## Veranda Race Learning Solutions Private Limited

**(formerly known as Bharathiyar Education Services Private Limited)**

**Balance sheet as at March 31, 2021**

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

| Particulars | Notes | As at March 31, 2021 | As at March 31, 2020 | As at April 1, 2019 |
|---|---|---|---|---|
| **I. ASSETS** | | | | |
| **1. Non-current assets** | | | | |
| (a) Property, plant and equipment | 4 | 26.70 | - | - |
| (b) Intangible assets | 4 | 153.18 | - | - |
| (c) Right-of-use assets | 5 | 77.05 | - | - |
| (d) Intangible asset under development | 6 | 51.57 | - | - |
| (e) Deferred tax asset | 7 | - | | |
| **Total non-current assets** | | **308.50** | **-** | **-** |
| **2. Current assets** | | | | |
| (a) Inventories | 8 | 32.40 | - | - |
| (b) Financial assets | | | | |
| (i) Trade receivables | 9 | 31.52 | - | - |
| (ii) Cash and cash equivalents | 10 | 33.81 | 0.09 | 0.10 |
| (iii) Other financial assets | 11 | 5.81 | - | - |
| (iv) Loans | 12 | 38.94 | - | - |
| (c) Other current assets | 13 | 151.30 | - | - |
| **Total current assets** | | **293.78** | **0.09** | **0.10** |
| **Total assets** | | **602.28** | **0.09** | **0.10** |
| **II. EQUITY AND LIABILITIES** | | | | |
| **1. Equity** | | | | |
| (a) Equity share capital | 14 | 100.00 | 0.10 | 0.10 |
| (b) Other equity | 15 | (288.76) | (0.37) | (0.34) |
| **Total equity** | | **(188.76)** | **(0.27)** | **(0.24)** |
| **2. Liabilities** | | | | |
| **Non-current liabilities** | | | | |
| (a) Provisions | 16 | 0.91 | - | - |
| **Total non-current liabilities** | | **0.91** | **-** | - |
| **3. Current liabilities** | | | | |
| (a) Financial liabilities | | | | |
| (i) Borrowings | 17 | 305.40 | 0.32 | 0.29 |
| (ii) Trade payables | 18 | | | |
| (a) Total outstanding dues of Micro Enterprises and Small Enterprises | | 66.82 | - | 0.03 |
| (b) Total outstanding dues of creditors other than Micro Enterprises and Small Enterprises | | 237.52 | 0.04 | 0.02 |
| (iii) Lease liabilities | 5 | 77.06 | - | - |
| (iv) Other financial liabilities | 19 | 4.43 | | |
| (b) Provisions | 20 | 0.11 | - | - |
| (c) Other current liabilities | 21 | 98.79 | - | - |
| **Total current liabilities** | | **790.13** | **0.36** | **0.34** |
| **Total liabilities** | | **791.04** | **0.36** | **0.34** |
| **Total equity and liabilities** | | **602.28** | **0.09** | **0.10** |

See accompanying notes forming part of the financial statements

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

DELOITTE HASKINS & SELLS CHENNAI-17 CHARTERED ACCOUNTANTS

**Ananthi Amarnath**
Partner

Place : Chennai
Date : October 28, 2021

For and on behalf of the Board of Directors

**K Praveen Kumar**
Director

**R Rangarajan**
Director

Place : Chennai
Date : October 27, 2021

**Veranda Race Learning Solutions Private Limited**
**(formerly known as Bharathiyar Education Services Private Limited)**

**Statement of Profit and Loss for the year ended March 31, 2021**
(All amounts are in lakhs of Indian Rupees, unless otherwise stated)

| | Particulars | Notes | For the year ended March 31, 2021 | For the year ended March 31, 2020 |
|---|---|---|---|---|
| A | **Income** | | | |
| | Revenue from operations | 22 | 253.96 | - |
| | Other income | 23 | 0.47 | - |
| | **Total income** | | **254.43** | - |
| B | **Expenses** | | | |
| | Cost of materials consumed | 24 | 0.77 | - |
| | Purchase of stock - in - trade | 25 | 56.83 | - |
| | Changes in inventory of stock - in - trade | 26 | (31.57) | - |
| | Employee benefits expenses | 27 | 191.31 | - |
| | Finance costs | 28 | 6.61 | - |
| | Depreciation and amortization expenses | 29 | 46.32 | - |
| | Other expenses | 30 | 423.65 | 0.03 |
| | **Total expenses** | | **693.92** | 0.03 |
| C | **Loss before tax** | | **(439.49)** | (0.03) |
| D | **Tax Expense** | | | |
| | Current tax | | - | - |
| | Deferred tax | 31 | - | - |
| E | **Loss for the year** | | **(439.49)** | (0.03) |
| F | **Other comprehensive income** | | | |
| | **Items that will not be subsequently reclassified to profit or loss** | | | |
| | Re-measurement gains/(losses) on defined benefit obligations | | - | - |
| | **Income-tax relating to items that will not be subsequently reclassified to profit or loss** | | - | - |
| | Re-measurement gains/(losses) on defined benefit obligations | | - | - |
| | **Other comprehensive income/(loss) for the year, net of tax** | | - | - |
| G | **Total comprehensive loss for the year** | | **(439.49)** | (0.03) |
| H | **Earnings Per Share** | 32 | | |
| | Basic Earnings per share Nominal value per equity share of Rs.10 (March 31,2020 Rs.10) | | (110.31) | (3.00) |
| | Diluted Earnings per share Nominal value per equity share of Rs.10 (March 31,2020 Rs.10) | | (110.31) | (3.00) |

See accompanying notes forming part of the financial statements

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

DELOITTE HASKINS & SELLS CHENNAI-17 CHARTERED ACCOUNTANTS

**Ananthi Amarnath**
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Place : Chennai
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**K Praveen Kumar**
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**R Rangarajan**
Director

Place : Chennai
Date : October 27, 2021

**Veranda Race Learning Solutions Private Limited**
**(formerly known as Bharathiyar Education Services Private Limited)**
**Statement of Cash Flows for the year ended March 31, 2021**
(All amounts are in lakhs of Indian Rupees, unless otherwise stated)

| Particulars | For the year ended March 31, 2021 | For the year ended March 31, 2020 |
|---|---|---|
| **Cash flow from operating activities** | | |
| Loss before tax | (439.49) | (0.03) |
| Adjustments for non cash expenditure | | |
| Interest on fixed deposit | (0.24) | - |
| Finance costs | 6.61 | - |
| Depreciation and amortization expense | 46.32 | - |
| Employee share-based payment expense | 151.10 | - |
| | (235.70) | (0.03) |
| Change in operating assets and liabilities | | |
| (Increase)/ decrease in inventories | (32.40) | - |
| (Increase)/ decrease in trade receivables | (31.52) | - |
| (Increase)/ decrease in other assets | (151.30) | - |
| (Increase)/ decrease in other financial assets | (5.81) | - |
| (Increase)/ decrease in loans | (38.94) | - |
| Increase/ (decrease) in trade payables | 304.30 | (0.01) |
| Increase/ (decrease) in other financial liabilities | 77.06 | - |
| Increase/ (decrease) in other liabilities | 98.79 | - |
| Increase/ (decrease) in provisions | 1.02 | - |
| Cash used in operations | (14.50) | (0.04) |
| Less : Income taxes paid (net of refunds) | - | - |
| **Net cash used in operating activities (A)** | **(14.50)** | **(0.04)** |
| **Cash flows from investing activities** | | |
| Purchase of property, plant and equipment and intangible assets including Intangible Asset Under Development | (354.82) | - |
| Interest on fixed deposits | 0.24 | - |
| **Net cash used in investing activities (B)** | **(354.58)** | **-** |
| **Cash flows from financing activities** | | |
| Proceeds from issue of equity share capital (net of share application money) | 99.90 | - |
| Proceeds from borrowings | 305.40 | 0.03 |
| Repayment of borrowings | (0.32) | - |
| Finance cost | (0.50) | - |
| Interest on lease liability | (1.68) | - |
| **Net cash from financing activities (C)** | **402.80** | **0.03** |
| **Net increase (decrease) in cash and cash equivalents (A+B+C)** | **33.72** | **(0.01)** |
| Cash and cash equivalents at the beginning of the year | 0.09 | 0.10 |
| **Cash and cash equivalents at end of the year** | **33.81** | **0.09** |

**Notes:**

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

2. Components of cash and cash equivalents (Refer Note 10)

| | | |
|---|---|---|
| Balances with banks - current accounts | 33.81 | 0.09 |
| Cash on hand | - | - |
| | 33.81 | 0.09 |

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

4. Statement of Reconciliation of financing activities :

| Particulars | For the year ended March 31, 2021 | For the year ended March 31, 2020 |
|---|---|---|
| **Opening Balance** | **0.32** | **0.29** |
| Proceeds from borrowings | 305.40 | 0.03 |
| Repayment of borrowings | (0.32) | - |
| Non Cash Changes | | |
| Interest Expense | 0.50 | - |
| Interest Paid | (0.50) | - |
| **Closing Balance** | **305.40** | **0.32** |

- Figures in bracket indicate cash outflow

See accompanying notes forming part of the financial statements

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

**Ananthi Amarnath**
Partner

Place : Chennai
Date : October 28, 2021

For and on behalf of the Board of Directors

**K Praveen Kumar**
Director

**R Rangarajan**
Director

Place : Chennai
Date : October 27, 2021

## Veranda Race Learning Solutions Private Limited
**(Formerly known as Bharathiyar Education Services Private Limited)**

**Statement of Changes in Equity for the year ended March 31, 2021**

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

**Statement of changes in equity**

**(A) Equity share capital**

| | No of Shares | Amount |
|---|---|---|
| Balance at the beginning of April 1, 2019 | 1,000 | 0.10 |
| Changes in equity share capital during the year (Refer Note 14) | - | - |
| Balance at the end of March 31, 2020 | 1,000 | 0.10 |
| Issue of equity share capital during the year (Refer Note 14) | 9,99,000 | 99.90 |
| Balance at the end of March 31, 2021 | 10,00,000 | 100.00 |

**(B) Other equity**

| Particulars | Deemed Equity contribution - Employee Share based payment | Retained earnings | Total |
|---|---|---|---|
| **Balance as at April 1, 2019** | - | (0.34) | (0.34) |
| Loss for the year | - | (0.03) | (0.03) |
| Other comprehensive income / (loss), net of tax | - | - | - |
| Total comprehensive loss for the year | - | (0.03) | (0.03) |
| **Balance as at March 31,2020** | **-** | **(0.37)** | **(0.37)** |
| Loss for the year | - | (0.37) | (0.37) |
| Other comprehensive income / (loss), net of tax | - | - | - |
| Total comprehensive loss for the year | - | (439.49) | (439.49) |
| Equity Contribution - Employee share based payment (Refer Note 39.4) | 151.10 | - | 151.10 |
| **Balance as at March 31, 2021** | **151.10** | **(439.86)** | **(288.76)** |

See accompanying notes forming part of the financial statements

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

DELOITTE HASKINS & SELLS CHENNAI-17 CHARTERED ACCOUNTANTS

Ananthi

**Ananthi Amarnath**
Partner

Place : Chennai
Date : October 28, 2021

For and on behalf of the Board of Directors

**K Praveen Kumar**
Director

**R Rangarajan**
Director

Place : Chennai
Date : October 27, 2021

**1 Corporate Information**

Veranda Race Learning Solutions Private Limited Ltd (Formerly known as Bharatiyar Education Services Private Limited) ("the Company" or "VRLS") was incorporated on on 15th November, 2018 under the provisions of the Companies Act, 203, with its registered office at Old No 54, New No 34, Thirumalai Pillai Road, T. Nagar, Chennai - 600017, Tamil Nadu. VRLS is offering learning programs to learners who are appearing for competitive exams like Tamilnadu Public Service Commission (TNPSC), SSC, RRB and Banking exams, through experienced faculty members.

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 November 15, 2018 being the date of incorporation of the Company. Upto 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.

These financial statements are the Company's first Ind AS financial statements. The date of transition to Ind AS is November 15, 2018, being the beginning of the earliest period for which the Company presented the full comparative information under Ind AS. Previous period figures in the financial statements have been restated to Ind AS. In accordance with Ind AS 101, First-time Adoption of Indian Accounting Standards, the Company has presented a reconciliation from the presentation of financial statements under Accounting Standards notified under Companies (Accounting Standards) Rules, Rules, 2006 ("previous GAAP") to Ind AS Shareholder's equity as at 31 March 2020 and and of the Other Comprehensive Income for the period ended 31 March 2020. Refer Note 39.

**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 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:**

**Amendments to Ind AS 116 – Covid-19 Related rent concessions:**

The Company has adopted the amendments to Ind AS 116 for the first time in the current year. The amendments provide practical relief to lessees in accounting for rent concessions occurring as a direct consequence of COVID-19, by introducing a practical expedient to Ind AS 116. The practical expedient permits a lessee to elect not to assess whether a COVID-19-related rent concession is a lease modification. A lessee that makes this election shall account for any change in lease payments resulting from the COVID-19- related rent concession the same way it would account for the change applying Ind AS 116 if the change were not a lease modification.

The Company has applied the practical expedient retrospectively to all eligible rent concessions and has not restated prior period figures.

DELOITTE HASKINS & SELLS CHENNAI-17 CHARTERED ACCOUNTANTS

**Amendments to Ind AS 1 and Ind AS 8 – Definition of "material"**

The Company has adopted the amendments to Ind AS 1 and Ind AS 8 for the first time in the current period. The amendments make the definition of material in Ind AS 1 easier to understand and are not intended to alter the underlying concept of materiality in Ind ASs. The concept of 'obscuring' material information with immaterial information has been included as part of the new definition.

The threshold for materiality influencing users has been changed from 'could influence' to 'could reasonably be expected to influence'. The definition of material in Ind AS 8 has been replaced by a reference to the definition of material in Ind AS 1. In addition, the MCA amended other Standards that contain the definition of 'material' or refer to the term 'material' to ensure consistency.

The adoption of the amendments has not had any material impact on the disclosures or on the amounts reported in these financial statements.

**2B Basis of preparation of financial statements**

**i) Statement of compliance**

These financial statements are prepared in accordance with Indian Accounting Standards (Ind AS), the provisions of the Companies Act, 2013 ('the Act') (to the extent notified). The Ind AS are prescribed under Section 133 of the Act read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 and Companies (Indian Accounting Standards) Amendment Rules, 2016, as amended from time to time.

**ii) Basis of preparataion and presentation**

**Historical cost convention**

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

**Measurement of fair values**

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

The Company has an established control framework with respect to the measurement of fair values and regularly reviews significant unobservable inputs and valuation adjustments..

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

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

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

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

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

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

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**Functional and presentation currency**

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

**3 Significant Accounting Policies**

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

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

An asset is treated as current when it is:

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

All other assets are classified as non-current.

A liability is current when:

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

All other liabilities are classified as non-current.

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

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

**b) Revenue Recognition**

**Operating revenue:**

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

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

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

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

**Other operating revenue:**

Shipping revenue is recognised at the time of delivery to end customers. Shipping revenue received towards deliveries subsequent to the year end is considered as Deferred revenue which is included in other current liabilities.

Revenue is recognised on accrual basis, net of refunds and taxes.

**c) Interest Income**

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

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d) **Property, plant and equipment (PPE)**

**Presentation**

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

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

**Derecognition**

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

**Depreciation on property, plant and equipment**

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

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

e) **Intangible assets**

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

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

**Useful life and amortisation of intangible assets**

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

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

| Assets Category | Estimated useful life (in years) |
|---|---|
| Content Development Cost | 2 |
| Intellectual Property Rights | 10 |
| Noncompete Fee | 10 |

**Intangible under development**

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

f) **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.

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**Derecognition of financial liabilities**

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

**g) Borrowing Costs**

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

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

**h) Inventories**

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

**i) Taxes**

**Current income tax**

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

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

**Deferred tax**

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

Deferred tax liabilities are recognised for all taxable temporary differences.

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

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

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

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

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

**j) Retirement and other employee benefits**

**Provident Fund**

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

**Gratuity**

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

**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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**k) Share Based Payments**

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

**l) Impairment of non financial assets**

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

**m) Provisions, contingent liabilities and contingent asset**

**Provisions**

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

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

**Contingent liability**

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

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

**Contingent assets**

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

**n) Cash and cash equivalents**

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

**o) Cash Flow Statement**

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

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

**p) Earnings per share**

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

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

q) **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.

Under Ind AS 17

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

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

Operating leases (where the Company is the lessee)

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

Operating leases (where the Company is the lessor)

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

r) **Segment reporting**

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

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**s) Financial instruments**

**Financial Assets**

(i) Initial recognition and measurement:

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

(ii) Subsequent measurement:

-Financial assets carried at amortised cost (AC)

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

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

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

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

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

(iii) Impairment of financial assets

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

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

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

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

**Financial liabilities**

(i) Initial recognition and measurement:

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

(ii) Subsequent measurement:

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

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

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

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

- Useful lives of property, plant and equipment
- Useful lives of Intangible assets under development
- Fair value of financial assets and financial liabilities
- Provision for employee benefits
- Going concern assessment
- Provision for taxation
- Accounting for employee share based payments

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**4 Property, Plant and Equipment**

| Particulars | Tangible Assets | | | Intangible Assets | | | |
|---|---|---|---|---|---|---|---|
| | Office Equipment | Computer | Total | Content development cost | Intellectual property rights | Non-Compete fees | Total |
| **Cost / Deemed Cost** | | | | | | | |
| **Balance as at April 1, 2019** | - | - | - | - | - | - | - |
| Additions | - | - | - | - | - | - | - |
| Disposals | - | - | - | - | - | - | - |
| **Balance as at March 31, 2020** | - | - | - | - | - | - | - |
| Additions | 1.54 | 30.70 | 32.24 | 75.65 | 81.00 | 10.00 | 166.65 |
| Disposals | - | - | - | - | - | - | - |
| **Balance as at March 31, 2021** | **1.54** | **30.70** | **32.24** | **75.65** | **81.00** | **10.00** | **166.65** |
| **Accumulated Depreciation** | | | | | | | |
| **Balance as at March 31, 2019** | - | - | - | - | - | - | - |
| Additions | - | - | - | - | - | - | - |
| Disposals | - | - | - | - | - | - | - |
| **Balance as at March 31, 2020** | - | - | - | - | - | - | - |
| Additions | 0.55 | 4.99 | 5.54 | 10.65 | 2.51 | 0.31 | 13.47 |
| Disposals | - | - | - | - | - | - | - |
| **As at March 31, 2021** | **0.55** | **4.99** | **5.54** | **10.65** | **2.51** | **0.31** | **13.47** |
| **Net Block** | | | | | | | |
| As at March 31, 2021 | **0.99** | **25.71** | **26.70** | **65.00** | **78.49** | **9.69** | **153.18** |
| As at March 31, 2020 | - | - | - | - | - | | - |
| As at March 31, 2019 | - | - | - | - | - | | - |

*Note:*

*(i) The Company has elected the previous GAAP carrying amount as deemed cost on the date of transition for Property, Plant & Equipment and Intangible Assets. Hence, Net Block of April 1, 2019 is considered as Opening Gross block for April 1, 2019.*

*(ii) The carrying value as at April 01, 2019 amounting to INR. 0 represent gross cost of INR. 0 net of accumulated depreciation of INR.0 as at March 31, 2019.*

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## 5 Leases

### (i) Amounts recognised in the balance sheet

The balance sheet shows the following amounts relating to leases:

| | As at March 31, 2021 | As at March 31, 2020 | As at April 1, 2019 |
|---|---|---|---|
| **Right-of-use assets** | | | |
| Buildings** | 77.05 | - | - |
| **Total** | **77.05** | **-** | **-** |
| | | | |
| **Lease liabilities** | | | |
| Current*** | 77.06 | - | - |
| Non-Current | - | - | - |
| **Total** | **77.06** | **-** | **-** |

**Movement of Right-of-use assets and Lease liabilities**

** 

| Description of Assets | Buildings | Total |
|---|---|---|
| **I. Gross carrying amount** | | |
| **As at April 01, 2019** | - | - |
| Reclassification from property,plant & equipment | - | - |
| Recognition on account of IND AS 116 | - | - |
| Additions | - | - |
| Disposals | - | - |
| **As at March 31, 2020** | **-** | **-** |
| | | |
| **As at April 01, 2020** | - | - |
| Reclassification from property,plant & equipment | - | - |
| Additions during the year | 82.55 | 82.55 |
| Lease modifications | 20.91 | 20.91 |
| Disposals | - | - |
| Prepaid Lease Rental (Refer Note 12) | 0.90 | 0.90 |
| **As at March 31, 2021** | **104.36** | **104.36** |
| | | |
| **II. Accumulated depreciation and impairment** | | |
| **As at April 01, 2019** | - | - |
| Reclassification from property,plant & equipment | - | - |
| Depreciation / amortisation charge during the year | - | - |
| Disposals | - | - |
| **As at March 31, 2020** | **-** | **-** |
| | | |
| **As at April 01, 2020** | - | - |
| Reclassification from property,plant & equipment | - | - |
| Depreciation / amortisation charge during the year | 27.31 | 27.31 |
| Disposals | - | - |
| **As at March 31, 2021** | **27.31** | **27.31** |
| | | |
| **III. Net carrying amount as at March 31, 2020** | - | - |
| **III. Net carrying amount as at March 31, 2021** | **77.05** | **77.05** |

***

| Description of Liabilities | As at March 31, 2021 | As at March 31, 2020 |
|---|---|---|
| **Opening Balance** | - | - |
| Additions during the year | 82.55 | - |
| Lease modifications | 20.91 | - |
| Finance Cost accrued | 1.68 | - |
| Deletions during the year | - | - |
| Payment of lease liabilities | (28.08) | - |
| **Closing Balance** | **77.06** | **-** |

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

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

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

| Particulars | Amount |
|---|---|
| Decrease in Property, Plant and equipment by | - |
| Increase in lease liability by | 77.06 |
| Increase in right of use assets (net of depreciation) by | 77.05 |
| Increase/(decrease) in finance cost by | 1.68 |
| Increase/(decrease) in depreciation by | 27.31 |
| Increase/(decrease) in rent by | (28.08) |

5.3 The table below provides details regarding the contractual maturities of lease liabilities as at March 31, 2021 on an undiscounted basis:

| Particulars | As at March 31, 2021 | As at March 31, 2020 | As at March 31, 2019 |
|---|---|---|---|
| Less than one year | 77.06 | - | - |
| One to five years | - | - | - |
| More than five years | - | - | - |
| **Total** | **77.06** | **-** | **-** |

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

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

| Particulars | As at March 31, 2021 | As at March 31, 2020 |
|---|---|---|
| Depreciation charge for right-of-use assets (Refer Note 28) | 27.31 | - |
| **Total** | **27.31** | **-** |

| | | |
|---|---|---|
| Interest expense (included in finance costs) (Refer Note 27) | 1.68 | - |
| Expense relating to short-term leases (included in other expenses) (Refer Note 29 | 5.95 | - |

**(iii) Amounts recognized in cash flow statement**

| Particulars | As at March 31, 2021 | As at March 31, 2020 |
|---|---|---|
| Total cash outflows for leases | (28.08) | - |

**(iv) Critical judgements in determining the lease term**

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

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

(a) If there are significant penalties to terminate (or not extend), the Company is typically reasonably certain to extend and not terminate).

(b) If any lease hold improvements are expected to have a significant remaining value the Company is typically reasonably certain to extend (or not terminate).

(c) Otherwise, the Company considers other factors including historical lease durations and the costs and business disruption required to replace the leased asset.

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

**(v) Extension and termination options**

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

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| | As at March 31, 2021 | As at March 31, 2020 | As at April 1, 2019 |
|---|---|---|---|
| **6 Intangible Under Development** | | | |
| Content development cost | 51.57 | - | - |
| | **51.57** | - | - |
| **7 Deferred Tax Asset - Net** | | | |
| **Deferred Tax Liability** | | | |
| On property plant and equipment | (3.69) | - | - |
| On fair valuation of financial instruments | (0.43) | - | - |
| | **(4.12)** | - | - |
| **Deferred Tax Asset** | | | |
| On expenses allowable on payment basis | 0.27 | - | - |
| On Accrual on share based component | 0.80 | - | - |
| On Prepaid Income | 3.05 | - | - |
| | **4.12** | - | - |
| **Net deferred tax asset** | - | - | - |

This is the first year of commercial operation of the company. Therefore, based on assessment of probability of taxable profits against which the deferred tax asset pertaining to disallowance of Share based compensation expense, unabsorbed business loss and depreciation loss amounting to Rs. 114.28 lakhs can be utilised, the companyhas 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.

| | As at March 31, 2021 | As at March 31, 2020 | As at April 1, 2019 |
|---|---|---|---|
| **8 Inventories** | | | |
| Valued at lower of cost and Net Realisable value unless otherwise stated | | | |
| Packing Material | 0.83 | - | - |
| Stock in Trade (Books) | 31.57 | - | - |
| | **32.40** | - | - |
| **9 Trade receivables** | | | |
| Unsecured considered good | | | |
| Receivable from third parties | 21.23 | - | - |
| Receivable from Payment Gateway | 10.29 | - | - |
| | **31.52** | - | - |
| **10 Cash and cash equivalents** | | | |
| Balances with Banks - In current account | 33.81 | 0.09 | 0.10 |
| Cash - on - Hand | - | - | - |
| | **33.81** | **0.09** | **0.10** |
| **11 Other Financial assets** | | | |
| Contractually reimbursable expenses | 5.81 | - | - |
| | **5.81** | - | - |
| **12 Loans** | | | |
| **Unsecured considered good** | | | |
| Security Deposits** | 38.94 | - | - |
| | **38.94** | - | - |

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** 

| Particulars | Amount |
|---|---|
| Security Deposits as at March 31, 2020 | - |
| Additions during the year | 39.60 |
| Deletions during the year | - |
| **Security Deposits as at March 31, 2021** | **39.60** |

| | |
|---|---|
| Fair Value of Security Deposit (On application of Ind AS 109) | 38.70 |
| Interest Income (Included in Note 22) | 0.24 |
| | **38.94** |
| Prepaid lease rental (Refer Note 5) | 0.90 |
| Depreciation charge on Right-of-use assets (Included in Note 5 & 28) | (0.24) |
| **Total** | **39.60** |

| **13 Other current assets** | **As at March 31, 2021** | **As at March 31, 2020** | **As at April 1, 2019** |
|---|---|---|---|
| Advances (other than capital advances) | 19.97 | - | - |
| Balances with government authorities | 50.52 | - | - |
| Prepaid Expenses | 80.81 | - | - |
| | **151.30** | **-** | **-** |

| **14 Share Capital** | **As at March 31, 2021** | **As at March 31, 2020** | **As at April 1, 2019** |
|---|---|---|---|
| **Authorised Share Capital** | | | |
| 10,00,000 (March 31,2020: 1,000, April 1, 2019: 1,000) Equity Shares of Rs.10/ each | 100.00 | 0.10 | 0.10 |
| | **100.00** | **0.10** | **0.10** |
| **Issued Share Capital** | | | |
| 10,00,000 (March 31,2020: 1,000, April 1, 2019: 1,000) Equity Shares of Rs.10/ each | 100.00 | 0.10 | 0.10 |
| | **100.00** | **0.10** | **0.10** |
| **Subscribed and fully paid up share capital** | | | |
| 10,00,000 (March 31,2020: 1,000, April 1, 2019: 1,000) Equity Shares of Rs.10/ each | 100.00 | 0.10 | 0.10 |
| | **100.00** | **0.10** | **0.10** |

**Notes:**

| | As at March 31, 2021 | | As at March 31, 2020 | | As at April 1, 2019 | |
|---|---|---|---|---|---|---|
| **1) Reconciliation of number of equity shares subscribed** | **No.of Shares** | **Amount** | **No.of Shares** | **Amount** | **No.of Shares** | **Amount** |
| Balance at the beginning of the year / period | 1,000 | 0.10 | 1,000 | 0.10 | - | |
| Issued during the year / period | 9,99,000 | 99.90 | - | - | 1,000 | 0.10 |
| Balance at the end of the year / period | **10,00,000** | **100.00** | **1,000** | **0.10** | **1,000** | **0.10** |

2) During the last 3 years immediately preceding the date of Balance Sheet, the Company has neither issued any shares as bonus shares nor for consideration other than cash and has not bought back any shares.

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

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.

d. During the year, Veranda XL Learning Solutions Private Limited (formerly known as Veranda Excel Learning Solutions Private Limited) transferred 100% of its shareholding to Veranda Learning Solutions Limited (formerly known as Veranda Learning Solutions Private Limited).

e. 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 alloted |
|---|---|---|
| October 16, 2020 | Veranda Learning Solutions Limited (formerly known as Veranda Learning Solutions Private Limited | 2,05,000 |
| October 16, 2020 | Veranda Learning Solutions Limited (formerly known as Veranda Learning Solutions Private Limited | 6,70,000 |
| October 16, 2020 | Veranda Learning Solutions Limited (formerly known as Veranda Learning Solutions Private Limited | 1,24,000 |
| | | **9,99,000** |

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

| Name of the share holder | March 31, 2021 | | March 31, 2020 | | April 1, 2019 | |
|---|---|---|---|---|---|---|
| | No of shares | % of Holding | No of shares | % of Holding | No of shares | % of Holding |
| Veranda Learning Solutions Limited (formerly known as Veranda Learning Solutions Private Limited) | 9,99,990 | 100.00% | - | 0.00% | - | 0.00% |
| Veranda XL Learning Solutions Private Limited & its nominies (formerly known as Veranda Excel Learning Solutions Private Limited ) | - | 0.00% | 990 | 99% | 1,000 | 100.00% |
| Mr. K.Praveen Kumar* | 10 | 0.00% | 10 | 1.00% | 10 | 1.00% |

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

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

| Name of the share holder | March 31, 2021 | | March 31, 2020 | | April 1, 2019 | |
|---|---|---|---|---|---|---|
| | No of shares | % of Holding | No of shares | % of Holding | No of shares | % of Holding |
| Veranda Learning Solutions Limited (formerly known as Veranda Learning Solutions Private Limited) | 10,00,000 | 100.00% | - | 0.00% | - | 0.00% |
| Veranda XL Learning Solutions Private Limited & its nominies (formerly known as Veranda Excel Learning Solutions Private Limited ) | - | 0.00% | 990 | 99.00% | 990 | 99.00% |

| | As at March 31, 2021 | As at March 31, 2020 | As at April 1, 2019 |
|---|---|---|---|
| **15 Other Equity** | | | |
| Retained Earnings | (439.86) | (0.37) | (0.34) |
| Deemed Equity contribution - Employee Share based payment | 151.10 | - | - |
| | **(288.76)** | **(0.37)** | **(0.34)** |
| **a) Retained Earnings** | | | |
| Balance at the beginning of the year | (0.37) | (0.34) | - |
| Total comprehensive loss for the year | (439.49) | (0.03) | (0.34) |
| Balance at the end of the year | **(439.86)** | **(0.37)** | (0.34) |
| **b) Deemed Equity contribution - Employee Share based payment** | | | |
| Balance at the beginning of the year | - | - | - |
| Deemed equity contribution during the year* (Refer Note 39.4) | 151.10 | - | - |
| Balance at the end of the year | **151.10** | **-** | - |

Deemed eequity contribution represents deemed contribution towards equity settled share based payment transaction, employee compesation costs as per Restricted Stock units granted to one employee. (Refer Note 39.4)

| | As at March 31, 2021 | As at March 31, 2020 | As at April 1, 2019 |
|---|---|---|---|
| **16 Provisions (Non Current)** | | | |
| Provision for Leave Encashment (Refer Note 39) | 0.91 | - | - |
| | **0.91** | **1,999.50** | - |
| **17 Short Term Borrowings** | | | |
| **Loan repayable on demand** | | | |
| **From related parties (unsecured)( Refer Note 38 )** | | | |
| Veranda XL Learning Solutions Private Limited (formerly known as Veranda Excel Learning Solutions Private Limited) | - | 0.32 | 0.29 |
| Veranda Learning Solutions Limited (formerly known as Veranda Learning Solutions Private Limited) | 305.40 | - | - |
| | **305.40** | **0.32** | **0.29** |
| **18 Trade Payables** | | | |
| Total outstanding dues of creditors of micro, small and medium enterprises** | 66.82 | - | 0.03 |
| Total outstanding dues of creditors other than micro, small and medium enterprises | 237.52 | 0.04 | 0.02 |
| | **304.34** | **0.04** | **0.05** |

** 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 33)

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| | As at March 31, 2021 | As at March 31, 2020 | As at April 1, 2019 |
|---|---|---|---|
| **19 Other Financial Liabilities** | | | |
| Interest payable | 4.43 | - | - |
| | **4.43** | - | - |
| **20 Provisions (Current)** | | | |
| Provision for Leave Encashment (Refer Note 39) | 0.11 | - | - |
| | **0.11** | - | - |
| **21 Other current liabilities** | | | |
| Statutory Dues Payable | 13.42 | - | - |
| Deferred Revenue | 83.37 | - | - |
| Advance received from customers | 2.00 | | |
| | **98.79** | - | - |

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| | For the year ended March 31, 2021 | For the year ended March 31, 2020 |
|---|---|---|
| **22 Revenue from Operations** | | |
| Sale of Online Courses | 236.72 | - |
| Sale of Offline Courses | 4.35 | - |
| Sale of Books | 5.38 | - |
| Web hosting fees | 0.95 | - |
| **Other operating revenue** | | |
| Shipping Revenue | 6.56 | - |
| | 253.96 | - |

**22.1 Disaggregated Revenue**

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

| | | |
|---|---|---|
| Timing of recognition: | | |
| **Over period of time** | | |
| Sale of Offline Courses | 4.35 | - |
| Web hosting fees | 0.95 | - |
| **At a point in time** | | |
| Sale of Online Courses | 236.72 | - |
| Sale of Books | 5.38 | - |
| Shipping Revenue | 6.56 | - |
| **Total** | 253.96 | - |

**22.2 Reconciliation of revenue with contract price**

| Particulars | For the year ended March 31, 2021 | For the year ended March 31, 2020 |
|---|---|---|
| **Contract Price** | | |
| Sale of Online Courses | 259.75 | - |
| Sale of Offline Courses | 75.97 | - |
| Sale of Books | 5.38 | - |
| Shipping Revenue | 6.56 | - |
| Web hosting fees | 0.95 | - |
| **Adjustments:** | | |
| Discounts | (11.28) | - |
| Prepaid Income | (83.37) | - |
| **Total** | 253.96 | - |

**22.3 Contract balances :**

Revenue from operations recognised is collected as per the terms of the contract. Trade receivables have been disclosed under Note 9 and Deferred revenue disclosed under Note 21

**22.4 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.

**22.5 Information about major customers:**

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

| | | |
|---|---|---|
| **23 Other Income** | | |
| Interest on Fixed deposit | 0.23 | - |
| Unwinding of discount on security deposits | 0.24 | - |
| | 0.47 | - |
| **24 Cost of materials consumed** | | |
| Opening Stock of Packing Material | - | - |
| Purchase of Packing Material | 1.60 | - |
| Less : Closing Stock of Packing Material | (0.83) | - |
| | 0.77 | - |
| **25 Purchase of Stock - in - trade** | | |
| Purchase of Books | 56.83 | - |
| | 56.83 | - |
| **26 Changes in Inventory of Stock - in - trade** | | |
| **Stock - in - trade** | | |
| Opening Stock of Books | - | - |
| Less : Closing Stock of Books | (31.57) | - |
| | (31.57) | - |

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| | For the year ended March 31, 2021 | For the year ended March 31, 2020 |
|---|---|---|
| **27 Employee benefit expenses** | | |
| Salaries, wages and bonus | 38.41 | - |
| Contribution to provident and other funds (Refer Note 39) | 1.80 | - |
| Compensation cost for Restricted Stock Units (RSU) (Refer Note 39.4) | 151.10 | - |
| | **191.31** | - |
| **28 Finance costs** | | |
| Interest expense on lease liabilities | 1.68 | - |
| Interest on Borrowings | 4.93 | |
| | **6.61** | - |
| **29 Depreciation and amortization expenses** | | |
| Depreciation on property, plant and equipment (Refer Note 4) | 5.54 | - |
| Amortisation on Intangible asset (Refer Note 4) | 13.47 | - |
| Depreciation on Right to use of assets (Refer Note 5) | 27.31 | - |
| | **46.32** | - |

| | For the year ended March 31, 2021 | For the year ended March 31, 2020 |
|---|---|---|
| **30 Other expenses** | | |
| Cross charge of common expenses | 73.50 | - |
| Cross charge of Studio Expenses | 22.65 | - |
| Rent (Refer Note 5) | 5.95 | - |
| Repairs & Maintenance | 0.93 | - |
| Payment to the auditors (Excluding GST) | | |
| - as statutory auditor | 6.00 | 0.02 |
| - as tax auditor | 0.75 | |
| Legal and professional charges | 4.92 | - |
| Rates and Taxes | 2.38 | - |
| Freight Charges | 6.32 | - |
| Printing & Stationery | 0.86 | - |
| Delivery Partner Fee | 5.01 | - |
| Bank charges | 0.36 | 0.01 |
| Communication | 0.97 | - |
| Manpower Charges - Outsourced | 26.36 | - |
| Payment to Gateway | 5.43 | - |
| Subscription Charges | 12.26 | - |
| Travelling & Conveyance | 0.13 | - |
| Advertisement Expenses | 245.02 | - |
| Postage and Telegram | - | - |
| Power and fuel | 1.75 | - |
| Miscellaneous expenses | 2.10 | - |
| | **423.65** | **0.03** |
| **31 Tax expense:** | | |
| **Deferred tax** | | |
| Deferred tax income | - | - |
| | - | - |

**a) Movement of deferred tax expense / (income) during the year ended March 31, 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 | - | 3.69 | - | 3.69 |
| On expenses allowable on payment basis | - | (0.27) | - | (0.27) |
| On Accrual on share based component | - | (0.80) | - | (0.80) |
| On Prepaid Income | - | (3.05) | - | (3.05) |
| On fair valuation of financial instruments | - | 0.43 | - | 0.43 |
| **Total** | - | - | - | - |

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| | For the year ended March 31, 2021 | For the year ended March 31, 2020 |
|---|---|---|
| **Reconciliation of accounting Profits** | **For the year ended March 31, 2021** | **For the year ended March 31, 2020** |
| Accounting (loss) before tax | (439.49) | (0.03) |
| Income tax rate | 26.00% | 26.00% |
| **At Statutory Income tax rate** | (114.27) | (0.01) |
| **Non - deductible expenses for tax purposes** | | |
| Property, plant, and equipment and Intangible Assets | 3.69 | - |
| On expenses allowable on payment basis | (0.27) | - |
| On Prepaid Income | (3.05) | - |
| On fair valuation of financial instruments | 0.43 | - |
| Deferred tax on disallowance of Share based compensation expense | 39.29 | |
| Deferred tax not considered on Business loss and unabsorded depreciation | 74.98 | 0.01 |
| **At the effective income tax rate** | | |
| Income tax expenses reported in the statement of profit and loss | 0.80 | - |

This is the first year of commercial operation of the company. Therefore, based on assessment of probability of taxable profits against which the deferred tax asset pertaining to disallowance of Share based compensation expense, unabsorbed business loss and depreciation loss amounting to Rs. 114.28 lakhs can be utilised, the companyhas 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.

**32 Earnings per share**

| | | |
|---|---|---|
| Loss for the year attributable to owners of the Company | (439.49) | (0.03) |
| Weighted average number of ordinary shares outstanding | 3,98,400 | 1,000 |
| Basic earnings per share (Rs) | (110.31) | (3.000) |
| Diluted earnings per share (Rs) | (110.31) | (3.000) |

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

| Particulars | Year ended March 31, 2021 | Year ended March 31, 2020 |
|---|---|---|
| (a) The principal amount remaining unpaid at the end of the year* | 66.82 | - |
| (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 | - | - |
| (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 no micro, small and medium enterprises to whom the company owes dues which are outstanding for more than 45 days at the Balance Sheet date, computed on unit wise basis.

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

**34 Contingent liabilities & Commitments**

| Particulars | As at March 31, 2021 | As at March 31, 2020 |
|---|---|---|
| Contigent Liabilities | Nil | Nil |
| Commitments | Nil | Nil |

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

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## 36 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: | March 31, 2021 | March 31, 2020 | April 1, 2019 |
|---|---|---|---|
| Debt | 305.40 | 0.32 | 0.29 |
| Less: Cash and bank balances | 33.81 | 0.09 | 0.10 |
| Net debt | 271.59 | 0.23 | 0.19 |
| Total equity | (188.76) | (0.27) | (0.24) |
| Net debt to equity ratio (%) | (143.88%) | (85.00%) | (79.00%) |

### Credit risk management

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

### Liquidity risk management

Management monitors rolling forecasts of the company's liquidity position 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 | March 31, 2021<br>Due in 1st year | Due in 2nd to 5th year | Due after 5th year | Carrying amount |
|---|---|---|---|---|
| Borrowings (Fixed rate instrument) | 305.40 | - | - | 305.40 |
| Trade payables (Non- interest bearing) | 304.34 | - | - | 304.34 |
| Lease Liabilities (Non- interest bearing) | 77.06 | - | - | 77.06 |
| | **686.80** | **-** | **-** | **686.80** |

| Particulars | March 31, 2020<br>Due in 1st year | Due in 2nd to 5th year | Due after 5th year | Carrying amount |
|---|---|---|---|---|
| Borrowings (Fixed rate instrument) | 0.32 | - | - | 0.32 |
| Trade payables (Non- interest bearing) | 0.04 | | - | 0.04 |
| | **0.36** | **-** | **-** | **0.36** |

| Particulars | April 1, 2019<br>Due in 1st year | Due in 2nd to 5th year | Due after 5th year | Carrying amount |
|---|---|---|---|---|
| Trade payables (Non- interest bearing) | 0.05 | - | - | 0.05 |
| | **0.05** | **-** | **-** | **0.05** |

| | March 31, 2021 | March 31, 2020 | April 1, 2019 |
|---|---|---|---|
| **Fair value of financial assets and financial liabilities that are not measured at fair value (but fair value disclosures are required):** | Nil | Nil | Nil |

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**37 Fair value measurements**

**Financial instruments measured at Amortised cost**

| Financial assets | Note | Hierarchy | March 31, 2021 | March 31, 2020 | April 1, 2019 |
|---|---|---|---|---|---|
| Trade receivables | 9 | NA | 31.52 | - | - |
| Cash and cash equivalents | 10 | NA | 33.81 | 0.09 | 0.10 |
| Other financial assets | 11 | NA | 44.75 | - | - |
| **Total financial assets** | | | **110.08** | **0.09** | **0.10** |

| Financial liabilities | Note | Hierarchy | March 31, 2021 | March 31, 2020 | April 1, 2019 |
|---|---|---|---|---|---|
| Borrowings (short term) | 17 | NA | 305.40 | 0.32 | 0.29 |
| Trade payables | 18 | NA | 304.34 | 0.04 | 0.05 |
| Lease Liabilities | 5 | NA | 77.06 | - | - |
| Other Financial Liabilities | 19 | NA | 4.43 | - | - |
| **Total financial liabilities** | | | **691.23** | **0.36** | **0.34** |

**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 Comapny has classified its financial instruments into the three levels prescribed under the accounting standard. An explanation of each level is as under:

**Level 1**: Level 1 hierarchy includes financial instruments measured using quoted prices. This includes listed equity instruments, traded bonds and mutual funds that have quoted price. The fair value of all equity instruments (including bonds) which are traded in the stock exchanges is valued using the closing price as at the reporting period. The mutual funds are valued using the closing NAV.
**Level 2**: The fair value of financial instruments that are not traded in an active market (for example, traded bonds, over-the-counter derivatives) is determined using valuation techniques which maximise the use of observable market data and rely as little as possible on entity-specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.
**Level 3**: If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3. This is the case for unlisted equity securities, contingent consideration and indemnification asset included in level 3.

**Valuation technique used to determine fair value**
Specific valuation techniques used to value financial instruments include:
-the use of quoted market prices or dealer quotes for similar instruments.
-the fair value of the remaining financial instruments is determined using discounted cash flow analysis.

The carrying amounts of trade receivables, trade payables, cash and cash equivalents and other current financial liabilities are considered to be the same as their fair values, due to their short-term nature.
For financial assets and liabilities that are measured at fair value, the carrying amounts are equal to the fair values.
The borrowing rate of the Company has been taken as the discount rate used for determination of fair value.

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**38 Related party disclosure**

**a) List of related parties**

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

**Holding Company**

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

**Fellow Subsidiary Companies**

| | |
|---|---|
| Veranda XL Learning Solutions Private Limited (formerly known as Veranda Excel Learning Solutions Private Limited) | (since 16th October 2020) |
| Veranda IAS Learning Solutions Private Limited | (since 26th February 2021) |

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

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

**b) Transactions during the year**

| S.No. | Nature of transactions | Amount 2020-21 | Amount 2019-20 |
|---|---|---|---|
| 1 | **Loans taken from** | | |
| | Veranda Learning Solutions Limited (formerly known as Veranda Learning Solutions Private Limited) | 305.40 | - |
| | Veranda XL Learning Solutions Private Limited (formerly known as Veranda Excel Learning Solutions Private Limited) | - | 0.32 |
| 2 | **Cross charge of common Expenses** | | |
| | Veranda Learning Solutions Limited (formerly known as Veranda Learning Solutions Private Limited) | 73.50 | - |
| 3 | **Cross charge of studio expenses** | | |
| | Veranda Learning Solutions Limited (formerly known as Veranda Learning Solutions Private Limited) | 84.41 | - |
| 4 | **Shares allotted** | | |
| | Veranda Learning Solutions Limited (formerly known as Veranda Learning Solutions Private Limited) | 99.90 | - |
| | Veranda XL Learning Solutions Private Limited (formerly known as Veranda Excel Learning Solutions Private Limited) | - | 0.10 |
| 5 | **Interest on Borrowings** | | |
| | Veranda Learning Solutions Limited (formerly known as Veranda Learning Solutions Private Limited) | 4.93 | - |

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## Veranda Race Learning Solutions Private Limited
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**c) Balance outstanding at the year end**

| S.No. | Particulars | Amount | |
|---|---|---|---|
| | | As at March 31, 2021 | As at March 31, 2020 |
| 1 | **Loans taken from** | | |
| | Veranda Learning Solutions Limited (formerly known as Veranda Learning Solutions Private Limited) | 305.40 | - |
| 2 | **Contractually reimbursable expenses (Refer Note 11)** | | |
| | Veranda Learning Solutions Limited (formerly known as Veranda Learning Solutions Private Limited) | 5.81 | |
| 3 | **Trade Payables** | | |
| | Veranda Learning Solutions Limited (formerly known as Veranda Learning Solutions Private Limited) | 99.87 | - |
| 4 | **Interest Accrued** | | |
| | Veranda Learning Solutions Limited (formerly known as Veranda Learning Solutions Private Limited) | 4.43 | - |

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**39 Retirement benefit plans**

**39.1 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 year ended March 31, 2021 an amount of Rs. 1.80 lakhs towards expenses under defined contribution plans and included in 'Contribution to provident and other funds'.

**39.2 Compensated absences**

The compensated absences cover the Company's liability for privilege leave provided to the employees.
The amount of provision of Rs. 0.11 lakhs (March 31, 2020: Nil) is presented as current, since the Company does not have an unconditional right to defer settlement for any of these obligations. However, based on past experience, the Company does not expect all employees to take the full amount of accrued leave or require payment within the next 12 months.

| Particulars | March 31, 2021 ( Amount in lakhs ) | |
|---|---|---|
| | Current | Non-current |
| Compensated absences | 0.11 | 0.91 |

**39.3 Gratuity**

The Company accrues Gratuity liability payable to employees upon completion of for each completed six-monthly period. Since the employees of the company have not completed six months as on 31st March 2021, there is no gratuity provision accrued for the year ended March 31, 2021.

**39.4 Share-based payments**

**Restricted Stock Unit**

During the year, the company has issued RSU to one of its employees, where the employee has the following options:
a. Cash Option to the extent of Rs.4200 Lakhs; or
b. Equity Option to the extent of Rs.5600 Lakhs; or
c. 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 the company.

**Vesting conditions:**

The vesting options would be subject to continued employment with the company, 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 (Holding Company) 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 holding 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, the company 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 the company worth Rs.5600 Lakhs, or share valuing 1.33 times of Turnover, valuing the enterprise of the company 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 company.

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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 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 company all necessary forms for exchange of shares so allotted by the company with the shares worth Rs.5600 Lakhs of the Holding Company. At the time of exercise of option, the shares allotted by the company 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 the company worth Rs.5600 Lakhs, or share valuing 1.33 times of Turnover, valuing the enterprise of he company 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 the company. The shares of he company will not be exchanged with shares of holding company in this case.

Based on the management's assessment as at March 31, 2021, the occurrence of Veranda Liquidity Event / Veranda Partial Liquidity Event is considered probable.

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

The total compensation cost recognized in the statement of Profit and Loss for the year ended March 31, 2021 amounted to Rs. 151.10 lakhs.

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## 40 First-time adoption of Ind AS

**Transition to Ind AS**
These are the Company's first financial statements prepared in accordance with Ind AS.

The accounting policies set out in Note 3 have been applied in preparing the financial statements for the year ended March 31, 2021, the comparative information presented in these financial statements for the year ended March 31, 2020 and in the preparation of an opening Ind AS balance sheet at April 1, 2019 (The company's date of transition).

In preparing its opening Ind AS balance sheet, the company has adjusted the amounts reported previously in financial statements prepared in accordance with the accounting standards notified under Companies (Accounting Standards) Rules, 2006 (as amended) and other relevant provisions of the Act (previous GAAP or Indian GAAP).

An explanation of how the transition from previous GAAP to Ind AS has affected The company's financial position, financial performance and cash flows is set out in the following notes.

**A. Exemptions and exceptions availed**
Set out below are the applicable Ind AS 101 optional exemptions and mandatory exceptions applied in the transition from previous GAAP to Ind AS.

**A.1 Ind AS optional exemptions**

**A.1.1 Deemed cost for Property, Plant and Equipment (PPE) & Intangible assets**
Ind AS 101 permits a first-time adopter to elect to fair value a class of property, plant and equipment or to continue with the carrying value for all of its PPE as recognised in the financial statements as at the date of transition to Ind AS, measured as per the previous GAAP and use that as its deemed cost as at the date of transition.

Ind AS 101 permits a first-time adopter to elect to fair value of intangible assets or to continue with the carrying value for all of its intangible assets as recognised in the financial statements as at the date of transition to Ind AS, measured as per the previous GAAP and use that as its deemed cost as at the date of transition.

The company has elected to adopt the carrying value for all of its intangible assets as recognised in the financial statements as the deemed cost as at the date of transition to Ind AS

**A.1.2 Designation of previously recognised financial instruments**
Ind AS 101 allows an entity to designate investments in equity instruments at FVOCI or FVTPL on the basis of the facts and circumstances at the date of transition to Ind AS. The company has elected to apply this exemption for its investment in equity investments.

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**A.1.3 Fair valuation of financial instruments**

Ind AS 101 allows an entity to fair value the financial instruments for the first time on the date of transition to Ind AS instead of the date of acquisition. The company has elected to apply this exemption for all its financial instruments existing on April 1, 2019 (the date of transition).

**A.2 Ind AS mandatory exceptions**

**A.2.1 Estimates**

An entity's estimates in accordance with Ind ASs at the date of transition to Ind AS shall be consistent with estimates made for the same date in accordance with previous GAAP (after adjustments to reflect any difference in accounting policies), unless there is objective evidence that those estimates were in error.

Ind AS estimates as at April 1, 2019 are consistent with the estimates as at the same date made in conformity with previous GAAP. The company made estimates for impairment of financial assets based on expected credit loss model in accordance with Ind AS at the date of transition as these were not required under previous GAAP.

**B. Notes to first-time adoption**

**B.1 Fair valuation impact of PPE as deemed cost**

Ind AS 101 permits a first-time adopter to elect to fair value a class of property, plant and equipment as at the date of transition to Ind AS as its deemed cost as per Ind AS at the date of transition.

**B.2 Deferred tax**

Under Ind AS, the deferred tax asset and liabilities are required to be accounted based on balance sheet approach and also to be recognised on all adjustments considered in the opening Ind AS balance sheet. The Company has remeasured its deferred tax assets and liabilities as aforesaid and accounted in the Ind AS financial statements in the respective periods.

**41 Key reconciliation required as per Ind AS 101 on transition to Ind AS**

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 by the Company. Upto 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.

These financial statements are the Company's first Ind AS financial statements. The date of transition to Ind AS is April 1, 2019. Previous period figures in the financial statements have been restated to Ind AS. In accordance with Ind AS 101, First-time Adoption of Indian Accounting Standards, the Company has presented a reconciliation from the presentation of financial statements under Accounting Standards notified under Companies (Accounting Standards) Rules, Rules, 2006 ("previous GAAP") to Ind AS Balance Sheet as at 31 March 2020, Profit and loss Account and of the Other Comprehensive Income for the period ended 31 March 2020. As per below

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**(formerly known as Bharathiyar Education Services Private Limited)**
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**(All amounts are in lakhs of Indian Rupees, unless otherwise stated)**

(i) **Reconciliation of Balance Sheet as at 01/04/2019 and 31/03/2020**

| Particulars | Note | As at March 31, 2020 Previous GAAP | As at March 31, 2020 Effect of transition / adjustment | As at March 31, 2020 As per Ind AS | Note | As at April 1, 2019 Previous GAAP | As at April 1, 2019 Effect of transition / adjustment | As at April 1, 2019 As per Ind AS |
|---|---|---|---|---|---|---|---|---|
| **I. ASSETS** | | | | | | | | |
| **(1) Non-current assets** | | | | | | | | |
| (a) Property, plant and equipment | 4 | - | - | - | 4 | - | - | - |
| (b) Intangible Assets | 4 | - | - | - | 4 | - | - | - |
| (c) Right-of-use assets | 5 | - | - | - | 5 | - | - | - |
| (d) Intangible asset under development | 6 | - | - | - | 6 | - | - | - |
| **Total non-current assets** | | - | - | - | | - | - | - |
| **2. Current assets** | | | | | | | | |
| (a) Inventories | 8 | - | - | - | 8 | - | - | - |
| (b) Financial assets | | | | | | | | |
| (i) Trade receivables | 9 | - | - | - | 9 | - | - | - |
| (ii) Cash and cash equivalents | 10 | 0.09 | - | 0.09 | 10 | 0.10 | - | 0.10 |
| (iii) Other Financial Assets | 11 | - | - | - | 11 | - | - | - |
| (iv) Loans | 12 | - | - | - | 12 | - | - | - |
| (c) Other current assets | 13 | - | - | - | 13 | - | - | - |
| **Total current assets** | | **0.09** | - | **0.09** | | **0.10** | - | **0.10** |
| **Total Assets** | | **0.09** | - | **0.09** | | **0.10** | - | **0.10** |

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**Veranda Race Learning Solutions Private Limited**
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**II.EQUITY AND LIABILITIES**

| Particulars | Note | As at March 31, 2020 Previous GAAP | Effect of transition / adjustments | As per Ind AS | Note | As at April 1, 2019 Previous GAAP | Effect of transition / adjustments | As per Ind AS |
|---|---|---|---|---|---|---|---|---|
| **1. Equity** | | | | | | | | |
| (a) Equity share capital | 14 | 0.10 | - | 0.10 | 14 | 0.10 | - | 0.10 |
| (b) Other equity | 15 | (0.37) | - | (0.37) | 15 | -0.34 | - | -0.34 |
| **Total equity** | | **(0.27)** | **-** | **(0.27)** | | **(0.24)** | **-** | **(0.24)** |
| **2. Liabilities** | | | | | | | | |
| **Non-current liabilities** | | | | | | | | |
| (a) Provisions | 16 | - | - | - | 16 | - | - | - |
| **Total non-current liabilities** | | **-** | **-** | **-** | | **-** | **-** | **-** |
| **3. Current liabilities** | | | | | | | | |
| (a) Financial liabilities | | | | | | | | |
| (i) Borrowings | 17 | 0.32 | - | 0.32 | 17 | 0.29 | - | 0.29 |
| (ii) Trade payables | 18 | | | | 18 | | | |
| (a) Total outstanding dues of Micro and Small Enterprises | | - | - | - | | 0.03 | - | 0.03 |
| (b) Total outstanding dues of creditors other than Micro and Small Enterprises | | 0.04 | - | 0.04 | | 0.02 | - | 0.02 |
| (iii) Lease Liabilities | 5 | - | - | - | 5 | - | - | - |
| (b) Other current liabilities | 21 | - | - | - | 21 | - | - | - |
| **Total current liabilities** | | **0.36** | **-** | **0.36** | | **0.34** | **-** | **0.34** |
| **Total Equity and Liabilities** | | **0.09** | **-** | **0.09** | | **0.10** | **-** | **0.10** |

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

(ii) **Reconciliation of Statement of Profit & loss for the year ended 31/03/2020**

| | | Note | For the year ended March 31, 2020<br>Previous GAAP | Effect of transition / adjustments | As per Ind AS |
|---|---|---|---|---|---|
| A | **Income** | | | | |
| | Revenue from operations | 22 | - | - | - |
| | Other income | 23 | - | - | - |
| | **Total Income** | | - | - | - |
| B | **Expenses** | | | | |
| | Cost of materials consumed | 24 | - | - | - |
| | Purchase of Stock - in - trade | 25 | - | - | - |
| | Changes in Inventory of Stock - in - trade | 26 | - | - | - |
| | Employee benefits expenses | 27 | - | - | - |
| | Finance Costs | 28 | - | - | - |
| | Depreciation and amortization exper | 29 | - | - | - |
| | Other expenses | 30 | 0.03 | - | 0.03 |
| | **Total expenses** | | **0.03** | - | **0.03** |
| C | **Loss before tax** | | (0.03) | - | (0.03) |
| D | **Tax Expense** | | | | - |
| | Tax | | - | - | - |
| | Deferred Tax | | - | - | - |
| E | **Loss for the year** | | (0.03) | - | (0.03) |
| F | **Other comprehensive income** | | - | - | - |
| | **Items that will not be subsequently reclassified to profit or l** | | - | - | - |
| | Re-measurement gains/(losses) on defined benefit obligations | | - | - | - |
| | **Income-tax relating to items that will not be subsequently reclassified to profit or loss** | | - | - | - |
| | Re-measurement gains/(losses) on defined benefit obligations | | - | - | - |
| | **Other comprehensive income/(loss) for the year, net of tax** | | - | - | - |
| G | **Total comprehensive loss for the year** | | (0.03) | - | (0.03) |
| H | **Earnings per share** | | - | - | - |
| | Basic earnings per share Nominal value per equity share of Rs.10 (March 31,2020 Rs.10) | | (3.00) | - | (3.00) |
| | Diluted earnings per share Nominal value per equity share of Rs.10 (March 31,2020 Rs.10) | | (3.00) | - | (3.00) |

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

**I Reconciliation of equity as per previously reported under Previous GAAP and that computed under Ind AS**

| Particulars | Note | As at March 31, 2020 | As at April 01, 2019 |
|---|---|---|---|
| **Equity as per Indian GAAP** | | (0.27) | (0.24) |
| ***Adjustments:*** | | | |
| NIL | | - | - |
| **Equity as per Ind AS** | | -0.27 | -0.27 |

**J Reconciliation between financial results as per previously reported under Previous GAAP and Ind AS for the year ended Macrh 31, 2020**

| Particulars | Note | As at March 31, 2020 |
|---|---|---|
| **Profit for the year under Previous Indian GAAP** | | (0.03) |
| ***Adjustments:*** | | |
| NIL | | - |
| **Net profit as per Ind AS** | | (0.03) |
| **Other comprehensive income (net of tax)** | | - |
| **Total comprehensive income/Equity as per Ind AS** | | (0.03) |

| Particulars | Note | For the year ended March 31, 2020 | | |
|---|---|---|---|---|
| | | Previous GAAP | Effect of Transition / Adjustments | Ind AS |
| **Net cash flows from operating activities** | | (0.04) | - | (0.04) |
| **Net cash flows from investing activities** | | - | - | - |
| **Net cash flows from financing activities** | | 0.03 | - | 0.03 |
| **Net increase in cash and cash equivalents** | | | | |
| **Cash and cash equivalents at the beginning of the year** | | | | |
| **Cash and cash equivalents at the end of the year** | | (0.01) | - | (0.01) |

**42** This being the first year of adoption on Ind AS, the figures for the previous comparative periods have been re-grouped/ reclassified to conform to the current year's classificattion and in accordance with the presentation and disclosure requirements of Ind AS

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**43 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, intangibles under development, intangibles, right of use assets, investments, trade receivables and loans and advance. 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.

**44 Going Concern**

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

**45 Approval of Accounts**

The financial statements for the year ended March 31, 2021 were approved by the Board of Directors and authorised for issuance on October 27, 2021.

For and on behalf of the Board of Directors

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**K Praveen Kumar**
Director

**R Rangarajan**
Director

Place : Chennai
Date : October 27, 2021