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, issued by the Securities and Exchange Board of India ("SEBI"), as amended ("ICDR Regulations"); and
  - (iii) Guidance Note on Reports in Company Prospectuses (Revised 2019) issued by the Institute of Chartered Accountants of India
- Accordingly, the comparative period disclosures for September 2020/March 2021 as required by Ind AS 34, as may be applicable, has not been provided since the same is exempted as per the requirements of ICDR Regulations.

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





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

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

**ii) Basis of preparation and presentation**

**Historical cost convention**

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

**Measurement of fair values**

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

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

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.

**Functional and presentation currency**

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

**3 Significant Accounting Policies**

**a) Current versus non-current classification**

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

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

All other assets are classified as non-current.

A liability is current when:

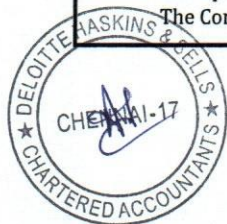
- i) It is expected to be settled in normal operating cycle:
- ii) It is held primarily for the purpose of trading:
- iii) It is due to be settled within twelve months after the reporting period, or
- iv) There is no unconditional right to defer the settlement of the liability for at least twelve months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





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

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

**b) 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
Computers and data processing units	3

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.

**c) 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.

**Intangible under development**

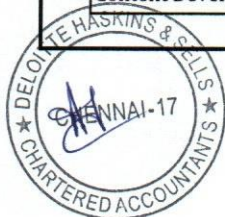
Costs incurred during research phase are charged to profit or loss in the year in which they are incurred. Development phase expenses are initially recognized as intangible assets under development until the development phase is complete, upon which the amount is capitalized as intangible asset.

**Useful life and amortisation of intangible assets**

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

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

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





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

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

**d) 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.

**e) 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.

**f) 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.

**g) Taxes**

**Current income tax**

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

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

**Deferred tax**

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

Deferred tax liabilities are recognised for all taxable temporary differences.

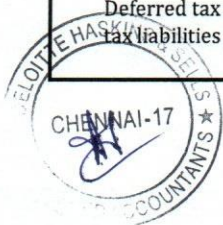
Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised. Where there is deferred tax assets arising from carry forward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





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**h) 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.

**Compensated Absences**

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.

**i) 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.

**j) 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.

**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.

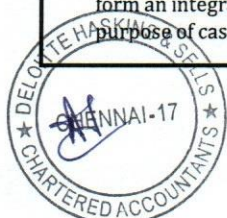
**k) Cash and cash equivalents**

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.

**l) 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.





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**m) 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.

**n) Leases**

The Company assesses whether a contract contains a lease, at inception of a contract. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Company assesses whether:

(i) the contract involves the use of an identified asset

(ii) the Company has substantially all of the economic benefits from use of the asset through the period of the lease and

(iii) the Company has the right to direct the use of the asset.

At the date of commencement of the lease, the Company recognizes a right-of-use asset ("ROU") and a corresponding lease liability for all lease arrangements in which it is a lessee, except for leases with a term of twelve months or less (short-term leases) and low value leases. For these short-term and low value leases, the Company recognizes the lease payments as an operating expense on a straight-line basis over the term of the lease.

Certain lease arrangements includes the options to extend or terminate the lease before the end of the lease term. ROU assets and lease liabilities includes these options when it is reasonably certain that they will be exercised.

The right-of-use assets are initially recognized at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or prior to the commencement date of the lease plus any initial direct costs less any lease incentives. They are subsequently measured at cost less accumulated depreciation and impairment losses.

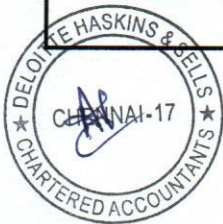
Right-of-use assets are depreciated from the commencement date on a straight-line basis over the shorter of the lease term and useful life of the underlying asset. Right of use assets are evaluated for recoverability whenever events or changes in circumstances indicate that their carrying amounts may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

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

Lease liability and ROU asset have been separately presented in the Balance Sheet and lease payments have been classified as financing cash flows.

**o) Segment reporting**

Based on internal reporting provided to the Chief operating decision maker, the Company's operations predominantly related to sale of comprehensive learning programs and, accordingly, this is the only operating segment. The management committee reviews and monitors the operating results of the business segment for the purpose of making decisions about resource allocation and performance assessment using profit or loss and return on capital employed.





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

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

**p) Financial instruments**

**Financial Assets**

**(i) Initial recognition and measurement:**

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

**(ii) Subsequent measurement:**

-Financial assets carried at amortised cost (AC)

A financial asset is subsequently measured at amortised cost if it is held within a business model whose objective is to hold the asset in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

-Financial assets at fair value through other comprehensive income (FVTOCI)

A financial asset is subsequently measured at fair value through other comprehensive income if it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

-Financial assets at fair value through profit OR loss (FVTPL)

A financial asset which is not classified in any of the above categories are fair valued through profit or loss.

**(iii) Impairment of financial assets**

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

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

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

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

**Financial liabilities**

**(i) Initial recognition and measurement:**

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

**(ii) Subsequent measurement:**

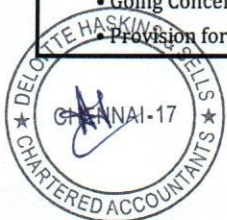
Financial liabilities are carried at amortized cost using the effective interest method. For trade and other payables maturing within one year from the Balance Sheet date, the carrying amounts approximate fair value due to the short maturity of these instruments.

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

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:

- Useful lives of Property, plant and equipment
- Useful lives of Intangible assets under development
- Fair value of financial assets and financial liabilities
- Provision for employee benefits
- Going Concern Assessment
- Provision for taxation





**Veranda XL Learning Solutions Private Limited**

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

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

**4 Property, Plant and Equipment**

Particulars	Tangible Assets			Intangible Assets	
	Office Equipment	Computer	Total	Content Cost	Total
<b>Gross carrying value</b>					
<b>Balance as at March 31, 2021</b>	<b>0.02</b>	-	<b>0.02</b>	-	-
Additions	0.35	-	0.35	182.96	182.96
Disposals	-	-	-	-	-
<b>Balance as at September 30, 2021</b>	<b>0.37</b>	-	<b>0.35</b>	<b>182.96</b>	<b>182.96</b>
<b>Accumulated Depreciation</b>					
<b>As at March 31, 2021</b>	<b>0.02</b>	-	<b>0.02</b>	-	-
Additions	0.02	-	0.02	19.40	19.40
Disposals	-	-	-	-	-
<b>As at September 30, 2021</b>	<b>0.04</b>	-	<b>0.04</b>	<b>19.40</b>	<b>19.40</b>
<b>Net Block</b>					
As at September 30, 2021	0.33	-	0.33	163.56	163.56
As at March 31, 2021	-	-	-	-	-



**Veranda XL Learning Solutions Private Limited**

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

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

**5 Intangible Assets under Development**

Particulars	As at 30 September 2021
Content development Cost	37.87
	<b>37.87</b>

Particulars	As at 30 September 2021				
	To be completed in				
Intangible assets under development	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
Content development Cost					
(Projects in progress)	37.87	-	-	-	37.87
(Projects suspended)	-	-	-	-	-

**6 Inventories**

Valued at lower of cost and Net Realisable value unless otherwise stated

Particulars	As at 30 September 2021
Packing Material	0.24
Stock in Trade (Books)	34.36
	<b>34.60</b>

**7 Cash and cash equivalents**

Particulars	As at 30 September 2021
Balances with banks - in current accounts	12.89
Cash - on - hand	0.02
	<b>12.91</b>

**8 Trade Receivables**

Particulars	As at 30 September 2021
<b>Unsecured, considered good</b>	
<b>Undisputed trade receivables - considered good</b>	
Receivables from payment gateway	4.58
Receivables from third parties	0.35
Unsecured, considered doubtful	-
Less: Loss allowance	-
<b>Net trade receivables</b>	<b>4.93</b>





**Veranda XL Learning Solutions Private Limited**

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

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

**8.1 Trade receivables ageing schedule**

Particulars	As at September 30, 2021				
	Outstanding for following periods from due date of payment				
	Less than 6 months	6 months - 1 year	1-3 years	More than 3 years	Total
(i) Undisputed Trade receivables – considered good	4.93	-	-	-	4.93
(ii) Undisputed Trade Receivables – considered doubtful	-	-	-	-	-
(iii) Disputed Trade Receivables considered good	-	-	-	-	-
(iv) Disputed Trade Receivables considered doubtful	-	-	-	-	-

8.2 Trade Receivables includes receivables outstanding from customers constituting individually 5% or more of the total trade receivables as at 30 September, 2021 of Rs. 4.58 Lakhs

**9 Other current assets**

Particulars	As at 30 September 2021
<b>Unsecured considered good</b>	
Balances with government authorities	89.76
Prepaid Expenses	2.03
Advances (other than capital advances)	10.03
	<b>101.82</b>

**10 Share capital**

Particulars	As at 30 September 2021
<b>Authorised share capital</b>	
10,00,000 (March 31,2021: 10,00,000) Equity Shares of Rs.10 each	100.00
	<b>100.00</b>
<b>Issued share capital</b>	
10,00,000 (March 31,2021: 10,00,000) Equity Shares of Rs.10 each	100.00
	<b>100.00</b>
<b>Subscribed and fully paid up share capital</b>	
10,00,000 (March 31,2021: 10,00,000) Equity Shares of Rs.10 each	100.00
	<b>100.00</b>

Notes:

	As at 30 September 2021	
<b>1) Reconciliation of number of equity shares subscribed</b>	<b>No of Shares</b>	<b>Amount</b>
Balance at the beginning of the period/ year	10,00,000	100.00
Issued during the period/ year	-	-
Balance at the end of the period/ year	<b>10,00,000</b>	<b>100.00</b>

2) Since the inception, the company has neither issued any shares as bonus shares nor for consideration other than cash and has not bought back any shares.

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

- The company has issued only one class of equity shares having a par value of Rs.10/- each. The equity shares of the company having par value of Rs.10/- rank pari-passu in all respects including voting rights.
- The Company has not declared dividend on equity shares.
- 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.



**Veranda XL Learning Solutions Private Limited**

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

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

**4) Shares held by holding company, its subsidiaries and associates**

Name of the share holder	As at 30 September 2021	
	No of shares	% of Holding
Veranda Learning Solutions Limited (formerly known as Veranda Learning Solutions Private Limited) and its nominees	9,99,990	100%
Mr. R.Rangarajan*	10	0.00%

\*shares held on behalf of Veranda Learning Solutions Limited (formerly known as Veranda Learning Solutions Private Limited) from October 16, 2020.

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

Name of the share holder	As at 30 September 2021	
	No of shares	% of Holding
Veranda Learning Solutions Limited (formerly known as Veranda Learning Solutions Private Limited) and its nominees	9,99,990	100%

**6) Shareholding of promoters\***

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

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

**11 Other equity**

Particulars	As at 30 September 2021
Retained Earnings	(750.73)
	(750.73)
<b>a) Retained Earnings</b>	
Balance at the beginning of the period	(262.74)
Loss for the period	(487.99)
Balance at the end of the period	(750.73)
<b>b) Other Comprehensive Income</b>	
Balance at the beginning of the period	-
Transfer during the period	-
Transfer to Retained Earnings	-
Balance at the end of the period	-

**12 Long Term Provisions**

Particulars	As at 30 September 2021
Provision for Gratuity	1.06
Provision for Leave Encashment	1.39
(Refer Note 34)	2.45





**Veranda XL Learning Solutions Private Limited**

(formerly known as Veranda Excel Learning Solutions Private Limited)

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

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

**13 Short term borrowings**

Particulars	As at 30 September 2021
<b>Loan repayable on demand</b>	
<b>From related parties (unsecured)( Refer Note 35 )</b>	
Veranda Learning Solutions Limited (formerly known as Veranda Learning Solutions Private Limited)	675.32
	<b>675.32</b>

**14 Trade payables**

Particulars	As at 30 September 2021
Total outstanding dues of creditors of micro and small enterprises**	4.99
Total outstanding dues of creditors other than micro and small enterprises	295.44
	<b>300.43</b>

\*\* Dues to Micro Enterprises and Small Enterprises have been determined to the extent such parties have been identified on the basis of information collected by the management represents the principal amount payable to these enterprises. There are no interest due and outstanding as at the reporting date. Refer Note 29.

**14.1 Trade payables ageing schedule**

Particulars	As on 30 September 2021				
	Outstanding for following periods from due date of payment				
	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
(i) Undisputed dues - MSME	4.99	-	-	-	4.99
(ii) Undisputed dues - Others	295.44	-	-	-	295.44
(iii) Disputed dues - MSME	-	-	-	-	-
(iv) Disputed dues - Others	-	-	-	-	-

**15 Other Financial Liabilities**

Particulars	As at 30 September 2021
Interest accrued (Refer Note 35)	14.97
	<b>14.97</b>

**16 Short Term Provisions**

Particulars	As at 30 September 2021
Provision for Gratuity*	-
Provision for Leave Encashment	0.13
(Refer Note 34)	<b>0.13</b>

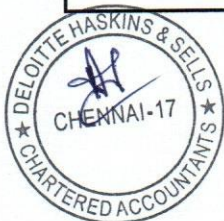
**17 Deferred tax liability**

Particulars	As at 30 September 2021
<b>Deferred tax liability</b>	
On property plant and equipment	(0.67)
	<b>(0.67)</b>
<b>Deferred tax asset</b>	
On expenses allowable on payment basis	0.67
	<b>0.67</b>
<b>Net deferred tax liability</b>	<b>-</b>

Based on assessment of probability of taxable profits against which the deferred tax asset pertaining to unabsorbed business loss and depreciation loss amounting to Rs. 195.19 lakhs can be utilised, the company has not recognized deferred tax asset thereon. The company shall continue to assess the recoverability of such deferred tax asset at the end of every reporting period.

**18 Other current liabilities**

Particulars	As at 30 September 2021
Prepaid Income	2.31
Statutory dues payable	11.13
	<b>13.44</b>



**Veranda XL Learning Solutions Private Limited**  
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Notes to Special Purpose financial statements for the half year ended September 30,2021

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

**19 Revenue from operations**

Particulars	For the Half year ended September 30,2021
<b>Revenue from operations</b>	
Sale of product - Online	31.01
<b>Other operating revenue</b>	
Shipping Charges	0.89
	<b>31.90</b>

**19.1 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:

At a point in time	
Sale of Online Courses	31.01
Shipping Revenue	0.89
<b>Total</b>	<b>31.90</b>

**19.2 Reconciliation of revenue with contract price**

Particulars	For the Half year ended September 30,2021
<b>Contract Price</b>	
Sale of product - Online	34.67
Shipping Charges	3.20
<b>Adjustments:</b>	
Discounts	(3.66)
Prepaid Income	(2.31)
<b>Total</b>	<b>31.90</b>

**19.3** All revenue from operations are recognised based on performance obligations satisfied at a point in time.

**19.4 Contract balances**

Revenue from operations recognised is collected as per the terms of the contract. Trade receivables have been disclosed under Note 8.

**19.5 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

**19.6 Information about major customers:**

During the period, there is no revenue from a single customer which is more than 10% of the Company's total revenue





**Veranda XL Learning Solutions Private Limited**  
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Notes to Special Purpose financial statements for the half year ended September 30,2021

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

**20 Cost of materials consumed**

Particulars	For the Half year ended September 30,2021
Opening stock of Packing Materials	0.34
Purchase of Packing Material	-
Less : Closing Stock of Packing Materials	(0.24)
	<b>0.10</b>

**21 Purchase of stock - in - trade**

Particulars	For the Half year ended September 30,2021
Purchase of Books	0.63
	<b>0.63</b>

**22 Changes in inventory of stock-in-trade**

Particulars	For the Half year ended September 30,2021
Opening Stock of Books	39.74
Less : Closing Stock of Books	(34.36)
	<b>5.38</b>

**23 Employee benefit expenses**

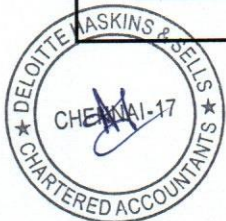
Particulars	For the Half year ended September 30,2021
Salaries, wages and bonus	56.56
Contribution to provident and other funds (Refer Note 35)	1.11
Staff welfare expenses	0.09
Gratuity (Refer note 34)	1.06
	<b>58.82</b>

**24 Finance Costs**

Particulars	For the Half year ended September 30,2021
Interest on Borrowings	12.44
Interest on MSME	0.65
	<b>13.09</b>

**25 Depreciation and amortization expenses**

Particulars	For the Half year ended September 30,2021
Depreciation on property, plant and equipment	0.02
Amortisation on Intangible Assets (Refer Note 4)	19.40
	<b>19.42</b>



**Veranda XL Learning Solutions Private Limited**  
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Notes to Special Purpose financial statements for the half year ended September 30,2021

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

**26 Other expenses**

Particulars	For the Half year ended September 30,2021
Cross charge of common expenses	92.14
Faculty content cost	55.09
Cross charge of studio expenses	1.88
Advertisement & Sales Promotion	210.13
Rent	2.70
Repairs & maintenance	0.10
Payment to the auditors (Excluding GST)	
- as statutory auditor	2.00
Legal and professional charges	25.10
Rates & taxes	2.19
Printing & stationery	0.32
Bank charges	0.09
Communication	1.12
Manpower charges - outsourced	25.30
Subscription charges	3.09
Power and fuel	0.23
Postage and telegram	0.16
Freight Charges	0.77
Miscellaneous expenses	0.04
<b>Total</b>	<b>422.45</b>

**\* Payment to Auditors**

Auditors Remuneration	For the Half year ended September 30,2021
Statutory Audit	2.00
Tax Audit	-
Out of pocket expenses	-
	<b>2.00</b>

**27 Tax expense:**

Particulars	For the Half year ended September 30,2021
<b>Deferred tax</b>	
Deferred tax expenses	-
	-

Particulars	For the Half year ended September 30,2021
a) Movement of deferred tax expense during the year / period	Nil

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

Deferred tax liabilities/(assets) in relation to:	Opening balance	Recognised in profit or loss	Recognised in OCI	Closing balance
Property, plant, and equipment and Intangible Assets	-	0.67	-	0.67
On expenses allowable on payment basis	-	(0.67)	-	(0.67)
	-	-	-	-





**Veranda XL Learning Solutions Private Limited**  
(formerly known as Veranda Excel Learning Solutions Private Limited)

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

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

Reconciliation of accounting profits	For the Half year ended September 30,2021
Accounting (loss) before tax	(487.99)
Income tax rate	26.00%
At statutory income tax rate	(126.88)
Non - deductible expenses for tax purposes	
Property, plant, and equipment and intangible assets	0.67
On expenses allowable on payment basis	(0.67)
Deferred tax not considered on business loss and unabsorbed depreciation	126.88
At the effective income tax rate	-
Income tax expenses reported in the statement of profit and loss	-

Based on assessment of probability of taxable profits against which the deferred tax asset pertaining to unabsorbed business loss and depreciation loss amounting to Rs. 195.19 lakhs can be utilised, the company has not recognized deferred tax asset thereon. The company shall continue to assess the recoverability of such deferred tax asset at the end of every reporting period.

**28 Loss per share**

Particulars	For the Half year ended September 30,2021
Loss for the period/year attributable to owners of the Company	(487.99)
Weighted average number of ordinary shares outstanding	10,00,000
Basic loss per share (Rs)	(48.80)
Diluted loss per share (Rs)	(48.80)

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

Particulars	For the Half year ended September 30,2021
(a) The principal amount remaining unpaid at the end of the year / period*	4.99
(b) The delayed payments of principal amount paid beyond the appointed date during the year / period	-
(c) Interest actually paid under Section 16 of MSMED Act	-
(d) Normal Interest due and payable during the year / period, as per the agreed terms	0.27
(e) Total interest accrued during the year / period and remaining unpaid	0.27

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

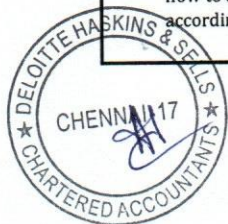
\*\*The above information has been determined to the extent such parties have been identified on the basis of information available with the Company.

**30 Contingent liabilities & commitments**

Particulars	As at 30 September, 2021
Contingent liabilities	Nil
Commitments	Nil

**31 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 predominantly related to sale of comprehensive learning programs and, accordingly, this is the only operating segment.



## Veranda XL Learning Solutions Private Limited

(formerly known as Veranda Excel Learning Solutions Private Limited)

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

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

### 32 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	675.32
Less: Cash and bank balances	12.91
Net debt	<u>662.41</u>
Total equity	(650.73)
Net debt to equity ratio (%)	(101.79%)

#### Credit risk management

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

#### Liquidity risk management

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

#### Liquidity tables

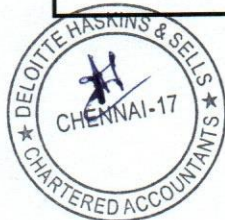
The following tables detail the Company's remaining contractual maturity for its non-derivative financial liabilities with agreed repayment periods. The tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date

Particulars	September 30 2021			Carrying amount
	Due in 1st year	Due in 2nd to 5th year	Due after 5th year	
Borrowings (Fixed rate instrument)	675.32	-	-	675.32
Trade payables (Non - interest bearing)	300.43	-	-	300.43
Other financial liabilities (Non-interest bearing)	14.97	-	-	14.97
	<u>990.72</u>	-	-	<u>990.72</u>

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





## Veranda XL Learning Solutions Private Limited

(formerly known as Veranda Excel Learning Solutions Private Limited)

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

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

### 33 Fair value measurements

#### Financial instruments measured at Amortised cost

Financial assets	Note	Hierarchy	September 30 2021
Cash and cash equivalents	7	NA	12.91
<b>Total financial assets</b>			<b>12.91</b>
Financial liabilities	Note	Hierarchy	September 30 2021
Borrowings	13	NA	675.32
Trade payables	14	NA	300.44
Other Financial Liabilities	15	NA	14.97
<b>Total financial liabilities</b>			<b>990.73</b>

#### 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 financial statements.

To provide an indication about the reliability of the inputs used in determining fair value, the Company has classified its financial

**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

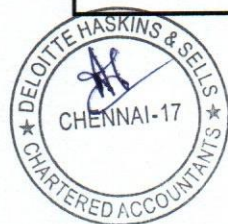
Specific valuation techniques used to value financial instruments include:

- 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.



**Veranda XL Learning Solutions Private Limited**  
**(formerly known as Veranda Excel Learning Solutions Private Limited)**  
**Notes to Special Purpose financial statements for the half year ended September 30,2021**  
 (All amounts are in lakhs of Indian Rupees, unless otherwise stated)

**34 Retirement benefit plans**

**34.1 Defined Contribution plans**

The Company has defined contribution plan of provident fund. Additionally, the company 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 Company is limited to the amount of disbursement required and it has no further contractual nor any constructive obligation. The obligation of the Company is limited to the amount of disbursement required and it has no further contractual nor any constructive obligation. The Company has recognized in the Statement of Profit and Loss for the period ended September 30, 2021 an amount of Rs. 1.11 lakhs towards expenses under defined contribution plans and included in 'Contribution to provident and other funds'.

**34.2 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 Company 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	7.00%
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.





**Veranda XL Learning Solutions Private Limited**  
**(formerly known as Veranda Excel Learning Solutions Private Limited)**

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

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

**Amounts recognised in total comprehensive income in respect**

Particulars	September 30, 2021
Current service cost	1.06
Net interest expense	-
Return on plan assets (excluding amounts included in net interest expense)	-
Components of defined benefit costs recognised in profit or loss	<b>1.06</b>
Remeasurement on the net defined benefit liability comprising:	
Actuarial (gains)/losses	-
Components of defined benefit costs recognised in other comprehensive income	-
	<b>1.06</b>

The current service cost and the net interest expense for the year are included in the 'employee benefits expense' in profit or loss.

The actuarial gain/ loss on remeasurement of the net defined benefit liability is included in other comprehensive income.

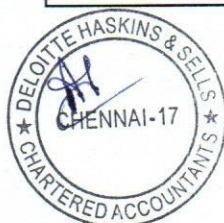
**The amount included in the balance sheet arising from the Company's obligation in respect of its defined benefit plans is as follows:**

Particulars	September 30, 2021
Present value of defined benefit obligation	1.06
Fair value of plan assets	-
Net liability arising from defined benefit obligation	<b>1.06</b>
Funded	-
Unfunded	1.06
	<b>1.06</b>

The above provisions are reflected under 'Provision for gratuity (Long-term provisions)' [Refer note 12]

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

Particulars	September 30, 2021
Opening defined benefit obligation	-
Current service cost	1.06
Past service cost - (vested benefit)	-
Interest cost	-
Actuarial (gains)/losses	-
Benefits paid	-
<b>Closing defined benefit obligation</b>	<b>1.06</b>



**Veranda XL Learning Solutions Private Limited**  
**(formerly known as Veranda Excel Learning Solutions Private Limited)**

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

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

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

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

**Defined benefit obligation sensitivities were as follows:**

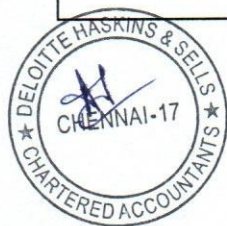
Particulars	September 30, 2021
1) DBO - Base assumptions	1.06
2) Discount rate: +1%	0.93
3) Discount rate: -1%	1.23
4) Salary escalation rate: +1%	1.23
5) Salary escalation rate: -1%	0.92
6) Attrition rate: 25% increase	1.02
7) Attrition rate: 25% decrease	1.11

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.

**34.3 Compensated absences**

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

Particulars	September 30, 2021 (Amount in lakhs)	
	Current	Non-current
Compensated absences	0.13	1.38





**Veranda XL Learning Solutions Private Limited**  
**(formerly known as Veranda Excel Learning Solutions Private Limited)**

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

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

**35 Related party disclosure**

**a) List of parties having significant influence**

**Entities having control or controlled by the Company**

**Holding company**

Veranda Learning Solutions Limited  
 (formerly known as Veranda Learning Solutions Private Limited) (Since October 16, 2020)

**Subsidiary companies**

Veranda Learning Solutions Limited (Upto October 16, 2020)  
 (formerly known as Veranda Learning Solutions Private Limited)

Veranda Race Learning Solutions Private Limited (Upto October 16, 2020)  
 (formerly Bharathiyar Education Services Private Limited)

**Fellow subsidiary companies**

Veranda Race Learning Solutions Private Limited (Since October 16, 2020)  
 (formerly Bharathiyar Education Services Private Limited)

Veranda IAS Learning Solutions Private Limited (Since February 26, 2021)

**Key management personnel (KMP) and their relatives**

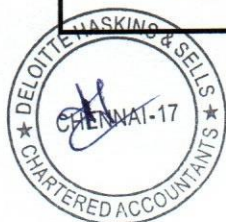
Sri. K.Praveen Kumar Director  
 Sri. R.Rangarajan Director

**Enterprises in which Key Managerial Personnel and their relatives have significant influence**

Grasslands Agro Private Limited

**b) Transactions during the year / period**

S.No.	Nature of transactions	Amount
		For the Half year ended September 30,2021
1	<b>Loan taken from</b> Veranda Learning Solutions Limited (formerly known as Veranda Learning Solutions Private Limited)	329.27



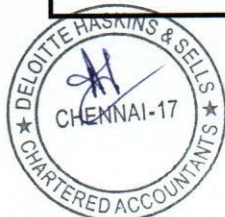
**Veranda XL Learning Solutions Private Limited**  
(formerly known as Veranda Excel Learning Solutions Private Limited)

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

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

S.No.	Nature of transactions	Amount
		For the Half year ended September 30,2021
2	<b>Loans repaid</b>	
	Grassland Agro Private Limited	12.45
	Mr. R. Rangarajan	0.07
	Mr. K. Praveen Kumar	0.07
3	<b>Interest on borrowings</b>	
	Veranda Learning Solutions Limited (formerly known as Veranda Learning Solutions Private Limited)	12.44
4	<b>Cross charge of common expenses</b>	
	Veranda Learning Solutions Limited (formerly known as Veranda Learning Solutions Private Limited)	88.04
5	<b>Cross charge of studio expenses</b>	
	Veranda Learning Solutions Limited (formerly known as Veranda Learning Solutions Private Limited)	3.67
6	<b>Shares allotted</b>	
	Veranda Learning Solutions Limited (formerly known as Veranda Learning Solutions Private Limited)	-

S.No.	Particulars	Amount
		As at September 30, 2021
1	<b>Loans from</b>	
	Veranda Learning Solutions Limited (formerly known as Veranda Learning Solutions Private Limited)	675.32
2	<b>Trade payables</b>	
	Veranda Learning Solutions Limited (formerly known as Veranda Learning Solutions Private Limited)	93.70
3	<b>Interest Accrued</b>	
	Veranda Learning Solutions Limited (formerly known as Veranda Learning Solutions Private Limited)	14.97





**Veranda XL Learning Solutions Private Limited**

(formerly known as Veranda Excel Learning Solutions Private Limited)

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

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

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

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

**37 Ratio analysis****37.1 Current Ratio = Current Assets/ Current Liabilities**

Particulars	September 30, 2021
Current assets	154.26
Current liabilities	1,004.30
<b>Ratio</b>	<b>0.15</b>

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.

**37.2 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	675.32
Total equity	(650.73)
<b>Ratio</b>	<b>(1.04)</b>

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.

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

Particulars	September 30, 2021
Loss for the period*	(487.99)
Add: Non cash expenses and finance costs	32.51
Depreciation and amortization expense	19.42
Finance costs	13.09
<b>Earnings available for debt services</b>	<b>(455.48)</b>
Interest cost on borrowings	12.44
<b>Total interest and principal repayments</b>	<b>12.44</b>
<b>Ratio</b>	<b>(36.61)</b>

\*Loss for the half 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.

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

Particulars	September 30, 2021
Loss for the period*	(487.99)
Total Equity	(650.73)
<b>Ratio</b>	<b>0.75</b>

\*Loss for the half 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.

**37.5 Inventory Turnover Ratio = Changes in inventory divided by closing inventory**

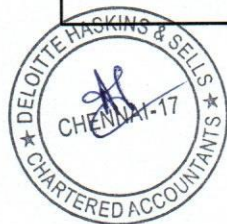
Particulars	September 30, 2021
Changes in inventory	5.38
Closing Inventory	34.60
<b>Ratio</b>	<b>0.16</b>

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.

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

Particulars	September 30, 2021
Credit sales	31.90
Closing trade receivables	4.93
<b>Ratio</b>	<b>6.47</b>

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.



**Veranda XL Learning Solutions Private Limited**

(formerly known as Veranda Excel Learning Solutions Private Limited)

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

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

**37.7 Trade payables turnover ratio = Credit purchases divided by closing trade payables**

Particulars	September 30, 2021
Credit purchases	0.63
Closing trade payables	300.44
<b>Ratio</b>	<b>0.002</b>

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.

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

Particulars	September 30, 2021
Revenue from operations*	31.90
Net Working Capital	(850.04)
<b>Ratio</b>	<b>(0.04)</b>

\*Loss for the half 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.

**37.9 Net profit ratio = Net profit after tax divided by Revenue**

Particulars	September 30, 2021
Loss for the period*	(487.99)
Revenue from operations	31.90
<b>Ratio</b>	<b>(15.30)</b>

\*Loss for the half 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.

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

Particulars	September 30, 2021
(Loss) before tax* (A)	(487.99)
Finance Costs* (B)	13.09
Other income* (C)	-
<b>EBIT (D) = (A)+(B)-(C)</b>	<b>(474.90)</b>
<b>Capital Employed- Pre Cash (J)=(E)-(F)-(G)-(H)-(I)</b>	<b>(661.19)</b>
Total Assets (E)	356.02
Current Liabilities (F)	1,004.30
Current Investments (G)	-
Cash and Cash equivalents (H)	12.91
Bank balances other than cash and cash equivalents (I)	-
<b>Ratio (D/J)</b>	<b>0.72</b>

\*Loss for the half 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.

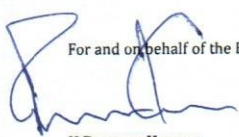
**37 Going concern**


This is the second year of commercial operations of the Company and is also in the process of developing further content for expanding their offerings and customer base. Based on the business projection for FY 2021-22, the company is expected to have adequate funds to meet its obligation as they occur. Further, the Holding Company (Veranda Learning Solutions Private Limited) has provided a letter of continued financial support up to 31 December 2022. Therefore, despite erosion in the networth of the company, considering the continued financial support from the holding company and the current initiatives of the Company during the year which are expected to yield revenue in the future, the financial statements have been prepared on a going concern basis.

**38 Approval of accounts**

The financial statements for the half year ended September 30, 2021 were approved by the Board of Directors and authorised for issuance on 22 December, 2021

For and on behalf of the Board of Directors

  
**K Praveen Kumar**  
 Director

  
**R Rangarajan**  
 Director

Place: Chennai

Date: 22 December, 2021

