

Veranda Learning Solutions Limited
(formerly known as Veranda 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
1. ASSETS		
(1) Non-current assets		
(a) Property, plant and equipment	4	100.59
(b) Intangible assets	4	2.11
(c) Financial assets		
(i) Investments	5	21,186.65
(d) Deferred tax asset (net)	6	4.16
Total non-current assets		21,293.51
2. Current assets		
(a) Financial assets		
(i) Trade receivables	7	337.61
(ii) Cash and cash equivalents	8	408.01
(iii) Bank balances other than (i) above	8	2.00
(iv) Loans	9	1,349.16
(v) Other financial assets	10	190.63
(b) Current tax asset (net)	11	56.42
(c) Other current assets	12	345.48
Total current assets		2,689.31
	Total assets	23,982.82
II. EQUITY AND LIABILITIES		
1. Equity		
(a) Equity share capital	13	3,760.00
(b) Other equity	14	655.53
Total equity		4,415.53
2. Liabilities		
Non-current liabilities		
(a) Financial liabilities		
(i) Borrowings	15	12,167.70
(ii) Other Financial Liabilities	17	832.97
(b) Provisions	16	10.49
Total non-current liabilities		13,011.16
3. Current liabilities		
(a) Financial liabilities		
(i) Borrowings	18	3,600.77
(ii) Trade payables	19	
(a) Total outstanding dues of Micro Enterprises and Small Enterprises		11.57
(b) Total outstanding dues of creditors other than Micro Enterprises and Small Enterprises		140.01
(iii) Other Financial Liabilities	20	2,568.38
(b) Provisions	21	1.03
(c) Other current liabilities	22	234.37
Total current liabilities		6,556.13
	Total liabilities	19,567.29
	Total equity and liabilities	23,982.82

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

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



Place : Chennai

Date : 22 December, 2021

Veranda Learning Solutions Limited

(formerly known as Veranda Learning Solutions Private Limited)

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

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

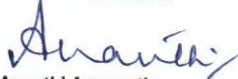
Particulars	Notes	For the half year ended September 30, 2021
A Income		
Revenue from operations	23	380.11
Other income	24	47.79
Total income		<u>427.90</u>
B Expenses		
Employee benefits expenses	25	250.56
Finance costs	26	112.66
Depreciation and amortization expenses	27	19.14
Other expenses	28	434.73
Total expenses		<u>817.09</u>
C Loss before tax		<u>(389.19)</u>
D Tax expense	29	
Current tax		-
Deferred tax		(3.37)
		<u>(3.37)</u>
E Loss for the period		<u>(385.82)</u>
F Other comprehensive income		
Items that will not be subsequently reclassified to profit or loss		
Re-measurement losses on defined benefit obligations		(1.52)
Income-tax relating to items that will not be subsequently reclassified to profit or loss		
Re-measurement gains/(losses) on defined benefit obligations		-
Other comprehensive income/(loss) for the period, net of tax		<u>(1.52)</u>
G Total comprehensive loss for the period		<u>(387.34)</u>
H Loss per share	30	
Basic Earnings per share (Nominal value per equity share of Rs.10)	13(5)	(1.08)
Diluted Earnings per share (Nominal value per equity share of Rs.10)	13(5)	(1.08)

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

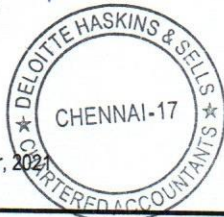
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For Deloitte Haskins & Sells

Chartered Accountants

**Ananthi Amarnath**

Partner



Place : Chennai

Date : 22 December, 2021

For and on behalf of the Board of Directors

**Kalpathi S Suresh**

Executive Director cum Chairman

**R Rangarajan**

Chief Financial Officer

**M Anantharamakrishnan**

Company Secretary

Place : Chennai

Date : 22 December, 2021

Veranda Learning Solutions Limited
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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
Cash flow from operating activities	
Loss before tax	(389.19)
Adjustments for non cash expenditure	
Finance cost	112.66
Interest income on loans	(47.79)
Depreciation and amortization expense	19.14
Employee Stock Option Reserve	-
	(305.18)
Change in operating assets and liabilities	
(Increase)/ decrease in trade receivables	(101.53)
(Increase)/ decrease in other current assets	(318.47)
(Increase)/ decrease in other financial assets	(96.96)
Increase/ (decrease) in provisions and other liabilities	(77.85)
Increase/ (decrease) in Financia liabilities	3,401.35
Increase/ (decrease) in trade payables	37.28
Cash used in operations	2,538.64
Less : Income taxes paid (net of refunds)	(33.31)
Net cash from/ (used in) operating activities (A)	2,505.33
Cash flows from investing activities	
Payment for property, plant and equipment and intangible assets	(2.94)
Payments for investments in subsidiaries	(20,523.52)
Investment in fixed deposit	15.76
Loans and advances given	(751.89)
Net cash from/ (used in) investing activities (B)	(21,262.59)
Cash flows from financing activities	
Proceeds from issue of equity share capital (net of share application money)	4,106.03
Proceeds from fresh borrowings	15,165.25
Repayment of existing borrowings	-
Finance cost	(112.66)
Net cash from/ (used in) financing activities (C)	19,158.62
Net increase (decrease) in cash and cash equivalents (A+B+C)	401.36
Cash and cash equivalents at the beginning of the period	6.65
Cash and cash equivalents at end of the period	408.01

Notes:

- The above cash flow statement has been prepared under indirect method prescribed in Ind AS 7 "Statement of Cash Flows".
- Components of cash and cash equivalents (Refer Note 8)

Balances with banks - current accounts	407.89
Cash on hand	0.12
	408.01
- Direct taxes paid are treated as arising from operating activities and are not bifurcated between investing and financing activities.
- Statement of Reconciliation of financing activities :

Particulars	For the half year ended September 30, 2021
Opening Balance	603.22
Proceeds from borrowings	15,165.25
Repayment of borrowings	-
Non Cash Changes	
Interest Expense	112.66
Interest Paid	(112.66)
Closing Balance	15,768.47

- Figures in bracket indicate cash outflow

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

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For Deloitte Haskins & Sells
 Chartered Accountants

Ananthi
Ananthi Amarnath
 Partner

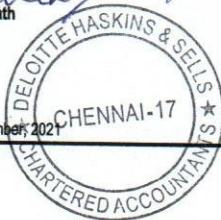
For and on behalf of the Board of Directors

Kalpathi S Suresh
Kalpathi S Suresh
 Executive Director cum Chairman

R Rangarajan
R Rangarajan
 Chief Financial Officer

M Anantharamakrishnan
M Anantharamakrishnan
 Company Secretary

Place : Chennai
 Date : 22 December, 2021



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Veranda Learning Solutions Limited

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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
700	-	-	3,060.00	3,760.00

(B) Other equity

Particulars	Employee Stock Option Reserve	Security premium Reserve	Money received against Share Warrants*	Retained Earnings	Total
Balance as at April 1, 2021	151.10	-	-	(154.26)	(3.16)
Loss for the year	-	-	-	(385.82)	(385.82)
Other comprehensive income / (loss), net of tax	-	-	-	(1.52)	(1.52)
Total comprehensive loss for the year	-	-	-	(387.34)	(387.34)
Issued during the year	-	540.00	195.00	-	735.00
Employee stock option reserve (Refer Note 37.4)	311.03	-	-	-	311.03
Balance as at September, 2021	462.13	540.00	195.00	(541.60)	655.53

* Refer Note 14

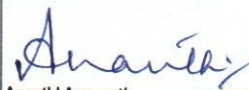
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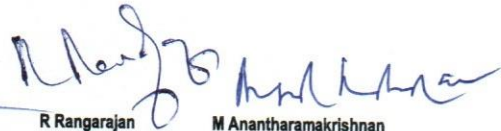
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For and on behalf of the Board of Directors

For Deloitte Haskins & Sells

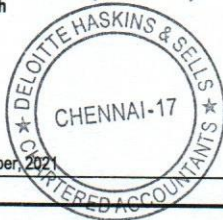
Chartered Accountants


Ananthi Amarnath
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Company Secretary

Place : Chennai

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Veranda Learning Solutions Limited

(formerly known as Veranda Learning Solutions Private Limited)

Notes to Special Purpose Standalone 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. VLS 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.

On 16 February 2015, the Ministry of Corporate Affairs notified the Companies (Indian Accounting Standards) Rules, 2015. The Rules specify the Indian Accounting Standards (Ind AS) to certain class of companies and sets out the date of applicability. As stated above, the Company has adopted Ind AS notified under the Companies (Indian Accounting Standards) Rules, 2015 with effect from April 01, 2019 being the date of transition to Ind AS of the Company. Up to the year ended 31 March 2020, the Company prepared its financial statements in accordance with the requirements of previous GAAP, which includes standards notified under the Companies (Accounting Standards) Rules, 2006.

2A Recent accounting pronouncements

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

Balance Sheet:

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

Statement of profit and loss:

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

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

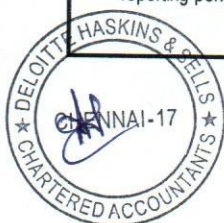
Standards amended during the year:

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

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

Ind AS 116 - COVID-19-Related Rent Concessions

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



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

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 special purpose standalone financial statements

i) Statement of Compliance

These Special Purpose Interim Consolidated 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 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 Company.

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

- (i) Section 26 of Chapter III of the Act;
- (ii) relevant provisions of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, issued by the Securities and Exchange Board of India ("SEBI"), as amended ("ICDR Regulations"); and
- (iii) Guidance Note on Reports in Company Prospectuses (Revised 2019) issued by the Institute of Chartered Accountants of India ("ICAI") (the "Guidance Note").

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

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

ii) Basis of preparation and presentation

Historical cost convention

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

Measurement of fair values

Certain accounting policies and disclosures of the Company require the measurement of fair values, for both financial and non-financial assets and liabilities.
The Company has an established control framework with respect to the measurement of fair values and regularly reviews significant unobservable inputs and valuation adjustments.



Veranda Learning Solutions Limited

(formerly known as Veranda Learning Solutions Private Limited)

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

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

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

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

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

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

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

Functional and presentation currency

These Special Purpose 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 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

Revenue is recognised on accrual basis and when no significant uncertainty exists as to its realisation or collection. Revenue is measured at the fair value of the consideration received or receivable. The Company derives revenues primarily from management and knowledge services rendered to its subsidiaries in accordance with the terms of the agreements with them.

Income from recovery of common expenses & studio expenses is recognised on cost plus basis, considering the net eligible costs incurred/identified towards such revenue contracts.

c) 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.



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

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

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.

d) Intangible assets

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

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

Useful life and amortisation of intangible assets

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

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

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

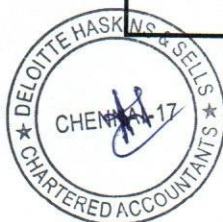
e) Loans and borrowings

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.



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

f) Borrowing costs

Borrowing cost include interest computed using Effective Interest Rate method, amortisation of ancillary costs incurred and exchange differences arising from foreign currency borrowings to the extent they are regarded as an adjustment to the interest cost.

Borrowing costs that are directly attributable to the acquisition, construction and production of a qualifying asset are capitalised as part of the cost of that asset which takes substantial period of time to get ready for its intended use. All other borrowings costs are expensed in the period in which they occur.

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.

h) Retirement and other employee benefits

Provident fund

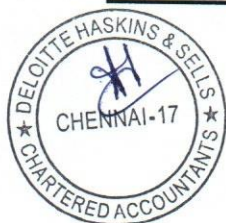
Retirement benefit in the form of provident fund is a defined contribution scheme. The Company has no obligation, other than the contribution payable to the provident fund. The Company recognizes contribution payable to the provident fund scheme as expenditure, when an employee renders the related service.

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.



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

i) 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.

j) 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.

k) 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.

l) 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.

m) Cash flow statement

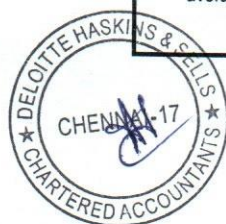
Cash flows are presented using indirect method, whereby profit/ (loss) before tax is adjusted for the effects of transactions of non-cash nature and any deferrals or accruals of past or future cash receipts or payments.

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.

n) 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.



Veranda Learning Solutions Limited

(formerly known as Veranda Learning Solutions Private Limited)

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

o) 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.

p) 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.



Veranda Learning Solutions Limited

(formerly known as Veranda Learning Solutions Private Limited)

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

q) 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.

(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:

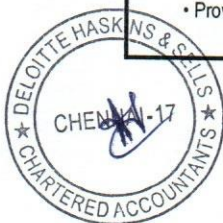
Financial liabilities are carried at amortized cost using the effective interest method. For trade and other payables maturing within one year from the Balance Sheet date, the carrying amounts approximate fair value due to the short maturity of these instruments.

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
- Fair value of financial assets and financial liabilities
- Provision for employee benefits
- Provision for taxation
- Going Concern Assessment
- Provision for employee sharebased payments



Veranda Learning Solutions Limited

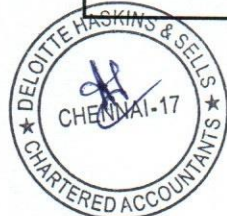
(formerly known as Veranda Learning Solutions Private Limited)

Notes to Special Purpose Standalone 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	
	Furniture and fixtures	Office equipment	Computer	Total	Software	Total
Gross carrying value						
Balance as at March 31, 2021	27.48	30.54	69.52	127.54	8.42	8.42
Additions	-	0.80	2.14	2.94	-	-
Disposals	-	-	-	-	-	-
Balance as at September 30, 2021	27.48	31.34	71.66	130.48	8.42	8.42
Accumulated depreciation						
As at March 31, 2021	1.06	4.37	9.64	15.07	1.99	1.99
Additions	1.31	2.69	10.82	14.82	4.32	4.32
Disposals	-	-	-	-	-	-
As at September 30, 2021	2.37	7.06	20.46	29.89	6.31	6.31
Net block						
As at September 30, 2021	25.11	24.28	51.20	100.59	2.11	2.11
As at March 31, 2021	26.42	26.17	59.88	112.47	6.43	6.43



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

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

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

Particulars	As at September 30, 2021
5 Non-current investments	
Investments in subsidiaries at cost (Refer Note 38)	
Veranda Race Learning Solutions Private Limited (formerly Bharathiyar Education Services Private Limited) 10,00,000 equity shares of Rs.10 each, fully paid	100.00
Veranda XL Learning Solutions Private Limited (formerly Known as Veranda Excel Learning Solutions Private Limited) 10,00,000 equity shares of Rs.10 each, fully paid	100.00
Veranda IAS Learning Solutions Private Limited 10,000 equity shares of Rs.10 each, fully paid	1.00
Brain4ce Education Solutions Pvt Ltd 849,835 Equity Shares of Rs 10 each, fully paid	20,523.52
Deemed Investment - Veranda Race Learning Solutions Private Limited (Refer Note 37.4)	462.13
	<u>21,186.65</u>

a) 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. 19328.09 Lakhs. Company subsequent to acquisition has invested Rs.1,195.43 lakh in Brain4ce Education Solutions Pvt Ltd as on September 17, 2021

6 Deferred tax asset - net

Deferred tax liability

On property plant and equipment

-

Deferred tax asset

On expenses allowable on payment basis

4.16

4.16

Net deferred tax asset

4.16

The company has commenced its commercial operation in Financial Year 2020-21. Therefore, based on assessment of probability of taxable profits against which the deferred tax asset pertaining to unabsorbed business loss and depreciation loss accounting to Rs. 144.13 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.

7 Trade receivables

Unsecured considered good - related parties (Refer Note 37)

337.61

337.61

7.1 Trade Receivables ageing schedule

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	337.61	-	-	-	-	337.61
(ii) Undisputed trade receivables – considered doubtful	-	-	-	-	-	-
(iii) Disputed trade receivables considered good	-	-	-	-	-	-
(iv) Disputed trade receivables considered doubtful	-	-	-	-	-	-

7.2 Trade Receivables includes receivables outstanding from subsidiaries constituting individually 5% or more of the total trade receivables as at September 30, 2021 of Rs. 337.61 Lakhs

8 Cash and bank balances

Cash and cash equivalents

Balances with banks - In current account

407.89

Cash - on - hand

0.12

408.01

Other bank balances

In Fixed deposit - with remaining maturity less than 12 months*

2.00

2.00

410.01

* The fixed deposit is held under lien against issue of corporate credit cards



Veranda Learning Solutions Limited

(formerly known as Veranda Learning Solutions Private Limited)

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

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

Particulars	As at September 30, 2021
9 Loans	
Unsecured, considered good	
Inter corporate loans (Refer note 37)	
Veranda XL Learning Solutions Private Limited (formerly Known as Veranda Excel Learning Solutions Private Limited)	662.44
Veranda IAS Learning Solutions Private Limited	223.36
Veranda Race Learning Solutions Private Limited (formerly Bharathiyar Education Services Private Limited)	463.36
	<u>1,349.16</u>

9.1 The inter corporate loans provided to subsidiary companies at interest rate of 7% and repayable on demand (unsecured).

9.2 Loans and advances to promoters, directors, KMPs and the related parties

Type of Borrower	Amount of loan or advance in the	Percentage to the total
Promoters	-	0%
Directors	-	0%
KMPs	-	0%
Related Parties	1,349.16	100%

10 Other financial assets
Unsecured, considered good

Unbilled revenue	102.63
Interest accrued but not due on bank deposits	0.07
Interest receivable on loans	32.68
Advances to Employees	0.25
Security Deposits	55.00
	<u>190.63</u>

10.1 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	71.59	31.04	-	-	-	102.63

11 Current tax asset

TDS receivable	56.42
	<u>56.42</u>

12 Other current assets

Advances (other than capital advances)	172.98
Prepaid expenses	47.90
Prepaid Income	105.61
Balances with government authorities	18.99
	<u>345.48</u>

13 Share capital
Authorised share capital

60,00,00,000 Equity Shares of Rs.10/- each	6,000.00
	<u>6,000.00</u>

Issued share capital

3,76,00,010 Equity Shares of Rs.10/- each	3,760.00
	<u>3,760.00</u>

Subscribed and fully paid up share capital

3,76,00,010 Equity Shares of Rs.10/- each	3,760.00
	<u>3,760.00</u>



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

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

Notes:

13.1 Reconciliation of number of equity shares subscribed	As at September 30, 2021	
	No of Shares	Amount
Balance at the beginning of the period	7,00,00,000	700
Issued during the period	3,06,00,010	3,060
Equity Share arising on share Consolidation from Rs.1 to Rs.10 per share	(6,30,00,000)	-
Balance at the end of the period	3,76,00,010	3,760

13.2 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. 10 each. The equity shares of the company having par value of Rs.10/- rank pari-passu in all respects including voting rights.
- b) The Company has not declared dividend on equity shares.
- c) In the event of liquidation, shareholders will be entitled to receive the remaining assets of the company after distribution of all preferential amounts. The distribution will be proportionate to the number of equity shares held by the shareholder.

13.3 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 Ltd	10
Total		3,06,00,010

13.4 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 Special Purpose Standalone Financial Statements of the Company on the basis of the new number of equity shares in accordance with Ind AS 33 – Earnings per Share.

13.5 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 Special Purpose Standalone Financial Statements of the Company on the basis of the new number of equity shares in accordance with Ind AS 33 – Earnings per Share.

13.6 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.

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.

6) 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	33.34%
Kalpathi S Ganesh	1,25,33,332	33.34%
Kalpathi S Suresh	1,25,33,332	33.34%
Veranda XL Learning Solutions Private Limited & its nominees (formerly known as Veranda Excel Learning Solutions Private Limited)	-	0.00%

Shares reserved for issuance under ESOP scheme - Refer Note 38.4

7) Shareholding of promoters*

Name of the share holder	September 30, 2021		
	No of shares	% of Holding	% Change during the period
Kalpathi S Aghoram	1,25,33,336	33.34%	46.29%
Kalpathi S Ganesh	1,25,33,332	33.33%	46.29%
Kalpathi S Suresh	1,25,33,332	33.33%	46.29%

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



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

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

Particulars	As at September 30, 2021		
14 Other equity			
Retained Earnings		(541.60)	
Employee stock option reserve (Refer Note 38.4)		462.13	
Money Received against Share Warrants		195.00	
		<u>115.53</u>	
a) Retained Earnings			
Balance at the beginning of the period		(154.26)	
Loss/ profit for the period		(385.82)	
Transfer from Other Comprehensive Income		(1.52)	
Balance at the end of the period		<u>(541.60)</u>	
b) Employee stock option Reserve			
Balance at the beginning of the period		(151.10)	
Transfer during the period		(311.03)	
Transfer to Retained Earnings			
Balance at the end of the period		<u>(462.13)</u>	
c) Share warrants			
Balance at the beginning of the period		-	
Issued during the period*		195.00	
Shares allotted during the period		-	
Balance at the end of the period		<u>195.00</u>	
<p>*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.</p> <p>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.</p>			
15 Long term borrowings			
From others			
Hinduja Leyland Finance Limited (Secured)		4,789.11	
Non Convertible Debentures (Unsecured)		7,378.59	
		<u>12,167.70</u>	
15.1 Details of Borrowings			
Particulars	Interest Rate	Repayment Terms	As at 30 September 2021
Hinduja Leyland Finance Limited (Secured)	9.75%	Payable in monthly installments from February'22	4,992.92
Non Convertible Debentures (Unsecured)*	4.00%	Payable on 16 September 2024	7,378.59
Less: Current Maturities of Long term debt			(203.81)
			<u>12,167.70</u>
* Issued to promoters of Edureka on 16 September, 2021 as part of Purchase Consideration			
16 Provision (Non current)			
(Refer Note 38)			
Provision for gratuity			4.68
Provision for leave encashment			5.81
			<u>10.49</u>
17 Other Financial Liabilities - Non Current			
		As at 30 September 2021	
Purchase consideration payable - Non Current			832.97
			<u>832.97</u>
17.1 Purchase Consideration Payable			
		As at 30 September 2021	
Deferred consideration to Promoters of Subsidiary (a)			832.97
Deferred consideration to NRI Shareholders of Subsidiary (Refer Note 20 below)			189.86
Post dated Cheque issued to Promoters of Subsidiary (Refer Note 20 below) (b)			2,354.27
			<u>3,377.10</u>
a) As per the Share Purchase Agreement signed on August 30, 2021, the Consideration is payable to promoters on 17 September, 2024			
a) As per the Share Purchase Agreement signed on August 30, 2021, the Consideration is payable to promoters on 26 March, 2022			



Veranda Learning Solutions Limited

(formerly known as Veranda Learning Solutions Private Limited)

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

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

18 Short term borrowings

Loan repayable on demand (Refer Note 37)

Loans from directors (Unsecured)

Kalpathi S Aghoram	302.35
Kalpathi S Ganesh	302.35
Kalpathi S Suresh	302.35

From others (Secured)

HDFC Bank	2,489.91
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(Secured by the personal guarantee of the promoters of the company. The loan is repayable on demand and at rate of interest ranges from 6.20% to 7% Per Annum)

Current maturities of long term debt (Refer note - 15.1)	203.81
	<u>3,600.77</u>

19 Trade payables

Total outstanding dues of creditors of micro and small enterprises
 11.57 |

Total outstanding dues of creditors other than micro and small enterprises
 140.01 |

 151.58 |

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

19.1 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	11.57	-	-	-	11.57
(ii) Undisputed dues - Others	140.01	-	-	-	140.01
(iii) Disputed dues - MSME	-	-	-	-	-
(iv) Disputed dues - Others	-	-	-	-	-

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) Unbilled dues - Others (included as part of Undisputed dues - Others above)	65.56	-	-	-	65.56

Particulars	As at September 30, 2021
20 Other Financial Liabilities	
Accrued Interest	24.25
Purchase Consideration Payable (Refer Note 17.1 above)	2,544.13
	<u>2,568.38</u>
21 Provision (current)	
(Refer Note 38)	
Provision for gratuity	0.02
Provision for leave encashment	1.01
	<u>1.03</u>
22 Other current liabilities	
Statutory dues payable	234.37
	<u>234.37</u>



Veranda Learning Solutions Limited

(formerly known as Veranda Learning Solutions Private Limited)

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

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

	For the half year ended September 30, 2021
23 Revenue from operations	
Income from cross charge of common expenses	269.80
Income from studio operations	110.31
	<u>380.11</u>
23.1 All revenue from operations are recognised based on performance obligations satisfied at a point in time.	
23.2 Contract balances :	
Revenue from operations recognised is collected as per the terms of the contract. Trade receivables have been disclosed under Note 7 and Unbilled revenue disclosed under Note 10	
23.3 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.	
23.4 Information about revenue from major customers	
The company earns revenue from its subsidiary companies, which constitutes more than 10% of the company's total revenue. Refer Note 33	
24 Other income	
Interest income	
Interest on fixed deposit	15.76
Interest on loans	32.03
	<u>47.79</u>
25 Employee benefit expenses	
Salaries, wages and bonus	236.16
Gratuity expenses (Refer Note 37)	2.08
Contribution to provident and other funds (Refer Note 37)	4.46
Staff welfare expenses	7.86
	<u>250.56</u>
26 Finance costs	
Interest on borrowings	86.72
Interest on Non Convertible Debentures	12.13
Interest on MSME	0.06
Interest on Deferred Purchase Consideration*	1.21
*payable at 4%	
Interest - Others	12.54
	<u>112.66</u>
27 Depreciation and amortization expenses	
Depreciation on property, plant and equipment (Refer Note 4)	14.82
Amortisation on Intangible asset (Refer Note 4)	4.32
	<u>19.14</u>



Veranda Learning Solutions Limited

(formerly known as Veranda Learning Solutions Private Limited)

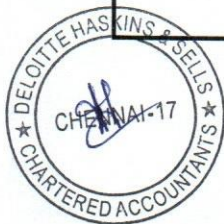
Notes to Special Purpose Standalone Financial Statements for the half year ended September 30, 2021

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

	For the half year ended September 30, 2021	
28 Other expenses		
Power and fuel	14.20	
Rent	75.81	
Repairs & maintenance	11.19	
Manpower Charges	63.94	
Rates and taxes	50.60	
Payment to the auditors (excluding GST)		
- as statutory auditor	2.75	
- as tax auditor	-	
Legal and professional charges	183.26	
Printing & Stationery	1.91	
Advertisement & Sales Promotion	6.30	
Communication Expenses	6.94	7.56
Subscription charges	11.37	10.75
Travelling & Conveyance	1.14	
Bank Charges	1.50	
Miscellaneous Expenses	3.82	
	<u>434.73</u>	
29 Tax expense:		
Deferred tax		
Deferred tax expenses	(3.37)	
	<u>(3.37)</u>	

a) Movement of deferred tax expense during the year 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	0.21	(0.98)	-	(0.77)
On expenses allowable on payment basis	(1.00)	(2.39)	-	(3.39)
Total	<u>(0.79)</u>	<u>(3.37)</u>	-	<u>(4.16)</u>



Veranda Learning Solutions Limited

(formerly known as Veranda Learning Solutions Private Limited)

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

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

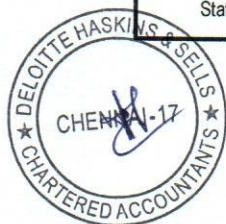
Reconciliation of accounting profits	For the half year ended September 30, 2021
Accounting (loss) before tax	(389.19)
Income tax rate	26.00%
At statutory income tax rate	(101.19)
Non - deductible expenses for tax purposes	-
Property, plant, and equipment and intangible assets	-
On expenses allowable on payment basis	-
Deferred tax not considered on business loss and unabsorbed depreciation	101.19
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. 144.13 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.

30 Loss per share

Loss for the year attributable to owners of the Company	(385.82)
Weighted average number of ordinary shares outstanding (Refer Notes below)	3,55,73,334
Basic earnings per share (Rs)	(1.08)
Diluted earnings per share (Rs)	(1.08)

- 30.1** 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 September 30, 2021, since both the conditions have not been met, they have not been included in the calculation of diluted earnings per share. (Refer note 38.4)
- 30.2** 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 for all the periods presented in the Special Purpose Standalone Financial Statements of the Company on the basis of the new number of equity shares in accordance with Ind AS 33 – Earnings per Share.
- 30.3** 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 all the periods presented in the Special purpose Standalone Financial Statements of the Company on the basis of the new number of equity shares in accordance with Ind AS 33 – Earnings per Share.



Veranda Learning Solutions Limited

(formerly known as Veranda Learning Solutions Private Limited)

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

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

30.4 On September 20 2021, the Company has issued 6 warrants for a consideration of Rs.32,50,000/- 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 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.

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.

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

Particulars	Year ended September 30, 2021
(a) The principal amount remaining unpaid at the end of the year*	11.57
(b) The delayed payments of principal amount paid beyond the appointed date during the year	-
(c) Interest actually paid under Section 16 of MSMED Act	0.06
(d) Normal Interest due and payable during the year, as per the agreed terms	-
(e) Total interest accrued during the year and remaining unpaid	-

*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

32 Corporate Social Responsibility

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

33 Contingent liabilities & commitments

Particulars	As at September 30,2021
Contingent liabilities	Nil
Commitments (Refer note below)	Nil

33.1 The Company has provided letter of continued financial support upto 31 December 2022 to its subsidiary companies (Veranda IAS Learning Solutions Private Limited, Veranda XL Learning Solutions Private Limited (formerly Veranda Excel Learning Solutions Private Limited), Veranda Race Learning Solutions Private Limited (formerly Bharathiyar Education Services Private Limited) and Brain4ce Education Solutions Private Limited.

34 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 rendering of management services and, accordingly, this is the only operating segment.



Veranda Learning Solutions Limited

(formerly known as Veranda Learning Solutions Private Limited)

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

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

35 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:	As at September 30, 2021
Debt	3,600.77
Less: Cash and bank balances	410.01
Net debt	3,190.76
Total equity	4,415.53
Net debt to equity ratio (%)	72.26%

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. Trade receivable include monies collectable from related party with whom there is no uncertainty in collection and hence no credit risk on receivables.

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.

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 instruments)	-	-	-	-
Trade payables (Non - interest bearing)	7.20	-	-	7.20
	<u>7.20</u>	-	-	<u>7.20</u>

Fair value of financial assets and financial liabilities that are not measured at fair value (but fair value disclosures are required):

September 30, 2021

Nil



Veranda Learning Solutions Limited

(formerly known as Veranda Learning Solutions Private Limited)

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

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

36 Fair value measurements**Financial instruments measured at amortised cost**

Financial assets	Note	Hierarchy	September 30, 2021
Loans	9	NA	1,349.16
Other financial assets	10	NA	190.63
Trade receivables	7	NA	337.61
Cash and cash equivalents	8	NA	408.01
Bank balances other than cash and cash equivalents	8	NA	2.00

Total financial assets			2,287.41
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Financial liabilities	Note	Hierarchy	September 30, 2021
Borrowings	18	NA	603.22
Trade payables	19	NA	114.30

Total financial liabilities			717.52
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The Company has investments in subsidiaries that are carried at cost under Ind AS 27, Separate Financial Statements, and hence are not disclosed in the above table. Refer Note 5

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 instruments into the three levels prescribed under the accounting standard. An explanation of each level is as under:

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

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

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

Valuation technique used to determine fair value

Specific valuation techniques used to value financial instruments include:

- the use of quoted market prices or dealer quotes for similar instruments
- the fair value of the remaining financial instruments is determined using discounted cash flow analysis.

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

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

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



Veranda Learning Solutions Limited

(formerly known as Veranda Learning Solutions Private Limited)

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

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

37 Related party disclosure

a) List of parties having significant influence

Entities having control or controlled by the Company

Holding company

Veranda XL Learning Solutions Private Limited (Since February 14, 2019 till October 16, 2020)
(formerly known as Veranda Excel Learning Solutions Private Limited)

Subsidiary companies

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

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

Veranda IAS Learning Solutions Private Limited (Since February 26, 2021)
Brain4ce Education Solutions Pvt Ltd (Since September 29, 2021)

Key management personnel (KMP) and their relatives

Sri. Kalpathi S Aghoram Director (Director w.ef. October 28, 2021)
Sri. Kalpathi S Ganesh Director (Director w.ef. October 28, 2021)
Sri. Kalpathi S Suresh Director (Director w.ef. October 28, 2021)
Sri. K. Praveen Kumar* Director
Sri. 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



Veranda Learning Solutions Limited

(formerly known as Veranda Learning Solutions Private Limited)

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

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

b) Transactions during the year

S.No.	Nature of transactions	Amount
		2021-22
1	Loans provided to subsidiary company	
	Veranda Race Learning Solutions Private Limited (formerly Bharathiyar Education Private Limited)	157.96
	Veranda XL Learning Solutions Private Limited (formerly known as Veranda Excel Learning Solutions Private Limited)	452.60
	Veranda IAS Learning Solutions Private Limited	173.36
2	Loans taken from	
	Kalpathi S Aghoram	118.20
	Kalpathi S Ganesh	118.20
	Kalpathi S Suresh	118.20
3	Income from Cross charge of common expenses	
	Veranda Race Learning Solutions Private Limited (formerly Bharathiyar Education Private Limited)	92.30
	Veranda XL Learning Solutions Private Limited (formerly known as Veranda Excel Learning Solutions Private Limited)	92.14
	Veranda IAS Learning Solutions Private Limited	85.36
4	Income from studio operations	
	Veranda Race Learning Solutions Private Limited (formerly Bharathiyar Education Private Limited)	6.90
	Veranda XL Learning Solutions Private Limited (formerly known as Veranda Excel Learning Solutions Private Limited)	1.88
	Veranda IAS Learning Solutions Private Limited	3.11
5	Interest Receivable	
	Veranda Race Learning Solutions Private Limited (formerly Bharathiyar Education Private Limited)	17.32
	Veranda XL Learning Solutions Private Limited (formerly known as Veranda Excel Learning Solutions Private Limited)	15.33
	Veranda IAS Learning Solutions Private Limited	3.65
	Brain4ce Education Solutions Private Limited	3.44



Veranda Learning Solutions Limited

(formerly known as Veranda Learning Solutions Private Limited)

Notes to Special Purpose Standalone 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
		2021-22
6 Rent paid towards registered office	Kalpathi S Aghoram	0.04
	Kalpathi S Ganesh	0.04
	Kalpathi S Suresh	0.04
7 Rent paid towards corporate office	Leonne Hill Property Developments Private Limited	66.52
8 Shares allotted	Kalpathi S Aghoram	1,203.36
	Kalpathi S Ganesh	1,203.21
	Kalpathi S Suresh	1,203.16
9 Investment in subsidiaries	Brain4ce Education Solutions Private Limited	20,523.52
10 Remuneration	M Anantharamakrishnan	15.50
	R Rangarajan	11.38



Veranda Learning Solutions Limited

(formerly known as Veranda Learning Solutions Private Limited)

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

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

c) Balance outstanding at the year end

S.No.	Particulars	Amount
		As at September 30, 2021
1	Loans provided to	
	Veranda Race Learning Solutions Private Limited (formerly Bharathiyar Education Private Limited)	463.36
	Veranda XL Learning Solutions Private Limited (formerly known as Veranda Excel Learning Solutions Private Limited)	662.44
	Veranda IAS Learning Solutions Private Limited	223.36
2	Trade receivable	
	Veranda Race Learning Solutions Private Limited (formerly Bharathiyar Education Private Limited)	155.48
	Veranda XL Learning Solutions Private Limited (formerly known as Veranda Excel Learning Solutions Private Limited)	115.61
	Veranda IAS Learning Solutions Private Limited	134.34
3	Trade payable	
	Veranda Race Learning Solutions Private Limited (formerly Bharathiyar Education Private Limited)	24.62
	Veranda XL Learning Solutions Private Limited (formerly known as Veranda Excel Learning Solutions Private Limited)	52.32
4	Loan taken from	
	Kalpathi S Aghoram	302.35
	Kalpathi S Ganesh	302.35
	Kalpathi S Suresh	302.35
5	Interest Receivable	
	Veranda Race Learning Solutions Private Limited (formerly Bharathiyar Education Private Limited)	15.59
	Veranda XL Learning Solutions Private Limited (formerly known as Veranda Excel Learning Solutions Private Limited)	13.80
	Veranda IAS Learning Solutions Private Limited	3.29



Veranda Learning Solutions Limited

(formerly known as Veranda Learning Solutions Private Limited)

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

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

38 Retirement benefit plans**38.1 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 half year ended September 30, 2021 an amount of Rs. 4.44 Lakhs towards expenses under defined contribution plans and included in 'Contribution to provident and other funds'.

38.2 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	6.67%
Rate of increase in compensation level	6.00%

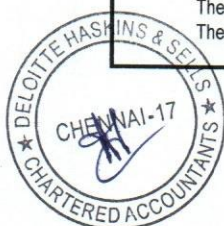
The estimates of future salary increases, considered in actuarial valuation, take account of inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market.

Amounts recognised in total comprehensive income in respect of these defined benefit plans are as follows:

Particulars	September 30, 2021
Current service cost	2.44
Net interest expense	0.04
Return on plan assets (excluding amounts included in net interest expense)	-
Components of defined benefit costs recognised in profit or loss	2.48
Remeasurement on the net defined benefit liability comprising:	
Actuarial (gains)/losses recognised during the period	1.12
Components of defined benefit costs recognised in other comprehensive income	1.12
	3.60

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.



Veranda Learning Solutions Limited

(formerly known as Veranda Learning Solutions Private Limited)

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

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

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	4.70
Fair value of plan assets	-
Net liability arising from defined benefit obligation	4.70
Funded	-
Unfunded	4.70
	4.70

The above provisions are reflected under Provision for gratuity (Long-term provisions) - [Refer Note 16]

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	2.44
Past service cost - (vested benefit)	-
Interest cost	0.04
Actuarial (gains)/losses	1.12
Benefits paid	-
Closing defined benefit obligation	4.70

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 expense)	-
Closing fair value of plan assets	-

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	4.70
2) Discount rate: +1%	4.19
3) Discount rate: -1%	5.30
4) Salary escalation rate: +1%	5.30
5) Salary escalation rate: -1%	4.18
6) Attrition rate: 25% increase	4.48
7) Attrition rate: 25% decrease	4.94

38.3 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	1.01	5.81



Veranda Learning Solutions Limited

(formerly known as Veranda Learning Solutions Private Limited)

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

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

38.4 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:

(i) 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.

(ii) 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.

(iii) 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.

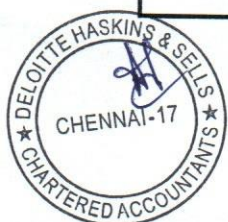
In the event, when no Veranda Liquidity Event has been consummated, then, the employee shall be entitled to subscribe to shares only in VRLSPL worth Rs.5600 Lakhs, or share valuing 1.33 times of Turnover, valuing the enterprise of VRSPL at 3 times of Turnover (duly adjusted for debt) of calendar year 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.

Event after the Balance Sheet Date:

Subsequent to the half year ended 30 September 2021, on December 7, 2021, VRSPL, the subsidiary company has amended the RSU contract as follows:

- The employee shall not have any rights to exchange the shares of the company with the shares of the Holding company and will be eligible only for shares of the Company.
- The employee shall no longer have option of cash settlement of Rs. 4,200 Lakhs and he shall receive only equity shares worth
 - Rs. 5,600 Lakhs, or
 - Shares valuing 1.33 times of turnover (duly adjusted for proportionate debt) of calendar year ending 31st December 2027 of the company valuing the enterprise at 3 times of turnover(duly adjusted for debt)
- The employee receives such shares as per (b) above regardless of Veranda Liquidity / Veranda Partial Liquidity event.

The above event is considered as a non-adjusting subsequent event and accordingly, the effect of the above amendment has not been made in the special purpose financial statements for the period September 30, 2021.



Veranda Learning Solutions Limited

(formerly known as Veranda Learning Solutions Private Limited)

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

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

39 Investment in Subsidiaries

The carrying amounts of long-term investments in equity shares of Veranda Race Learning Solutions Private Limited (formerly Bharathiyar Education Services Private Limited), Veranda XL Learning Solutions Private Limited (formerly Known as Veranda Excel Learning Solutions Private Limited), Veranda IAS Learning Solutions Private Limited companies aggregates to Rs.201.00 Lakhs, loans given to Veranda Race Learning Solutions Private Limited (formerly Bharathiyar Education Services Private Limited), Veranda XL Learning Solutions Private Limited (formerly Known as Veranda Excel Learning Solutions Private Limited), Veranda IAS Learning Solutions Private Limited aggregates to Rs.1,349.16 Lakhs and interest receivable aggregates to Rs.32.68 Lakhs as at September 30, 2021. The subsidiary companies have incurred losses in the current year and the net worth has eroded as at September 30, 2021. The Company has been providing financial support to these entities to meet its financial obligations, as and when required in the form of loans, which are recoverable on demand from these subsidiaries.

The Company has carried out an impairment assessment and noted that the present value of future cash flows will exceed the carrying value of its investments and loans in these subsidiaries as at September 30, 2021, which involves significant estimates & judgements made by the management. Considering that the subsidiaries are in the first year of their commercial operation/ yet to commence their commercial operation and also considering the future business plans of these companies, the management is of the opinion that these amounts are considered good and fully recoverable.

40 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 property, plant and equipment, investments, trade receivables and loans and other current 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.

41 Ratio analysis**41.1 Current Ratio = Current Assets/ Current Liabilities**

Particulars	September 30, 2021
Current assets	2,689.31
Current liabilities	6,556.13
Ratio	0.41

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.

41.2 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	15,768.47
Total equity	4,415.53
Ratio	3.57

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.

41.3 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*	(385.82)
Add: Non cash expenses and finance costs	131.8
Depreciation and amortization expense	19.14
Finance costs	112.66
Earnings available for debt services	(254.02)
Interest cost on borrowings	86.72
Total interest and principal repayments	86.72
Ratio	(2.93)

*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.

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

Particulars	September 30, 2021
Loss for the period*	(385.82)
Total Equity	4,415.53
Ratio	(0.09)

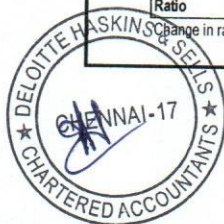
*Loss for the half period ended September 30, 2021 were not annualized.

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.

41.5 Inventory Turnover Ratio = Changes in inventory divided by closing inventory

Particulars	September 30, 2021
Changes in inventory	-
Closing Inventory	-
Ratio	-

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

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

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

Particulars	September 30, 2021
Credit sales	380.11
Closing trade receivables	337.61
Ratio	1.13

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.

41.7 Trade payables turnover ratio = Credit purchases divided by closing trade payables

Particulars	September 30, 2021
Credit purchases	-
Closing trade payables	151.58
Ratio	-

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.

41.8 Net capital Turnover Ratio = Revenue from Operations divided by Net Working capital

Particulars	September 30, 2021
Revenue from operations*	380.11
Net Working Capital	(3,866.82)
Ratio	(0.10)

*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.

41.9 Net profit ratio = Net profit after tax divided by Revenue from operations

Particulars	September 30, 2021
Loss for the period*	(385.82)
Revenue from operations	380.11
Ratio	(1.02)

*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.

41.10 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)	(389.19)
Finance Costs* (B)	112.66
Other income* (C)	47.79
EBIT (D) = (A)+(B)-(C)	(324.32)
Capital Employed- Pre Cash (J)=(E)-(F)-(G)-(H)-(I)	17,016.68
Total Assets (E)	23,982.82
Current Liabilities (F)	6,556.13
Current Investments (G)	-
Cash and Cash equivalents (H)	408.01
Bank balances other than cash and cash equivalents (I)	2.00
Ratio (D/J)	(0.02)

*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.

42 Events after the reporting date

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

42.2 Corporate Guarantee to Brain4ce Education Solutions Private Limited

Board of directors in its meeting dated 18 December 2021, authorised Company to provide Corporate Guarantee on behalf of Subsidiary Brain4ce Education Solutions Private Limited amounting to Rs. 716.16 Lakhs to HDFC Bank Limited towards various facilities availed/to be availed by the Brain4ce Education Solutions Private Limited.

42.3 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



Veranda Learning Solutions Limited

(formerly known as Veranda Learning Solutions Private Limited)

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

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

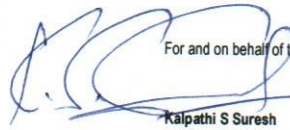
43 Going Concern


The Company has commenced its commercial operations during the previous year. The company's subsidiaries are also in the nascent stages of their operations or yet to commence operations. Accordingly, the Company has committed to provide continued financial support to its subsidiaries. The Company has unutilized sanctioned loan limits from banks and promoters to the extent of Rs. 5117.21 Lakhs and raised Rs. 4000.06 Lakhs on private placement basis in December 2021. Considering the above sources of funds and based on the business projections, the Company is expected to have adequate funds to meet its obligation towards any financial commitments of the company and its subsidiaries ('group') for the next twelve months from the balance sheet date. Accordingly, the financial statements of the Company have been prepared on a going concern basis.


44 Approval of accounts

The financial statements for the 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


Kalpathi S Suresh
Executive Director cum Chairman


R Rangarajan
Director


M Anantharamkrishnan
Company Secretary

Place : Chennai
Date : 22 December, 2021

