J P Chawla & Co. LLP
Chartered Accountants

The Board of Directors
Convergia Digital Education Private Limited,
A-27, 2nd Floor Mohan cooperative Industrial Estate,
Delhi-110 044

Sir,

Sub: Communication of UDIN for audited standalone financial statement for the FY 2021-22

As per the guidelines issued by The Institute of Chartered Accountants of India (ICAI) for the audits, we are required to generate UDIN and to communicate such generated UDIN to "Management" or "Those Charged with Governance" for disseminating it to the stakeholders from their end. Accordingly, please find below UDIN for audited standalone financial statement for the FY 2021-22 signed by us on **May 18, 2022**.

UDIN: 22518499AJKVGI4405

for J P Chawla & Co. LLP
Chartered Accountants
FRN. 001875N/N500025

J P CHAWLA & CO. LLP ★ NOIDA (U.P.) CHARTERED ACCOUNTANTS ★

per Richa Chawla
(Partner)

Membership No. 518499

Place: Noida
Date: 23-05-2022

J P Chawla & Co. LLP is registered with limited liability with identification number AAE-2281.
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B-151, 3rd Flr, Sector-6, Noida 201301, U.P. India
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INDEPENDENT AUDITOR`S REPORT

TO THE MEMBERS OF CONVERGIA DIGITAL EDUCATION PRIVATE LIMITED

Report on the Audit of the Standalone Financial Statements

Opinion

We have audited the accompanying standalone financial statements of **CONVERGIA DIGITAL EDUCATION PRIVATE LIMITED** (the "Company"), which comprise the Balance Sheet as at March 31, 2022, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity and the Statement of Cash Flows for the year ended on that date and a summary of significant accounting policies and other explanatory information (hereinafter referred to as the "standalone financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 (the "Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2022 and its loss, total comprehensive income, changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit of the standalone financial statements in accordance with the Standards on Auditing ("SA"s) specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Standalone Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India ("ICAI") together with the ethical requirements that are relevant to our audit of the standalone financial statements under the provisions of the Act and the Rules made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our audit opinion on the standalone financial statements.

Information Other than the Financial Statements and Auditor's Report Thereon

The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Management Discussion and Analysis, Board's Report including Annexures to Board's Report, Business Responsibility Report, Corporate Governance and Shareholder's Information, but does not include the consolidated financial statements, standalone financial statements and our auditor's report thereon.

Our opinion on the standalone financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the standalone financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the standalone financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated. The Board of Director's report is not made available to us as at the date of this auditor's report. We have nothing to report in this regard.

Management's Responsibilities for the Standalone Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance, including other comprehensive income, changes in equity and cash flows of the Company in accordance with the Ind AS and other accounting principles generally accepted in India. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the standalone financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Board of Directors is also responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Standalone Financial Statements

Our objectives are to obtain reasonable assurance about whether the standalone financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these standalone financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the standalone financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion.

The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal financial control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the standalone financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the standalone financial statements, including the disclosures, and whether the standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the standalone financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the standalone financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the standalone financial statements.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

Report on Other Legal and Regulatory Requirements

1) As required by Section 143(3) of the Act, based on our audit we report that:

   a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.

   b) In our Opinion, proper books of accounts as required by law have been kept by the company so far as it appears from our examination of those books.

   c) The Balance Sheet, the Statement of Profit and Loss including Other Comprehensive Income, Statement of Changes in Equity and the Statement of Cash Flows dealt with by this Report are in agreement with the books of account.

   d) In our opinion, the aforesaid standalone financial statements comply with the Ind AS specified under Section 133 of the Act.

   e) On the Basis of the written representations received from the directors as on March 31, 2022 taken on record by the board of Directors, none of the directors is disqualified as on March 31, 2022 from being appointed as a director in terms of Section 164(2) of the Act.

   f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in **"Annexure A"**. Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting.

   g) With respect to the other matters to be included in the Auditor`s Report in accordance with the requirements of Section 197(16) of the Act, as amended, In our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Company to its directors during the year is in accordance with the provisions of section 197 of the Act.

   h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended, in our opinion and to the best of our information and according to the explanations given to us:

      i. The Company does not have any pending litigations which would impact its financial position.

      ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.

      iii. There were no amounts which were required to transferred to the Investor Education and Protection Fund by the Company.

      iv. (a) The Management has represented that, to the best of its knowledge and belief, no funds (which are material either individually or in the aggregate) have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person or entity, including foreign entity ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;

(b) The Management has represented, that, to the best of its knowledge and belief, no funds (which are material either individually or in the aggregate) have been received by the Company from any person or entity, including foreign entity ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;

(c) Based on the audit procedures that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e), as provided under (a) and (b) above, contain any material misstatement.

v. No dividend declared or paid during the year by the Company, accordingly compliances with section 123 of the Companies Act, 2013 need not to be complied with by the Company.

2) As required by the Companies (Auditor's Report) Order, 2020 (the "Order") issued by the Central Government in terms of Section 143(11) of the Act, we give in **"Annexure B"** a statement on the matters specified in paragraphs 3 and 4 of the Order.

For J P Chawla & Co. LLP
Chartered Accountants
FRN. 001875N/N500025

J P CHAWLA & CO. LLP * NOIDA (U.P.) * CHARTERED ACCOUNTANTS

per Richa Chawla
Partner

Membership No. 518499
Place: Noida
Date: 18th May 2022

ANNEXURE "A" TO THE INDEPENDENT AUDITOR'S REPORT

(Referred to in paragraph 1(f) under 'Report on Other Legal and Regulatory Requirements' section of our report to the Members of Convergia Digital Education Private Limited Report on the Internal Financial Controls Over Financial Reporting under Clause (i) of sub- section 3 of Section 143 of the Companies Act, 2013 (the "Act")

We have audited the internal financial controls over financial reporting of **CONVERGIA DIGITAL EDUCATION PRIVATE LIMITED** (the "Company") as of March 31, 2022 in conjunction with our audit of the standalone Ind AS financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Management of the Company is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (the "ICAI"). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

Auditor's Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting of the Company based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") issued by the ICAI and the Standards on Auditing prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.
We believe that the audit evidence we have obtained, is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

Meaning of Internal Financial Controls over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2022, based on the criteria for internal financial control over financial reporting established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the ICAI.

For J P Chawla & Co. LLP
Chartered Accountants
FRN. 001875N/N500025

J P CHAWLA & CO. LLP
NOIDA
(U.P.)
CHARTERED ACCOUNTANTS

per Richa Chawla
Partner

Membership No. 518499
Place: Noida
Date: 18th May 2022

ANNEXURE 'B' TO THE INDEPENDENT AUDITOR'S REPORT

(Referred to in paragraph 2 under 'Report on Other Legal and Regulatory Requirements' section of our report to the Members of Convergia Digital Education Private Limited of even date)

To the best of our information and according to the explanations provided to us by the Company and the books of account and records examined by us in the normal course of audit, we state that:

i. In respect of the Company's Property, Plant and Equipment and Intangible Assets:

(a) (1) The Company has maintained proper records showing full particulars, including quantitative details and situation of Property, Plant and Equipment and relevant details of right-of-use assets.

(2) The Company has maintained proper records showing full particulars of intangible assets.

(b) The Company has a program of physical verification of Property, Plant and Equipment and right-of-use assets so to cover all the assets once every three years which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. Pursuant to the program, certain Property, Plant and Equipment were due for verification during the year and were physically verified by the Management during the year. According to the information and explanations given to us, no material discrepancies were noticed on such verification.

(c) According to the information and explanation given by the management, there are no immovable properties, included in the property plant and equipment of the company and accordingly the requirements under paragraph 3(i)(c) of the order not applicable to the company.

(d) The Company has not revalued any of its Property, Plant and Equipment (including right- of-use assets) and intangible assets during the year.

(e) No proceedings have been initiated during the year or are pending against the Company as at March 31, 2022 for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (as amended in 2016) and rules made thereunder.

ii. (a) The inventory has been physically verified by the management during the year. In our opinion, the coverage and the procedures of verification are materially appropriate and all material discrepancies of 10 % or more noticed on physical verification of inventories have been properly dealt within the books of accounts.

(b) The Company has not been sanctioned working capital limits in excess of ₹ 5 crore, in aggregate, at any points of time during the year, from banks or financial institutions on the basis of security of current assets and hence reporting under clause 3(ii)(b) of the Order is not applicable.

iii. According to the information and explanation given to us, the company has not granted any loan secured or unsecured to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under section 189 of the companies Act, 2013. Accordingly, the provision of clause 3(iii)(a) to (f) of the order are not applicable to the company and hence not commented upon.

iv. In our opinion and according to the information and explanation given to us, there are no loan, investment, guarantees, and securities granted in respect of which provisions of section 185 and 186 of the companies Act 2013 are applicable and hence not commented upon.

v. The Company has not accepted any deposits within the meaning of section 73 to 76 of the Act and the companies (Acceptance of Deposits) Rules, 2014 (as amended). Accordingly, the provisions of clause 3(v) of the order are not applicable.

vi. The maintenance of cost records has not been specified by the Central Government under sub- section (1) of section 148 of the Companies Act, 2013 for the business activities carried out by the Company. Hence, reporting under clause 3(vi) of the Order is not applicable to the Company.

vii. In respect of statutory dues:

a) The Company is generally regular in depositing with appropriate authorities undisputed statutory dues including Provident fund, Employees State insurance, Income tax, Goods and services tax, cess and Other statutory dues applicable to it. The provision relating to excise duty are not applicable to the company.
According to the information and explanation given to us, no undisputed amounts payable in respect of provident fund, employees state insurance, income tax, service tax, goods & services tax, cess and other statutory dues were outstanding, at the year end, for a period of more than six months from the date they became payable.

b) According to the information and explanation given to us, there are no dues of income tax, sales tax, service tax, custom duty, value added tax and cess which have not been deposited on account of any dispute.

viii. According to information and explanation given to us and based on our examination of the books of account, there were no transactions relating to previously unrecorded income that have been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (43 of 1961).

ix. (a) In our opinion and according to the information and explanations given by the management, the company has not availed any loan facility or borrowing from financial institution or bank. During the year, company has taken loan from its related party and there is no any default in repayment such loan. The company does not have outstanding borrowings against government or dues to debenture holders.

(b) The Company has not been declared willful defaulter by any bank or financial institution or government or any government authority or any lender.

(c) Based on our Audit, The Company has applied the term loan for the purpose for which it is obtained.

(d) On an overall examination of the financial statements of the Company has not raised fund for short- term basis, accordingly clause 3(ix)(d) of this Order is not applicable.

(e) On an overall examination of the financial statements of the Company, the Company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiaries.

(f) On an overall examination of the financial statements of the Company, The Company has not raised any loans during the year on pledge of securities held in its subsidiaries, Joint Ventures, and Associates companies.

x. (a) The Company has not raised moneys by way of initial public offer or further public offer (including debt instruments) during the year and hence reporting under clause 3(x)(a) of the Order is not applicable.

(b) During the year, the Company has made private placement of fully convertible debentures. In our opinion and according to the information and explanations given to us, the requirements of section 42 and section 62 of the Companies Act, 2013 have been complied with and the funds raised have been used for the purposes for which the funds were raised.

xi. (a) To the best of our knowledge and according to the information and explanation given to us, no fraud by the Company and no fraud on the Company has been noticed or reported during the year.

(b) No report under sub-section (12) of section 143 of the Companies Act has been filed in Form ADT-4 as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government, during the year and up to the date of this report.

(c) As represented to us by the management, there are no whistle blower complaints received by the Company during the year. Hence, reporting under clause 3(xi)(c) of the Order is not applicable.

xii. The Company is not a Nidhi Company and hence reporting under clause (xii) of the Order is not applicable.

xiii. The provisions of section 177 are not applicable to the company and accordingly reporting under clause xiii in so far as it relates to section 177 of the Act is not applicable to the company and hence not commented upon.
According to the information and explanations given by the management, transactions with the related parties are in compliance with the section 188 of the companies Act, 2013 where applicable and the details have been disclosed in the notes to the Financial Statements, as required by the applicable accounting standards.

(a) In our opinion and based on our examination, the Company does not have an internal audit system and is not required to have an internal audit system as per provisions of the Companies Act 2013.
(b) As mentioned in clause 3(xiv)(a), Company is not required to have an internal audit system as per provisions of the Companies Act 2013, the Company did not have an internal audit system for the period under audit.

xiv. In our opinion during the year the Company has not entered into any non-cash transactions with its Directors or persons connected with its directors and hence provisions of section 192 of the Companies Act, 2013 are not applicable to the Company.

xv. (a) In our opinion, the Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934. Hence, reporting under clause 3(xvi)(a), (b) and (c) of the Order is not applicable.

(d) In our opinion and as represented to us, there is no core investment company within the Group (as defined in the Core Investment Companies (Reserve Bank) Directions, 2016) and accordingly reporting under clause 3(xvi)(d) of the Order is not applicable.

xvi. The Company has incurred cash losses during the financial year is Rs. 74.42 million covered by our audit, there was a cash loss of Rs. 0.05 million in immediately preceding financial year.

xvii. There has been no resignation of the statutory auditors of the Company during the year and accordingly reporting under clause 3(xvii) of the Order is not applicable.

xviii. On the basis of the financial ratios, ageing and expected dates of realization of financial assets and payment of financial liabilities, other information accompanying the financial statements and our knowledge of the Board of Directors and Management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report indicating that Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.

xix. The provisions of section 135 of the Companies Act are not applicable to the company. Accordingly, reporting under clause 3(xx) of the Order is not applicable for the year.

xx. This is report on standalone financial statement of the company. Accordingly, reporting under clause 3(xx) of the Order is not applicable for the year.

For J P Chawla & Co. LLP
Chartered Accountants
FRN. 001875N/N500025

J P CHAWLA & CO. LLP NOIDA (U.P.) CHARTERED ACCOUNTANTS

per Richa Chawla
Partner

Membership No. 518499
Place: Noida
Date: 18th May 2022

Convergia Digital Education Private Limited
CIN: U80903DL2020PTC369266
Balance sheet as at 31 March 2022

(₹ in million)

Particulars	Notes	As at	
		31 March 2022	31 March 2021
Assets			
Non-current assets			
Property, plant and equipment	4A	4.20	-
Right-of-use assets	4B	3.73	-
Intangible assets	5A	236.33	-
Intangible assets under development	5B	1.54	-
Financial assets			
- Loans	6B	0.97	-
Other non-current assets	8	0.03	-
Deferred tax assets (net)	9	32.54	-
Total non-current assets		**279.34**	**-**
Current assets			
Inventories	7	75.28	-
Financial assets			
- Trade receivables	6A	136.89	-
- Cash and cash equivalents	6C	5.67	0.07
Other current assets	8	6.53	-
Total current assets		**224.37**	**0.07**
Total assets		**503.71**	**0.07**
Equity and liabilities			
Equity			
Equity share capital	10	1.00	0.10
Other equity	11	219.00	(0.05)
Total equity		**220.00**	**0.05**
Non-current liabilities			
Financial liabilities			
- Borrowings	12	64.81	-
- Lease liabilities	14	1.03	
Provisions	16	7.11	-
Total non current liabilities		**72.95**	**-**
Current liabilities			
Financial liabilities			
- Trade payables	13		
Total Outstanding dues of micro and small enterprises		29.72	-
Total Outstanding dues of creditors other than micro and small enterprises		161.38	-
- Lease Liabilities	14	3.77	
- Other financial liabilities	15	10.10	0.02
Other current liabilities	17	4.90	-
Provisions	16	0.89	-
Total current liabilities		**210.76**	**0.02**
Total equity and liabilities		**503.71**	**0.07**

Corporate and summary of significant accounting policies 1 to 3

The accompanying notes are an integral part of the financial statements.

As per our report of even date
For **J P Chawla & Co. LLP**
Chartered Accountants
Firm Registration Number: 001875N/N500025

per Richa Chawla
Partner
Membership No. 518499

J P CHAWLA & CO. LLP ★ NOIDA (U.P.) CHARTERED ACCOUNTANTS ★

Place : Noida
Date : 18-05-2022

For and on behalf of the Board of Directors of
Convergia Digital Education Private Limited

Vinay Sharma

Saurabh Mittal
Director
DIN: 01402533

Place : New Delhi
Date : 18-05-2022

Vinay Sharma
Director
DIN: 07063019

Place : New Delhi
Date : 18-05-2022

CONVERGIA DIGITAL EDUCATION PVT. LTD. ★

Convergia Digital Education Private Limited
CIN: U80903DL2020PTC369266
Statement of Profit and Loss for the year ended 31 March 2022

(₹ in million)

Particulars	Notes	For the year ended	
		31st March 2022	31st March 2021
I Revenue from contracts with customers	18	144.84	-
II Other Income	19	0.11	-
III Total Income (I+II)		**144.95**	**-**
IV Expenses			
Purchase of Stock-in-trade	20	193.77	-
(Increase)/decrease in inventories	21	(75.28)	-
Employee benefits expense	22	60.66	-
Finance cost	23	3.44	-
Depreciation and amortisation expense	24	26.35	-
Other expenses	25	49.77	0.05
Total expenses		**258.71**	**0.05**
V Profit/(loss) before exceptional items and tax (III-IV)		**(113.76)**	**(0.05)**
VI Exceptional items		-	-
VII Profit/(loss) before tax (V-VI)		**(113.76)**	**(0.05)**
VIII Tax expense:			
Current tax		-	-
Income tax adjustment related to earlier years		-	-
Deferred tax (credit)/ charge	9A	(32.65)	-
Total tax expenses		**(32.65)**	**-**
IX Profit/(Loss) for the period (VII-VIII)		**(81.11)**	**(0.05)**
X Other Comprehensive Income			
- Items that will not be reclassified subsequently to profit or loss	26		
Re-measurement gains/(losses) on defined benefit plans		0.44	-
Tax impact on re-measurement gains/(losses) on defined benefit plans		(0.11)	-
XI Total Comprehensive Income for the period (V + VI) (Comprising Profit (Loss) and Other Comprehensive Income for the period)		**(80.78)**	**(0.05)**
XII Earnings per equity share (in ₹):	27		
(1) Basic		(1,045.69)	(5.36)
(2) Diluted		(1.53)	(5.36)

Corporate and summary of significant accounting policies 1 to 3

The accompanying notes are an integral part of the financial statements.

As per our report of even date
For **J P Chawla & Co. LLP**
Chartered Accountants
Firm Registration Number: 001875N/N500025

J P CHAWLA & CO. LLP * NOIDA (U.P.) CHARTERED ACCOUNTANTS

per Richa Chawla
Partner
Membership No.: 518499

Place : Noida
Date : 18-05-2022

For and on behalf of the Board of Directors of
Convergia Digital Education Private Limited

Saurabh Mittal
Director
DIN: 01402533

Place : New Delhi
Date : 18-05-2022

Vinay Sharma

Vinay Sharma
Director
DIN: 07063019

Place : New Delhi
Date : 18-05-2022

CONVERGIA DIGITAL EDUCATION PVT. LTD. *

Convergia Digital Education Private Limited
CIN: U80903DL2020PTC369266
Cash flow statement for the year ended 31 March 2022

(₹ in million)

Particulars		For the year ended 31 March 2022	For the year ended 31 March 2021
Cash flows from operating activities			
Profit before tax		(113.76)	(0.05)
Adjustment for non cash components in business combination transactions		(394.08)	-
Adjustment to reconcile profit before tax to net cash flows			
Depreciation / amortization		26.35	-
Employee stock option expense		0.80	-
Provision for Gratuity (through profit and loss)		1.26	-
Provision for doubtful debts		2.04	-
Profit on Sale of Fixed Assets		(0.02)	-
Provision for Leave Encashment		0.39	-
Notional Rent Expense Amortization on Security deposits		0.01	-
Notional Interest Income on Security deposits		(0.01)	-
Interest Expense		3.44	-
Operating profit/(loss) before working capital changes		**(473.59)**	**(0.05)**
Adjustments for changes in working capital :			
Increase/(decrease) in trade payables		190.30	-
Increase/(decrease) in other financial liabilities		10.08	0.02
Increase /(decrease) in other current liabilities		4.90	-
(Increase)/decrease in Inventories		(75.28)	-
Increase)/decrease in Financial Assets- Security Deposit		(0.97)	-
(Increase)/decrease in Trade Receivable		(138.92)	-
(Increase)/decrease in other current assets		(6.53)	-
(Increase)/decrease in other non current assets		(0.03)	-
Cash generated from/(used in) operations		**(490.04)**	**(0.03)**
Direct taxes paid (net of refunds)		-	-
Direct of gratuity and leave encashment		(0.90)	-
Net cash flow used in operating activities	**(A)**	**(490.94)**	**(0.03)**
Cash flows from investing activities			
Purchase of Property Plant & Equipment & Intangible capitalization		(264.93)	-
Disposal of Property Plant & Equipment		0.02	-
Net cash from/(used in) investing activities	**(B)**	**(264.91)**	-
Cash flow from financing activities			
Proceeds from issuance of equity share capital		0.90	0.10
Issuance of compulsorily convertible debentures		701.60	-
Proceeds from borrowings (net)		64.81	-
Repayment of Lease Liabilities (excluding interest)		(2.42)	-
Interest paid		(2.44)	-
Interest on Lease Liabilities		(1.00)	-
Net cash from/(used in) financing activities	**(C)**	**761.45**	**0.10**
Net increase/(decrease) in cash and cash equivalents	**(A+B+C)**	**5.60**	**0.07**
Cash and cash equivalents at the beginning of the period		0.07	-
Cash and cash equivalents at the end of the period		**5.67**	**0.07**

Components of cash and cash equivalents	As at 31 March 2022	As at 31 March 2021
Balance with banks		
Current account	5.41	0.07
Cash on hand	0.26	-
Total cash and Cash Equivalent	**5.67**	**0.07**

Corporate information and summary of significant accounting policies 1 to 3

As per our report of even date
For **J P Chawla & Co. LLP**
Chartered Accountants
Firm Registration Number: 001875N/N500025

per Richa Chawla
Partner
Membership No. 518499

Place : Noida
Date : 18-05-2022

CHAWLA & CO. LLP * NOIDA (U.P.) CHARTERED ACCOUNTANTS *

CONVERGIA DIGITAL EDUCATION PVT. LTD.*

For and on behalf of the Board of Directors of
Convergia Digital Education Private Limited

Saurabh Mittal
Director
DIN: 01402533

Place : New Delhi
Date : 18-05-2022

Vinay Sharma
Director
DIN: 07063019

Place : New Delhi
Date : 18-05-2022

Convergia Digital Education Private Limited
CIN: U80903DL2020PTC369266
Statement of change in equity for the year ended 31 March 2022

A. Statement of Change in Equity

Equity shares	No. of shares	(₹ in million)
Issued, subscribed and fully paid up (Share of ₹ 10 each)		
Balance as at 1st April 2020	-	-
Increase/(decrease) during the year	10,000	0.10
At 31 March 2021	**10,000**	**0.10**
Increase/(decrease) during the year	90,000	0.90
At 31 March 2022	**1,00,000**	**1.00**

B. Other equity

(₹ in million)

Particulars	Reserve & Surplus		Other Equity Items	Total
	Retained earnings	Capital Reserve	0.1% Compulsory Convertible Debentures	
Balance as at 1st April, 2020	-	-	-	-
Profit/(loss) for the year	(0.05)	-	-	**(0.05)**
Other comprehensive income for the year	-	-	-	-
Total Comprehensive Income for the year	**(0.05)**	-	-	**(0.05)**
Balance as at 31st March, 2021	**(0.05)**	-	-	**(0.05)**
Profit/(loss) for the year	(81.11)	-	701.60	620.49
Acquired in business combination	-	(401.77)	-	(401.77)
Other comprehensive income for the year	0.33	-	-	0.33
Total Comprehensive Income for the year	**(80.78)**	**(401.77)**	**701.60**	**219.05**
Balance as at 31st March, 2022	**(80.83)**	**(401.77)**	**701.60**	**219.00**

The accompanying notes are an integral part of the financial statements.

As per our report of even date
For **J P Chawla & Co. LLP**
Chartered Accountants
Firm Registration Number: 001875N/N500025

J P CHAWLA & CO. LLP * NOIDA (U.P.) CHARTERED ACCOUNTANTS

per Richa Chawla
Partner
Membership No.: 518499

Place : Noida
Date : 18-05-2022

For and on behalf of the Board of Directors of
Convergia Digital Education Private Limited

Vinay Sharma

Saurabh Mittal
Director
DIN: 01402533

Place : New Delhi
Date : 18-05-2022

Vinay Sharma
Director
DIN: 07063019

Place : New Delhi
Date : 18-05-2022

CONVERGIA DIGITAL EDUCATION PVT. LTD.*

1. Corporate information

Convergia Digital Education Private Limited (the Company) is a private company domiciled in India and incorporated under the provisions of the Companies Act, 2013. These are standalone financial statements and, accordingly, these Indian Accounting Standard (Ind AS) financial statements incorporate amounts and disclosures related to the Company only.

The Company is primarily engaged in in providing curriculum and digital learning solutions.

2. Significant accounting policies

2.1 Basis of preparation

The financial statements of the Company have been prepared in accordance with Indian Accounting Standards (Ind AS) specified under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, (as amended from time to time) and presentation requirements of Division II of Schedule III to the Companies Act, 2013, (Ind AS compliant Schedule III), as applicable to the financial statements.

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

The financial statements are presented in "INR" "Indian Rupees" or "₹", and all values are rounded to the nearest million (₹ 1,000,000), except when otherwise indicated.

2.2 Current versus non-current classification

The Company presents assets and liabilities in the balance sheet based on current/ non-current classification.
An asset is classified as current when:

- It is expected to be realised or intended to sold or consumed in normal operating cycle
- It is held primarily for the purpose of trading
- It is expected to be realised within twelve months after the reporting period, or
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets are classified as non-current.

A liability is classified as current when:

- It is expected to be settled in normal operating cycle
- It is held primarily for the purpose of trading
- It is due to be settled within twelve months after the reporting period, or

- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period

The Company classifies all other liabilities 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 twelve months as its operating cycle.

2.3 Foreign currencies

Functional and presentational currency
The Company's financial statements are presented in INR, which is also the Company's functional currency. Functional currency is the currency of the primary economic environment in which an entity operates and is normally the currency in which the entity primarily generates and expends cash.

Transactions and balances
Transactions in foreign currencies are initially recorded by the Company at the functional currency spot rates at the date the transaction first qualifies for recognition.

Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency spot rates of exchange at the reporting date.

Exchange differences arising on settlement or translation of monetary items are recognised in Statement of profit or loss.

2.4 Fair value measurement

The Company measures certain financial instruments and equity settled employee share based payment plan at fair value at each reporting date.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- in the principal market for the asset or liability, or
- in the absence of a principal market, in the most advantageous market for the asset or liability.

The principal or the most advantageous market must be accessible by the Company.

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The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1 — Quoted (unadjusted) market prices in active markets for identical assets or liabilities
- Level 2 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable
- Level 3 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

For assets and liabilities that are recognised in the financial statements on a recurring basis, the Company determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

External valuers are involved for valuation of significant assets, unquoted financial assets, and significant liabilities, such as valuation of unquoted investments and equity settled employee share based payment plan. Involvement of external valuers is decided upon annually by the Company's management. Selection criteria include market knowledge, reputation, independence and whether professional standards are maintained.

At each reporting date, the Company's management analyses the movements in the values of assets and liabilities which are required to be re-measured or re-assessed as per the Company's accounting policies. For this analysis, the Company's management verifies the major inputs applied in the latest valuation by agreeing the information in the valuation computation to contracts and other relevant documents.

The Company's management, in conjunction with the Company's external valuers, also compares the change in the fair value of each asset and liability with relevant external sources to determine whether the change is reasonable.

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For the purpose of fair value disclosures, the Company has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above.

This note summarises accounting policy for fair value. Other fair value related disclosures are given in the relevant notes.

i. Disclosures for valuation methods, significant estimates and assumptions (Note 2.20)

2.5 Revenue from contract with customers

Revenue from contracts with customers is recognised when control of the goods or services are transferred to the customer at an amount that reflects the consideration to which the company expects to be entitled in exchange for those goods or services. The specific recognition criteria described below must also be met before revenue is recognised.

Goods and services Tax (GST) is not received by the Company on its own account. Rather, it is tax collected on value added to the commodity by the seller on behalf of the government. Accordingly, it is excluded from revenue.

The disclosures of significant accounting judgements, estimates and assumptions relating to revenue from contracts with customers are provided in Note 2.20.

The specific recognition criteria described below must also be met before revenue is recognised.

Sale of goods/services

Revenue from sale of curriculum books is recognised at the point in time when control of the asset is transferred to the customer, i.e., at the time of handing over goods to the carrier for transportation.

Revenue from services for providing digital solutions are recognized on delivery of licenses and for providing curriculum solutions on implementation.

Variable consideration

If the consideration in a contract includes a variable amount, the Company estimates the amount of consideration to which it will be entitled in exchange for transferring the goods to the customer. The variable consideration is estimated at contract inception and constrained until it is highly probable that a significant revenue reversal in the amount of cumulative revenue recognised will not occur when the associated uncertainty with the variable consideration is subsequently resolved. Some of the contracts with customer provide a right to customer of cash rebate/discount if payment is cleared within specified due dates.

Rights of return

Certain contracts provide a customer with a right to return the goods within a specified period. The provision for anticipated returns is made primarily on the basis of historical return rates as this method best predicts the amount of variable consideration to which the Company will be entitled. The

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requirements in Ind AS 115 on constraining estimates of variable consideration are also applied in order to determine the amount of variable consideration that can be included in the transaction price.

Rebates and discounts

The Company provides volume rebates to certain customers once the value of products purchased during the period exceeds a threshold specified in the contract. Rebates are offset against amounts payable by the customer. To estimate the variable consideration for the expected future rebates, the Company applies the most likely amount method for contracts with a single-volume threshold and the expected value method for contracts with more than one volume threshold. The selected method that best predicts the amount of variable consideration is primarily driven by the number of volume thresholds contained in the contract. The Company then applies the requirements on constraining estimates of variable consideration and recognises a refund liability for the expected future rebates.

Contract balances

Contract assets

A contract asset is the right to consideration in exchange for goods or services transferred to the customer. If the Company performs by transferring goods or services to a customer before the customer pays consideration or before payment is due, a contract asset is recognised for the earned consideration that is conditional.

Trade receivables

A receivable represents the Company's right to an amount of consideration that is unconditional (i.e., only the passage of time is required before payment of the consideration is due).

Contract liabilities

A contract liability is the obligation to transfer goods or services to a customer for which the Company has received consideration (or an amount of consideration is due) from the customer. If a customer pays consideration before the Company transfers goods or services to the customer, a contract liability is recognised when the payment is made or the payment is due (whichever is earlier). Contract liabilities are recognised as revenue when the Company performs under the contract.

Interest income

Interest income is recognized on time proportion basis taking into account the amount outstanding and the rate applicable for all financial instruments measured at amortised cost and other interest-bearing financial assets, interest income is recorded using the effective interest rate (EIR). EIR is the rate that exactly discounts the estimated future cash receipts over the expected life of the financial instrument or a shorter period, where appropriate, to the gross carrying amount of the financial asset. 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. Interest income is included in other income in the statement of profit or loss.

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2.6 Taxes

Current income tax

Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the tax authorities in accordance with the Indian Income Tax Act, 1961. 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, except:

- When the deferred tax liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss

- In respect of taxable temporary differences associated with investments in subsidiaries, associates and interests in joint arrangements, when the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred tax assets are recognised for all deductible temporary differences, the carry forward of unused tax credits and any unused tax losses. 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, except:

- When the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss.

- In respect of deductible temporary differences associated with investments in subsidiaries and associates, deferred tax assets are recognised only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised.

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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. Deferred tax items are recognised in correlation to the underlying transaction either in other comprehensive income 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.

2.7 Property, plant and equipment

Capital work in progress, plant and equipment are stated at cost, net of accumulated depreciation and/or accumulated impairment losses, if any. Such cost includes the cost of replacing parts of the property, plant and equipment and borrowing costs for long-term construction projects if the recognition criteria are met.

When significant parts of property, plant and equipment are required to be replaced at intervals, the Company recognises such parts as individual assets with specific useful lives and depreciates them accordingly. Likewise, when a major inspection is performed, its cost is recognised in the carrying amount of the plant and equipment as a replacement if the recognition criteria are satisfied. All other repair and maintenance costs are recognised in the profit or loss as incurred.

Subsequent costs are capitalised on the carrying amount or recognised as a separate asset, as appropriate, only when future economic benefits associated with the item are probable to flow to the Company and cost of the item can be measured reliably.

Gains or losses arising from de-recognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the statement of profit or loss when the asset is derecognised.

An item of property, plant and equipment and any significant part initially recognised is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on de-recognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the statement of profit or loss when the asset is derecognised.

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Depreciation

Depreciation on property, plant and equipment, other than leasehold improvements, have been provided on pro-rata basis, on the straight line method, using rates determined based on management's technical assessment of useful economic lives of the asset.

Followings are the estimated useful lives of various category of assets used.

Category of assets	Useful life as adopted by management	Useful life as per Schedule II
Office Equipment	5 years	5 years
Furniture & fixture	10 years	10 years
Computer	6/3 years	3 years

Leasehold improvements are amortised over economic useful life or unexpired period of lease whichever is less. Assets costing ₹ 5,000 or less are depreciated entirely in the year of purchase.

The Company, based on technical assessment made by technical expert and management estimate, depreciates certain items of plant and machinery, vehicles, computers and building over estimated useful lives which are different from useful life prescribed in Schedule II to the Companies Act, 2013. The management believes that these estimated useful lives are realistic and reflect fair approximation of the period over which the assets are likely to be used.

An item of property, plant and equipment and any significant part initially recognised is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on de-recognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the statement of profit or loss when the asset is derecognised.

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

2.8 Intangible assets

Recognition and measurement

Intangible assets acquired separately are measured on initial recognition at cost. The cost of intangible assets acquired in a business combination is their fair value as at the date of acquisition. Following initial recognition, intangible assets are carried at cost less accumulated amortisation and accumulated impairment losses, if any. Internally generated intangible assets, excluding capitalised development costs, are not capitalised and expenditure is recognised in the statement of profit or loss when it is incurred.

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Amortisation and useful lives

The useful lives of intangible assets are assessed as either finite or indefinite.

Intangible assets with finite lives are amortised over their useful economic lives 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. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are accounted for by changing the amortisation period or method, as appropriate, and are treated as changes in accounting estimates. The amortisation expense on intangible assets with finite lives is recognised in the statement of profit or loss in the expense category consistent with the function of the intangible assets.

Intangible assets with indefinite useful lives are not amortised, but are tested for impairment annually, either individually or at the cash-generating unit level. The assessment of indefinite life is reviewed annually to determine whether the indefinite life continues to be supportable. If not, the change in useful life from indefinite to finite is made on a prospective basis.

Gains or losses arising from de-recognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the statement of profit or loss when the asset is derecognised.

A summary of the policies applied to the Company's intangible assets is as follows:

Intangible assets	Useful lives	Amortization method used	Internally generated or acquired
Computer software	Finite (5-10 years)	Amortized on straight line basis over the period of useful lives	Acquired
Goodwill on business combination	In-definite	No amortization	Acquired
Copyrights	Finite (10 years)	Amortized on straight line basis over the period of copyright	Acquired
Content development (including In-house contents)	Finite (10 seasons)	Amortized on straight line basis over the period of content	Internally generated

Research and development costs

Research costs are expensed as incurred. Development expenditure incurred on an individual project is recognized as an intangible asset when the company can demonstrate all the following:

- The technical feasibility of completing the intangible asset so that it will be available for use or sale. Its intention to complete the asset.

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- Its ability to use or sell the asset.
- How the asset will generate future economic benefits.
- The availability of adequate resources to complete the development and to use or sell the asset.
- The ability to measure reliably the expenditure attributable to the intangible asset during development.

Following the initial recognition of the development expenditure as an asset, the cost model is applied requiring the asset to be carried at cost less any accumulated amortization and accumulated impairment losses. Amortization of the asset begins when development is complete and the asset is available for use. It is amortised over the period of expected future benefit. During the period of development, the asset is tested for impairment annually.

2.9 Borrowing cost

Borrowing costs directly attributable to the acquisition, construction or production of qualifying asset are capitalised as part of the cost of the asset. All other borrowing costs are expensed in the period in which they are incurred. Capitalisation of borrowing costs is suspended and charged to the Statement of profit and loss during extended period when active development activity of the qualifying assets is interrupted.

Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds. It also includes exchanges differences to the extent regarded as an adjustment to the borrowing costs.

2.10 Leases

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

Company as a Lessee

The Company applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The Company recognises lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

1. Right to use assets

The Company recognises right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term.

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2. Lease liability

At the commencement date of the lease, the Company recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in substance fixed payments) less any lease incentives receivable, variable lease payments and amounts expected to be paid under residual value guarantees.

In calculating the present value of lease payments, the Company uses its incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments (e.g., changes to future payments resulting from a change in an index or rate used to determine such lease payments).

3. Short term leases and leases of low value assets

The Company applies the short-term lease recognition exemption to its short-term leases of office premises (i.e., those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applies the lease of low-value assets recognition exemption to leases of office equipment that are considered to be low value. Lease payments on short-term leases and leases of low-value assets are recognised as expense on a straight-line basis over the lease term.

2.11 Inventories

Inventories are valued at the lower of cost and net realisable value.

Costs incurred in bringing each product to its present location and condition is accounted for as follows:

- Traded goods: cost includes cost of purchase and other costs incurred in bringing the inventories to their present location and condition. Cost is determined on weighted average basis.

Net realisable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and the estimated costs necessary to make the sale.

2.12 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.

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In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs of disposal, recent market transactions are taken into account. If no such transactions can be identified, an appropriate valuation model is used. These calculations are corroborated by valuation multiples, quoted share prices for publicly traded companies or other available fair value indicators.

The Company bases its impairment calculation on detailed budgets and forecast calculations, which are prepared separately for each of the Company's CGUs to which the individual assets are allocated. These budgets and forecast calculations generally cover a period of five years. For longer periods, a long-term growth rate is calculated and applied to project future cash flows after the fifth year. To estimate cash flow projections beyond periods covered by the most recent budgets/forecasts, the Company extrapolates cash flow projections in the budget using a steady or declining growth rate for subsequent years, unless an increasing rate can be justified. In any case, this growth rate does not exceed the long-term average growth rate for the products, industries, or country or countries in which the entity operates, or for the market in which the asset is used.

Impairment losses of continuing operations, including impairment on inventories, are recognised in the statement of profit and loss.

For assets excluding goodwill, an assessment is made at each reporting date to determine whether there is an indication that previously recognised impairment losses no longer exist or have decreased. If such indication exists, the Company estimates the asset's or CGU's recoverable amount. A previously recognised impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognised. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the asset in prior years. Such reversal is recognised in the statement of profit or loss unless the asset is carried at a revalued amount, in which case, the reversal is treated as a revaluation increase.

Goodwill is tested for impairment annually and when circumstances indicate that the carrying value may be impaired.
Impairment is determined for goodwill by assessing the recoverable amount of each CGU (or group of CGUs) to which the goodwill relates. When the recoverable amount of the CGU is less than its carrying amount, an impairment loss is recognised. Impairment losses relating to goodwill cannot be reversed in future periods.

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2.13 Financial Instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

Financial assets

Initial recognition and measurement

Financial assets are classified, at initial recognition, as subsequently measured at amortised cost, fair value through other comprehensive income (OCI), and fair value through profit or loss.

The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the Company's business model for managing them. With the exception of trade receivables that do not contain a significant financing component or for which the Company has applied the practical expedient, the Company initially measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs. Trade receivables that do not contain a significant financing component or for which the Company has applied the practical expedient are measured at the transaction price determined under Ind AS 115. Refer to the accounting policies in section Revenue from contracts with customers.

In order for a financial asset to be classified and measured at amortised cost or fair value through OCI, it needs to give rise to cash flows that are 'solely payments of principal and interest (SPPI)' on the principal amount outstanding. This assessment is referred to as the SPPI test and is performed at an instrument level. Financial assets with cash flows that are not SPPI are classified and measured at fair value through profit or loss, irrespective of the business model.

The Company's business model for managing financial assets refers to how it manages its financial assets in order to generate cash flows. The business model determines whether cash flows will result from collecting contractual cash flows, selling the financial assets, or both. Financial assets classified and measured at amortised cost are held within a business model with the objective to hold financial assets in order to collect contractual cash flows while financial assets classified and measured at fair value through OCI are held within a business model with the objective of both holding to collect contractual cash flows and selling.

Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trades) are recognised on the trade date, i.e., the date that the Company commits to purchase or sell the asset.

Subsequent measurement

For purposes of subsequent measurement, financial assets are classified in four categories:

- Financial assets at amortised cost (debt instruments)

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- Financial assets at fair value through other comprehensive income (FVTOCI) with recycling of cumulative gains and losses (debt instruments)
- Financial assets at fair value through other comprehensive income (FVTOCI) with no recycling of cumulative gains and losses upon derecognition (equity instruments)
- Financial assets at fair value through profit or loss (FVTPL)

Financial assets at amortised cost (debt instruments)

A 'Financial asset' is measured at the amortised cost if both the following conditions are met:

- The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows, and
- Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

After initial measurement, such financial assets are subsequently measured at amortised cost using the effective interest rate (EIR) method. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortization is included in finance income in the profit or loss. The losses arising from impairment are recognised in the profit or loss.

Financial assets at fair value through OCI (FVTOCI) (debt instruments)

A "financial asset" is classified as at the FVTOCI if both of the following criteria are met:

- The objective of the business model is achieved both by collecting contractual cash flows and selling the financial assets, and
- The asset's contractual cash flows represent SPPI.

Debt instruments included within the FVTOCI category are measured initially as well as at each reporting date at fair value. Fair value movements are recognized in the other comprehensive income (OCI). However, the Company recognizes interest income, impairment losses & reversals and foreign exchange gain or loss in the P&L. On de-recognition of the asset, cumulative gain or loss previously recognised in OCI is reclassified from the equity to P&L. Interest earned whilst holding FVTOCI debt instrument is reported as interest income using the EIR method.

Financial assets designated at fair value through OCI (equity instruments)

All equity instruments in scope of Ind AS 109 are measured at fair value. Equity instruments which are held for trading and contingent consideration recognised by an acquirer in a business combination to which Ind AS 103 applies are classified as at FVTPL. For all other equity instruments, the group may make an irrevocable election to present subsequent changes in the fair value in other comprehensive income. The group makes such election on an instrument-by-instrument basis. The classification is made on initial recognition and is irrevocable.

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If the company decides to classify an equity instrument as at FVTOCI, then all fair value changes on the instrument, excluding dividends, are recognized in the OCI. There is no recycling of the amounts from OCI to P&L, even on sale of investment. However, the company may transfer the cumulative gain or loss within equity.

Equity instruments included within the FVTPL category are measured at fair value with all changes recognized in the statement of profit and loss.

Financial assets at FVTPL

Financial assets at fair value through profit or loss are carried in the balance sheet at fair value with net changes in fair value recognised in the statement of profit and loss.
This category includes derivative instruments and listed equity investments which the Company had not irrevocably elected to classify at fair value through OCI. Dividends on listed equity investments are recognised in the statement of profit and loss when the right of payment has been established.

De-recognition

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognised (i.e. removed from the Company's standalone balance sheet) when:

- The rights to receive cash flows from the asset have expired, or
- The Company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either (a) the Company has transferred substantially all the risks and rewards of the asset, or (b) the Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Company has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if and to what extent it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the company continues to recognise the transferred asset to the extent of the Company's continuing involvement. In that case, the company also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Company has retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Company could be required to repay.

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Impairment of financial assets

In accordance with Ind-AS 109, the Company applies expected credit loss (ECL) model for measurement and recognition of impairment loss on the following financial assets and credit risk exposure:

- Financial assets that are measured at amortised cost e.g., loans, debt securities, deposits, trade receivables and bank balance
- Financial assets that are measured as at FVTOCI
- Lease receivables under Ind-AS 116.
- Contract assets and trade receivables under Ind-AS 115.
- Loan commitments which are not measured as at FVTPL.
- Financial guarantee contracts which are not measured as at FVTPL

The Company follows 'simplified approach' for recognition of impairment loss allowance on:

- Trade receivables, and
- All lease receivables resulting from transactions within the scope of Ind AS 116.

The application of simplified approach does not require the Company to track changes in credit risk. Rather, it recognises impairment loss allowance based on lifetime ECLs at each reporting date, right from its initial recognition.

For recognition of impairment loss on other financial assets and risk exposure, the Company determines that whether there has been a significant increase in the credit risk since initial recognition. If credit risk has not increased significantly, 12-month ECL is used to provide for impairment loss. However, if credit risk has increased significantly, lifetime ECL is used. If, in a subsequent period, credit quality of the instrument improves such that there is no longer a significant increase in credit risk since initial recognition, then the entity reverts to recognising impairment loss allowance based on 12-month ECL.

Lifetime ECL are the expected credit losses resulting from all possible default events over the expected life of a financial instrument. The 12-month ECL is a portion of the lifetime ECL which results from default events on a financial instrument that are possible within 12 months after the reporting date.

ECL is the difference between all contractual cash flows that are due to the Company in accordance with the contract and all the cash flows that the entity expects to receive (i.e., all cash shortfalls), discounted at the original EIR. When estimating the cash flows, an entity is required to consider:

- All contractual terms of the financial instrument (including prepayment extension, call and similar options) over the expected life of the financial instrument. However, in rare cases when the expected life of the financial instrument cannot be estimated reliably, then the entity is required to use the remaining contractual term of the financial instrument.
- Cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

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As a practical expedient, the Company uses a provision matrix to determine impairment loss allowance on portfolio of its trade receivables. The provision matrix is based on its historically observed default rates over the expected life of the trade receivables and is adjusted for forward-looking estimates. At every reporting date, the historical observed default rates are updated and changes in the forward-looking estimates are analysed. As on reporting date, company does not have any trade receivable.

ECL impairment loss allowance (or reversal) recognized during the period is recognized as income/expense in the statement of profit and loss (P&L). This amount is reflected under the head 'other expenses' in the P&L. The balance sheet presentation for various financial instruments is described below:

The balance sheet presentation for various financial instruments is described below:-

a) For financial assets measured as at amortised cost and lease receivables: ECL is presented as an allowance, i.e. as an integral part of the measurement of those assets in the balance sheet. The allowance reduces the net carrying amount. Until the asset meets write-off criteria, the Company does not reduce impairment allowance from the gross carrying amount.
b) Loan commitments and financial guarantee contracts: ECL is presented as a provision in the balance sheet, i.e. as a liability.
c) Debt instruments measured at FVTOCI: Since financial assets are already reflected at fair value, impairment allowance is not further reduced from its value. Rather, ECL amount is presented as 'accumulated impairment amount' in the OCI.

For assessing increase in credit risk and impairment loss, the Company combines financial instruments on the basis of shared credit risk characteristics with the objective of facilitating an analysis that is designed to enable significant increases in credit risk to be identified on a timely basis.

The Company does not have any purchased or originated credit-impaired (POCI) financial assets, i.e., financial assets which are credit impaired on purchase/ origination.

Financial liabilities

Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings, payables, or as derivatives designated as hedging instruments in an effective hedge, as appropriate.

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

The Company's financial liabilities include trade and other payables and loans and borrowings including bank overdrafts.

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Subsequent measurement

The measurement of financial liabilities depends on their classification, as described below:

Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss. Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term. Gains or losses on liabilities held for trading are recognised in the profit or loss.

Financial liabilities designated upon initial recognition at fair value through profit or loss are designated as such at the initial date of recognition, and only if the criteria in Ind-AS 109 are satisfied. For liabilities designated as FVTPL, fair value gains/ losses attributable to changes in own credit risk are recognized in OCI. These gains/losses are not subsequently transferred to P&L. However, the Company may transfer the cumulative gain or loss within equity. All other changes in fair value of such liability are recognised in the statement of profit or loss.

Loans and borrowings

This is the category most relevant to the Company. After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the EIR amortisation process. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the statement of profit and loss. This category generally applies to borrowings.

Financial guarantee contracts

Financial guarantee contracts issued by the Company are those contracts that require a payment to be made to reimburse the holder for a loss it incurs because the specified debtor fails to make a payment when due in accordance with the terms of a debt instrument. Financial guarantee contracts are recognised initially as a liability at fair value, adjusted for transaction costs that are directly attributable to the issuance of the guarantee. Subsequently, the liability is measured at the higher of the amount of loss allowance determined as per impairment requirements of Ind-AS 109 and the amount recognised less cumulative amortisation.

De-recognition

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. 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 de-recognition 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

Re-classification of Financial Assets

The Company determines classification of financial assets and liabilities on initial recognition. After initial recognition, no reclassification is made for financial assets which are equity instruments and financial liabilities. For financial assets which are debt instruments, a reclassification is made only if there is a change in the business model for managing those assets. Changes to the business model are expected to be infrequent. The Company's senior management determines change in the business model as a result of external or internal changes which are significant to the Company's operations. Such changes are evident to external parties. A change in the business model occurs when the Company either begins or ceases to perform an activity that is significant to its operations. If the Company reclassifies financial assets, it applies the reclassification prospectively from the reclassification date which is the first day of the immediately next reporting period following the change in business model. The Company does not restate any previously recognised gains, losses (including impairment gains or losses) or interest.

Offsetting of Financial Instruments

Financial assets and financial liabilities are offset and the net amount is reported in the unconsolidated balance sheet if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

2.14 Retirement and other employee benefits

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 an expense, when an employee renders the related service. If the contribution payable to the scheme for service received before the balance sheet date exceeds the contribution already paid, the deficit payable to the scheme is recognized as a liability after deducting the contribution already paid. If the contribution already paid exceeds the contribution due for services received before the balance sheet date, then excess is recognized as an asset to the extent that the pre-payment will lead to, for example, a reduction in future payment or a cash refund.

The cost of providing benefits under the defined benefit plan is determined using the projected unit credit method.

Re-measurements, comprising of actuarial gains and losses, the effect of the asset ceiling, excluding amounts included in net interest on the net defined benefit liability and the return on plan assets (excluding amounts included in net interest on the net defined benefit liability), are recognised immediately in the balance sheet with a corresponding debit or credit to retained earnings through OCI in the period in which they occur. Re-measurements are not reclassified to profit or loss in subsequent periods.

Past service costs are recognised in profit or loss on the earlier of:

- The date of the plan amendment or curtailment, and
- The date that the Company recognises related restructuring costs

Net interest is calculated by applying the discount rate to the net defined benefit liability or asset. The Company recognises the following changes in the net defined benefit obligation as an expense in the unconsolidated statement of profit and loss:

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- Service costs comprising current service costs, past-service costs, gains and losses on curtailments and non-routine settlements; and
- Net interest expense or income.

Compensated absences

Accumulated leave, which is expected to be utilized within the next 12 months, is treated as short-term employee benefit. The Company measures the expected cost of such absences as the additional amount that it expects to pay as a result of the unused entitlement that has accumulated at the reporting date.

2.15 Provisions

General

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, 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. When the Company expects some or all of a provision to be reimbursed, the reimbursement is recognised as a separate asset, but only when the reimbursement is virtually certain. The expense relating to a provision is presented in the statement of profit or loss net of any reimbursement.

If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

2.16 Cash and cash equivalents

Cash and cash equivalent in the balance sheet comprise cash at banks and on hand and short-term deposits with an original maturity of three months or less, that are readily convertible to a known amount of cash and subject to an insignificant risk of changes in value.

For the purpose statement of cash flows, cash and cash equivalents consist of cash at bank and in hand and short term investments with an original maturity of three months or less.

2.17 Earnings Per Share (EPS)

Basic EPS amounts are calculated by dividing the profit or loss for the period attributable to equity shareholders of the company by the weighted average number of equity shares outstanding during the year.

Diluted EPS amounts are calculated by dividing the profit or loss attributable to equity shareholders of the company by the weighted average number of equity shares outstanding during the year plus the weighted

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average number of equity shares that would be issued on conversion of all the dilutive potential equity shares into equity shares.

2.18 Cash dividend

The Company recognises a liability to make cash or non-cash distributions to equity holders of the Company when the distribution is authorised and the distribution is no longer at the discretion of the Company. As per the corporate laws in India, a distribution is authorised when it is approved by the shareholders. A corresponding amount is recognised directly in equity.

2.19 All amounts disclosed in the financial statements and notes have been rounded off to the nearest millions as per the requirement of Schedule III, unless otherwise stated.

2.20 Significant accounting judgements, estimates and assumptions

The preparation of the Company's financial statements in conformity with the Indian Accounting Standards requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the accompanying disclosures (including contingent liabilities). The management believes that the estimates used in preparation of the financial statements are prudent and reasonable. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods.

A. Judgement

In the process of applying the Company's accounting policies, management has made the following judgements, which have the most significant effect on the amounts recognised in the financial statements:

Determining the lease term of contracts with renewal and termination options – Company as lessee

The Company determines the lease term as the non-cancellable term of the lease, together with any periods covered by an option to extend the lease if it is reasonably certain to be exercised, or any periods covered by an option to terminate the lease, if it is reasonably certain not to be exercised.

For the lease contracts that include extension and termination options, the Company applies judgement in evaluating whether it is reasonably certain whether or not to exercise the option to renew or terminate the lease. That is, it considers all relevant factors that create an economic incentive for it to exercise either the renewal or termination. After the commencement date, the Company reassesses the lease term if there is a significant event or change in circumstances that is within its control and affects its ability to exercise or not to exercise the option to renew or to terminate (e.g., construction of significant leasehold improvements or significant customisation to the leased asset).

Revenue from contracts with customers

The Company applied the following judgements that significantly affect the determination of the amount and timing of revenue from contracts with customers:

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Determining method to estimate variable consideration and assessing the constraint

Certain contracts for the sale of books include cash rebates and volume rebates and a right to return the goods that give rise to variable consideration. In estimating the variable consideration, the Company is required to use either the expected value method or the most likely amount method based on which method better predicts the amount of consideration to which it will be entitled.

Before including any amount of variable consideration in the transaction price, the Company considers whether the amount of variable consideration is constrained. The Company determined that the estimates of variable consideration are not constrained based on its historical experience, business forecast and the current economic conditions. In addition, the uncertainty on the variable consideration will be resolved within a short time frame.

B. Estimates and assumptions

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. The Company based its assumptions and estimates on parameters available when the financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising that are beyond the control of the Company. Such changes are reflected in the assumptions when they occur.

Taxes

Deferred tax assets are recognised to the extent it is probable that taxable profits will be available against which the losses can be utilised. Significant management judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and the level of future taxable profits together with future tax planning strategies.

Defined benefit plans (gratuity benefits)

The cost of the defined benefit gratuity plan and the present value of the gratuity obligation are determined using actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases and mortality rates. Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

The parameter most subject to change is the discount rate. In determining the appropriate discount rate, the management considers the interest rates of government bonds with term that correspond with the expected term of the defined benefit obligation.

The mortality rate is based on publicly available mortality tables. Those mortality tables tend to change only at interval in response to demographic changes. Future salary increases and gratuity increases are based on expected future inflation rates for the respective countries.

Further details about gratuity obligations are given in Note 30.

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Provision for expected credit losses of trade receivables and contract assets

The Company uses a provision matrix to calculate ECLs for trade receivables and contract assets. The provision rates are based on days past due for groupings of various customer segments that have similar loss patterns (i.e., by geography, product type, customer type and rating, and coverage by letters of credit and other forms of credit insurance).

The provision matrix is initially based on the Company's historical observed default rates. The Company will calibrate the matrix to adjust the historical credit loss experience with forward-looking information. For instance, if forecast economic conditions (i.e., gross domestic product) are expected to deteriorate over the next year which can lead to an increased number of defaults in the manufacturing sector, the historical default rates are adjusted. At every reporting date, the historical observed default rates are updated and changes in the forward-looking estimates are analysed.

The assessment of the correlation between historical observed default rates, forecast economic conditions and ECLs is a significant estimate. The amount of ECLs is sensitive to changes in circumstances and of forecast economic conditions. The Group's historical credit loss experience and forecast of economic conditions may also not be representative of customer's actual default in the future. For details of allowance for doubtful debts please refer Note 6A.

Impairment of non-financial assets

The carrying amounts of the Company's non-financial assets, other than deferred tax assets, are reviewed at the end of each reporting period to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated.

The recoverable amount of an asset or cash-generating unit ('CGU') is the greater of its value in use and its fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset or CGU. For the purpose of impairment testing, assets that cannot be tested individually are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or groups of assets ('CGU').

Market related information and estimates are used to determine the recoverable amount. Key assumptions on which management has based its determination of recoverable amount include estimated long term growth rates, weighted average cost of capital and estimated operating margins. Cash flow projections take into account past experience and represent management's best estimate about future developments.

Estimating variable consideration for right of return, volume rebates and cash rebates

Certain contracts for the sale of books include a right of return, volume rebates and cash rebates that give rise to variable consideration. In estimating the variable consideration, the Company is required to use either the expected value method or the most likely amount method based on which method better predicts the amount of consideration to which it will be entitled.

The Company estimates variable considerations to be included in the transaction price for the sale of goods with a right of return, volume rebates and cash rebates.

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Leases - Estimating the incremental borrowing rate

The Company cannot readily determine the interest rate implicit in the lease, therefore, it uses its incremental borrowing rate (IBR) to measure lease liabilities. The IBR is the rate of interest that the Company would have to pay to borrow over a similar term, and with a similar security, the funds necessary to obtain an asset of a similar value to the right-of-use asset in a similar economic environment. The IBR therefore reflects what the Company 'would have to pay', which requires estimation when no observable rates are available or when they need to be adjusted to reflect the terms and conditions of the lease. The Company estimates the IBR using observable inputs (such as market interest rates) when available.

Exceptional item

Exceptional items refer to items of income or expense within the income statement that are of such size, nature or incidence that their separate disclosure is considered necessary to explain the performance for the period. Materiality threshold can be used to select items to be disclosed as exceptional on case to case basis. This threshold would be applied separately for standalone as well as consolidated financial statements. However, in case an item qualifies for disclosure in standalone financial statements but not in consolidated financial statements or vice versa, this would need to be evaluated on case to case basis the above analysis, mainly following items would be evaluated for disclosure as exceptional items:

a) Reassessment / Change in life of asset (in case of re-evaluation of business/product, impact of all assets specific to that business/product to be considered for applying the threshold).
b) Provision for other than temporary diminution in the value of non-current investment.
c) Write-downs of inventories to net realisable value or of property, plant and equipment to recoverable amount, as well as reversals of such write downs.
d) In case of other significant item of income or expense, not covered above, the same would be evaluated on a case to case basis for disclosure under exceptional items.

Business Combination:

Business combinations are accounted for using the acquisition accounting method as at the date of the acquisition, which is the date at which control is transferred to the Company. The consideration transferred in the acquisition and the identifiable assets acquired and liabilities assumed are recognised at fair values on their acquisition date. Goodwill is initially measured at cost, being the excess of the aggregate of the consideration transferred and the amount recognised for non-controlling interests, and any previous interest held, over the net identifiable assets acquired and liabilities assumed. The Company recognises any non-controlling interest in the acquired entity on an acquisition-by-acquisition basis either at fair value or at the non-controlling interest's proportionate share of the acquired entity's net identifiable assets. Consideration transferred does not include amounts related to settlement of pre-existing relationships. Such amounts are recognised in the Statement of Profit and Loss.
Transaction costs are expensed as incurred, other than those incurred in relation to the issue of debt or equity securities. Any contingent consideration payable is measured at fair value at the acquisition date. Subsequent changes in the fair value of contingent consideration are recognised in the Statement of Profit and Loss.

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During the year, company has entered into business combination transactions to acquire the businesses from group company. Details are given for these transactions in note 31 of financial statements.

2.21 New and amended standards

Recent pronouncements

Ministry of Corporate Affairs ("MCA") notifies new standard or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time. On March 23, 2022, MCA amended the Companies (Indian Accounting Standards) Amendment Rules, 2022, applicable from April 1st, 2022, as below:

Ind AS 103 – Reference to Conceptual Framework

The amendments specify that to qualify for recognition as part of applying the acquisition method, the identifiable assets acquired and liabilities assumed must meet the definitions of assets and liabilities in the Conceptual Framework for Financial Reporting under Indian Accounting Standards (Conceptual Framework) issued by the Institute of Chartered Accountants of India at the acquisition date. These changes do not significantly change the requirements of Ind AS 103. The Company does not expect the amendment to have any significant impact in its financial statements.

Ind AS 16 – Proceeds before intended use

The amendments mainly prohibit an entity from deducting from the cost of property, plant and equipment amounts received from selling items produced while the company is preparing the asset for its intended use. Instead, an entity will recognise such sales proceeds and related cost in profit or loss. The Company does not expect the amendments to have any impact in its recognition of its property, plant and equipment in its financial statements.

Ind AS 37 – Onerous Contracts - Costs of Fulfilling a Contract

The amendments specify that that the 'cost of fulfilling' a contract comprises the 'costs that relate directly to the contract'. Costs that relate directly to a contract can either be incremental costs of fulfilling that contract (examples would be direct labour, materials) or an allocation of other costs that relate directly to fulfilling contracts. The amendment is essentially a clarification and the Company does not expect the amendment to have any significant impact in its financial statements.

Ind AS 109 – Annual Improvements to Ind AS (2021)

The amendment clarifies which fees an entity includes when it applies the '10 percent' test of Ind AS 109 in assessing whether to derecognise a financial liability. The Company does not expect the amendment to have any significant impact in its financial statements.

Ind AS 106 – Annual Improvements to Ind AS (2021)

The amendments remove the illustration of the reimbursement of leasehold improvements by the lessor in order to resolve any potential confusion regarding the treatment of lease incentives that might arise

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because of how lease incentives were described in that illustration. The Company does not expect the amendment to have any significant impact in its financial statements.

Standards notified but not yet effective

There was no standard notified but not yet effective up to the date of issuance of the Company's financial statements.

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4A Property, plant and equipment-Owned Assets (₹ in million)

Particulars	Furniture & Fixtures	Office Equipment	Computers & Peripherals	Total
Gross block				
As at 1st April 2020	-	-	-	-
Additions through business combination	-	-	-	-
Additions	-	-	-	-
Disposals		-	-	-
As at 31st March 2021	-	-	-	
Additions through business combination (refer note 31)	3.86	0.19	1.48	**5.53**
Additions	-	0.05	0.41	**0.46**
Disposals	-	-	0.00	**0.00**
As at 31st March 2022	**3.86**	**0.24**	**1.89**	**5.99**
Accumulated depreciation				
As at 1st April 2020	-	-	-	-
Charge for the year	-	-	-	-
Deductions	-	-	-	-
As at 31st March 2021	-	-	-	-
Charge for the year	0.94	0.06	0.79	**1.79**
Deductions	-	-	0.00	**0.00**
As at 31st March 2022	**0.94**	**0.06**	**0.79**	**1.79**
Net block				
As at 31st March 2021	-	-	-	-
As at 31st March 2022	**2.92**	**0.18**	**1.10**	**4.20**

Note: The Company does not hold any benami property under the Benami Transactions (Prohibition) Act, 1988 and no proceeding has been initiated or is pending against the Company for holding any benami property.

4B Right-of-use assets (refer note 40) (₹ in million)

	As at	
	31st March 2022	**31st March 2021**
(In respect of building taken on lease)		
Balance as at beginning of the year	-	-
Recognised on account of adoption of Ind AS 116 (Leases)	-	-
Addition	13.97	
Deletion	-	
Depreciation	3.49	-
Adjustment on account of remeasurement of lease liability	(6.75)	
Balance as at end of the year	**3.73**	-

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5A Intangible assets

(₹ in million)

Particulars	Mobile Application, Brand & Website	Curriculum Content	Digital Content	Computer Software	Total
Gross block					
As at 1st April 2020	-	-	-	-	-
Acquired through business combination	-	-	-	-	-
Purchases/internal development	-	-	-	-	-
Disposals/Capitalisation	-	-	-	-	-
As at 31st March 2021	-		-	-	-
Acquired through business combination (refer note 31)	28.54	117.30	70.42	1.11	217.37
Purchases/Internal development	3.08	14.91	22.04	-	40.03
Disposals/Capitalisation	-		-	-	-
As at 31st March 2022	31.62	132.21	92.46	1.11	257.40
Accumulated depreciation					
As at 1st April 2020	-	-	-	-	-
Amortization for the year	-	-	-	-	-
Deductions	-	-	-	-	-
As at 31st March 2021	-	-	-	-	-
Amortization for the year	2.46	11.95	6.41	0.25	21.07
Deductions	-		-	-	-
As at 31st March 2022	2.46	11.95	6.41	0.25	21.07
Net block					
As at 31st March 2021	-	-	-	-	-
As at 31st March 2022	29.16	120.26	86.05	0.86	236.33

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5B Intangible assets under development (₹ in million)

Particulars	Intangible Under Development	Total
Gross block		
As at 1st April 2020	-	-
Acquired through business combination	-	-
Purchases/internal development	-	-
Disposals/Capitalisation	-	-
As at 31st March 2021	-	-
Acquired through business combination (refer note 31)	11.78	11.78
Purchases/internal development	16.08	16.08
Disposals/Capitalisation	26.32	26.32
As at 31st March 2022	1.54	1.54

Notes:

a) Below table represents the ageing of intangible assets under development as on 31-03-2022:

(₹ in million)

Particulars	Amount in intangible under development for a period of				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Projects in progress					
- CWIP Mylestone Curriculum	0.12	-	-	-	0.12
- Learnflix CBSE Maths Class 11 - WIP	0.31	-	-	-	0.31
- Learnflix CBSE Maths Class 12 - WIP	0.31	-	-	-	0.31
- Learnflix CBSE Science Class 11 - WIP	0.40	-	-	-	0.40
Learnflix CBSE Science Class 12 - WIP	0.40	-	-	-	0.40
otal	**1.54**	-	-	-	**1.54**

b) Company had not any intangible assets under development as on 31-03-2021, therefore no ageing for the same is presented.

c) There are no projects completion of which are overdue from its original plan.

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6 Financial Assets

6A Trade receivables

(₹ in million)

Particulars	As at	
	31st March 2022	31st March 2021
Trade receivables		
Secured, considered good	-	-
Unsecured, considered good	121.42	-
Receivable which have significant increase in credit risk	18.30	-
Receivable credit impaired	-	-
	139.72	-
Less: Allowance for expected credit loss		
Secured, considered good	-	-
Unsecured, considered good	-	-
Receivable which have significant increase in credit risk	2.83	-
Receivable credit impaired	-	-
	2.83	-
Net Trade receivables		
Secured, considered good	-	-
Unsecured, considered good	121.42	-
Receivable which have significant increase in credit risk	15.47	-
Receivable credit impaired	-	-
	136.89	-
Current	**136.89**	-
Non-Current	-	-

No debts are due from directors or other officers of the company either severally or jointly with any other person.

Below table represents the trade receivables ageing:

(₹ in million)

Particulars	Not Due	Less than 6 months	6 months to 1 year	1-2 years	2-3 years	More than 3 years	Total
As at 31 March 2022:							
a) Undisputed trade receivables							
- considered good	121.42	-	-	-	-	-	121.42
- which have significant increase in credit risk	-	9.86	6.83	-	-	-	16.69
- which are credit impaired	-	-	-	-	-	-	-
Total (A)	**121.42**	**9.86**	**6.83**	-	-	-	**138.11**
b) Disputed trade receivables							
- considered good	-	-	-	-	-	-	-
- which have significant increase in credit risk	-	-	1.61	-	-	-	1.61
- which are credit impaired	-	-	-	-	-	-	-
Total (A)	-	-	**1.61**	-	-	-	**1.61**
Total trade receivable (A+B)	**121.42**	**9.86**	**8.44**	-	-	-	**139.72**
Less: Provision for doubtful debts							**2.83**
Net trade receivable							**136.89**
As at 31 March 2021:							
a) Undisputed trade receivables							
- considered good		-	-	-	-	-	-
- which have significant increase in credit risk		-	-	-	-	-	-
- which are credit impaired		-	-	-	-	-	-
		-	-	-	-	-	-
b) Disputed trade receivables							
- considered good		-	-	-	-	-	-
- which have significant increase in credit risk		-	-	-	-	-	-
- which are credit impaired		-	-	-	-	-	-
		-	-	-	-	-	-
		-	-	-	-	-	-

The activities in the allowance for doubtful receivables is given below:

Particulars	As at	
	31st March 2022	31st March 2021
Balance at the beginning of the year/Acquired in Business Purchase (refer note 31)	0.89	-
Addition during the year, net	2.04	-
Uncollectable receivables charged against allowance	0.10	-
Balance at the end of the year	**2.83**	-

Expected credit loss: Under the Previous GAAP, loss provision for trade receivables was created based on credit risk assessment. Under Ind AS, these provisions are based on assessment of risk of default and timing of collection.

The Company has applied the simplified approach to providing for expected credit losses on trade receivables as described by Ind AS 109, which requires the use of lifetime expected credit loss provision for all trade receivables.

The Company assesses on a forward-looking basis the expected credit losses associated with its assets carried at amortised cost. The impairment methodology applied depends on whether there has been a significant increase in credit risk.

6B Other financials assets (₹ in million)

Particulars	As at	
	31st March 2022	31st March 2021
Security deposits - Non Current	0.97	-
Security deposits - Current	-	-
Total Loans and Advances	**0.97**	-
Current	-	-
Non-Current	**0.97**	-

6C Cash and cash equivalents (₹ in million)

Particulars	As at	
	31st March 2022	31st March 2021
Balance with banks	5.41	0.07
Cash in hand	0.26	-
Total Cash and cash equivalents	**5.67**	**0.07**

7 Inventories (₹ in million)

Particulars	As at	
	31st March 2022	31st March 2021
Finished Goods		
Stock in trade	75.28	-
Total Inventories	**75.28**	-

8 Other assets (₹ in million)

Particulars	As at	
	31st March 2022	31st March 2021
Prepaid expenses (Non current)	0.03	-
Prepaid expenses (Current)	1.17	-
Advances to Suppliers	4.07	-
Advances to Employees	0.89	-
Balance with Govt Authorities	0.40	-
Total Other assets	**6.56**	-
Current	**6.53**	-
Non-Current	**0.03**	-

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9 Deferred tax

9A Taxation

(₹ In million)

The major components of income tax expense are as follow	31 March 2022	31 March 2021
Current income tax		
Current income tax charge	-	-
Income tax related to earlier years		
Interest/(refund)	-	-
Deferred tax*		
Relating to origination and reversal of temporary differences	32.65	-
Income tax (expense)/income reported in statement of Profit or Loss	**32.65**	**-**

9B Deferred tax relates to following

(₹ in million)

Particulars	Recognised in Balance Sheet		Recognised in Profit & Loss		Recognised in OCI	
	31 March 2022	31 March 2021	31 March 2022	31 March 2021	31 March 2022	31 March 2021
Items leading to creation of deferred tax assets (A)						
Tax losses and unabsorbed depreciation	35.49	-	35.49	-	-	-
Right of use assets and lease liabilities	0.28	-	0.28	-	-	-
Expense allowed on actual/payment basis	6.62	-	6.73	-	(0.11)	-
Fair valuation of financial instruments	0.00	-	0.00	-	-	-
Items leading to creation of deferred tax liabilities (B)						
Fixed assets: impact of differences between tax depreciation and depreciation/ amortization charged in the financial statements	(9.84)	-	(9.84)	-	-	-
Net deferred tax assets/(liabilities) (A+B)	**32.54**	**-**	**32.65**	**-**	**(0.11)**	**-**

9C Reconciliation of deferred tax assets/ (liabilities) net:

(₹ in million)

Particulars	As at 31 March 2022	As at 31 March 2021
Opening balance	-	-
Tax income/ (expense) during the period recognised in profit or loss	32.65	-
Tax income / (expense) during the period recognised in OCI	(0.11)	-
Closing balance	**32.54**	**-**

**** Deferred Tax assets are created using effective tax rate @ 26%.***

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10 Share Capital

(₹ in million)

Particulars	As at	
	31st March 2022	31st March 2021
Authorised		
1,00,000 (31 March 2021: 1,00,000) equity shares of ₹ 10/- each	1.00	1.00
Issued, subscribed and fully paid up		
1,00,000 (31 March 2021: 1,00,000) equity shares of ₹ 10/- each	1.00	0.10
	1.00	**0.10**

a. Reconciliation of the shares outstanding at the beginning and at the end of the reporting Period

(₹ in million)

Equity shares	Numbers	Amount
As at 1 April 2020	-	-
Increase/(Decrease) during the year	10,000	0.10
As at 31 March 2021	**10,000**	**0.10**
Increase/(Decrease) during the year	90,000	0.90
As at 31 March 2022	**1,00,000**	**1.00**

b. Terms/ rights attached to equity shares

The Company has only one class of equity shares having a par value of ₹ 10 per share. Each holder of equity shares is entitled to one vote per share. No dividend has been proposed by the Board of Directors during the year ended 31 March 2022 (31 March 2021: nil). In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

c. Share Capital held by holding company and their subsidiaries

	As at 31 March 2022		As at 31 March 2021	
	No. of Shares	% of holding	No. of Shares	% of holding
Safari Digital Education Initiatives Private Limited	90,000	90%	-	-

d. Details of shareholders holding more than 5% equity shares in the Company

	As at 31 March 2022		As at 31 March 2021	
	No. of Shares	% of holding	No. of Shares	% of holding
Safari Digital Education Initiatives Private Limited, holding company	90,000	90.00%	-	0.00%
Mr. Vinay Sharma	6,000	6.00%	6,000	60.00%
Mr. Kapil Khurana	4,000	4.00%	4,000	40.00%
	1,00,000	**100.00%**	**10,000**	**100.00%**

e. Details of shares held by promoters in the Company

	As at 31 March 2022		As at 31 March 2021		% change in shareholding
	No. of Shares	% of holding	No. of Shares	% of holding	
Safari Digital Education Initiatives Private Limited, holding company	90,000	90.00%	-	-	90.00%

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11 Other Equity (₹ in million)

Particulars	As at 31 March 2022	As at 31 March 2021
Retained earning		
Balance as the Beginning of reporting period	(0.05)	-
Add: Surplus during the year	(81.11)	(0.05)
Add: Other Comprehensive income	0.33	-
Balance as the end of reporting period (A)	**(80.83)**	**(0.05)**
Capital Reserve		
Created in business combination transactions (refer note 31)	(401.77)	-
Balance as the end of reporting period (B)	**(401.77)**	-
Equity Component of Debentures		
0.1% Compulsory Convertible Debentures	701.60	-
Balance as the end of reporting period (C)	**701.60**	-
Total Balance as the end of reporting period (A+B+C)	**219.00**	**(0.05)**

Nature and purpose of reserves

Retained earning

Retained earning/(loss) is accumulated surplus/(deficit) of profit and loss earned/(incurred) by the company and a free reserve which can be utilized for business purpose or distributed to the equity share holders without restrictions after complying with the requirements of section 123 of the Companies Act, 2013.

Capital Reserve

During the quarter ended September 30, 2021, the company has acquired business related to "Learnflix" from DS Digital Private Limited and "Mylestone" from Safari Digital Education Initiatives Private Limited through business combination under common control. All the assets acquired and liabilities assumed under this business combination transaction are recorded at book value which resulted into creation of capital reserve of ₹ -401.77 million. This capital reserve is presented under other equity.

Equity Component of Debentures

For purchase consideration of business acquired, 2185 and 4831 compulsorily convertible debenture (CCDs) are issued to DS Digital Private Limited and Safari Digital Education Initiatives Private Limited respectively. These CCDs carries interest rate of 0.1% per annum and voting rights on as if converted basis. These CCDs having tenure of 10 years and convertible after one year from the date of allotment at the option of CCD holders. Since the CCDs carries nominal rate of interest and compulsorily convertible into equity shares, the same are represented under other equity.

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CONVERGIA DIGITAL EDUCATION PVT. LTD. *

12 Non-current borrowings **(₹ in million)**

Particulars	As at	
	31st March 2022	31st March 2021
Unsecured loan from group company		
-Indian rupee loan from enterprise under same control (refer note (a) below)	64.81	-
Total Non-current borrowings	**64.81**	-

(a) The Company has taken a loan of ₹ 63 million from Chhaya Prakashani Limited, fellow subsidiary, during the year ended 31 March 2022 and carries interest rate equal to State Bank of India's 2 Year MCLR plus 250 Bps p.a. (effective rate of interest 9.70% p.a. during year 2021-22). The facility (and accrued interest thereon) will be convertible at the option of the fellow subsidiary into equity shares after 1 year and if not converted on or after 3 years, the loan shall be repaid by the company on completion of 3 years. Further, the company has right to pay this loan any time without any penalty. Optionally Convertible loan amount ₹ 63 million (March 2021- ₹ Nil) & Interest amount ₹ 1.81 million (March 2021 - ₹ Nil)

(b) All borrowing facilities of the company are unsecured, therefore there is not need to create, modify or satisfy the charges related to the above loans with the Registrar of Companies (ROC).

(c) The Company has not been declared as a wilful defaulter by any lender who has powers to declare a company as a wilful defaulter at any time during the financial year or after the end of reporting period but before the date when financial statements are approved.

(d) The Company has not availed any credit facility from bank or financials institution any time during the year.

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CONVERGIA DIGITAL EDUCATION PVT. LTD. *

13 Trade payables

(₹ in million)

Particulars	As at	
	31st March 2022	31st March 2021
Trade payables of micro enterprises and small enterprises (refer note 34)	29.72	-
Trade payables of related entities (refer note 28)	156.47	-
Trade payables other than micro enterprises and small enterprises	4.91	-
Total Trade payables	**191.10**	-
Current	**191.10**	-
Non-Current	-	-

Notes:

a) Information regarding Micro and Small Enterprises has been determined to the extent such parties have been identified on the basis of information available with the company. Company has not provided interest as no supplier has demanded any interest.

b) **Below table represents the trade payables ageing:**

(₹ in million)

Particulars	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
As at 31 March 2022:					
a) Undisputed trade payables					
Micro enterprises and small enterprises	29.72	-	-	-	**29.72**
Others	161.38	-	-	-	**161.38**
	191.10	-	-	-	**191.10**
b) Disputed trade payables					
Micro enterprises and small enterprises	-	-	-	-	-
Others	-	-	-	-	-
	-	-	-	-	-
Total	**191.10**	-	-	-	**191.10**
As at 31 March 2021:					
a) Undisputed trade payables					
Micro enterprises and small enterprises	-	-	-	-	-
Others	-	-	-	-	-
	-	-	-	-	-
b) Disputed trade payables					
Micro enterprises and small enterprises	-	-	-	-	-
Others	-	-	-	-	-
	-	-	-	-	-
Total	-	-	-	-	-

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CONVERGIA DIGITAL EDUCATION PVT. LTD.

14 Lease Liability

(₹ in million)

Particulars	As at	
	31st March 2022	31st March 2021
Lease Liability (Non Current) (refer note 40)	1.03	-
Lease Liability (Current) (refer note 40)	3.77	-
Total lease liabilities	**4.80**	-
Current	**3.77**	-
Non current	**1.03**	-

15 Other financial liabilities

(₹ in million)

Particulars	As at	
	31st March 2022	31st March 2021
Employee Benefit Payable	5.09	-
Expenses payable	3.54	0.02
Other financial liabilities (Employees Imprest)	1.47	-
Other Payable	-	0.00
Total other financial liabilities	**10.10**	**0.02**
Current	**10.10**	**0.02**
Non current	-	-

16 Provisions

(₹ in million)

Particulars	As at	
	31st March 2022	31st March 2021
Provision for gratuity (refer note 29B)	5.44	-
Provision for leave encashment (refer note 29C)	2.56	-
Total provisions	**8.00**	-
Current	**0.89**	-
Non current	**7.11**	-

17 Other liabilities

(₹ in million)

Particulars	As at	
	31st March 2022	31st March 2021
Statutory dues	3.94	-
Book debts	0.03	-
Advance from customers	0.93	-
Total other liabilities	**4.90**	-
Current	**4.90**	-
Non current	-	-

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18 Revenue from contracts with customers (refer note 45)

(₹ in million)

Particulars	For the year ended	
	31st March 2022	31st March 2021
Sale of products		
- Curriculum Books Sales	156.85	-
Less: Discounts	(17.69)	-
	139.16	**-**
Income from services		
- License Fee	3.43	-
- Digital Content License Fees	0.37	-
- Learnflix Ebooks	0.91	-
- Program Charges	0.86	-
- Mylestone Edge	0.11	-
	5.68	**-**
Total revenue from operations	**144.84**	-

19 Other incomes

(₹ in million)

Particulars	For the year ended	
	31st March 2022	31st March 2021
Fair value gain on financial instrument	0.01	-
Profit on Sale of Fixed Assets	0.02	-
Miscellaneous Income	0.08	-
Total other income	**0.11**	-

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20 Purchase of stock-in-trade

(₹ in million)

Particulars	For the year ended	
	31st March 2022	31st March 2021
Books purchase	180.30	-
E Books purchase (Learnflix Business Purchase)	13.47	-
	193.77	-

Note:

Above purchases includes, inventories of ₹ 62.97 million which was acquired in business combination transactions. (Refer note 31)

21 (Increase)/decrease in inventories

(₹ in million)

Particulars	For the year ended	
	31st March 2022	31st March 2021
Inventories at the end of the year		
Stock in trade	75.28	-
	75.28	-
Inventories at the beginning of the year		
Stock in trade	-	-
	-	-
(Increase)/decrease in inventories	**(75.28)**	-

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22 Employee benefits expenses (₹ in million)

Particulars	For the year ended 31st March 2022	For the year ended 31st March 2021
Salaries, wages and bonus	55.63	-
Contribution to provident and other funds	2.35	-
Gratuity expenses (refer note 29B)	1.26	-
Leave encashment (refer note 29C)	0.39	-
Staff welfare expenses	0.23	-
Employee stock option expenses (refer note 43)	0.80	-
Total employee benefits expenses	**60.66**	**-**

23 Finance cost (₹ in million)

Particulars	For the year ended 31st March 2022	For the year ended 31st March 2021
Interest expense		
on borrowings	2.01	-
on Lease Liabilities (ROU)	1.00	-
others	0.07	-
on CCD	0.35	-
Bank charges	0.01	-
Total finance cost	**3.44**	**-**

24 Depreciation and amortisation expense (₹ in million)

Particulars	For the year ended 31st March 2022	For the year ended 31st March 2021
Depreciation of property, plant & equipment	1.79	-
Amortisation of right-of-use assets (Lease)	3.49	-
Amortisation of intangible assets	21.07	-
Total depreciation and amortisation expenses	**26.35**	**-**

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Convergia Digital Education Private Limited
CIN: U80903DL2020PTC369266
Notes to financial statement for the year ended 31 March 2022

25 Other expenses

(₹ in million)

Particulars	For the year ended	
	31st March 2022	31st March 2021
Advertisement expenses	3.33	-
Business Promotion	0.27	-
Courier & Transportation charges	4.11	-
Expected Credit Loss on receivables	2.04	-
Fair value loss on financial instrument	0.01	-
Insurance expenses	1.26	-
Internet & telephone Exps	2.06	-
IT & Subscription Expenses	0.03	0.00
Legal & professional fees	2.98	0.02
Miscellaneous expenses	0.12	-
Office expenses	1.35	-
Packing Expenses	0.36	-
Payment to Auditor (refer details below)	0.38	0.03
Power & electricity	0.50	-
Rate & taxes	0.30	-
Recruitment & training charges	0.19	-
Rent	2.11	-
Repairs & maintenance		
Office premises and Computers	0.98	-
Sales promotion	0.29	-
Shared management Services (refer note 42)	4.76	-
Travelling & boarding & conveyance expenses	18.13	-
Warehouse Expenses	4.21	
Total other expenses	**49.77**	**0.05**

Payment to auditor

(₹ in million)

Particulars	For the year ended	
	31st March 2022	31st March 2021
As auditor		
Limited review charges	0.10	-
Statutory audit fee	0.25	0.02
Other assurance and tax related matter	0.03	0.01
Total	**0.38**	**0.03**

26 Components of Other Comprehensive Income (OCI)

The disaggregation of changes in other comprehensive income by each type of equity is shown below:

During the year ended 31 March 2022 **(₹ in million)**

Particulars	For the year ended	
	31st March 2022	31st March 2021
Re-measurement gains/(losses) on defined benefit plans	0.44	-
Tax impact on re-measurement gains/(losses) on defined benefit plans	(0.11)	-
	0.33	**-**

27 Earnings per share

Basic EPS amounts are calculated by dividing the profit for the year attributable to equity holders by the weighted average number of Equity shares outstanding during the year.

Diluted EPS amounts are calculated by dividing the profit for the year attributable to equity holders by the weighted average number of equity shares outstanding during the year plus the weighted average number of equity shares that would be issued on conversion of all dilutive potential equity shares into equity shares.

The following reflects the income and share data used in the basic and diluted EPS computations:

(₹ in million)

Particulars	For the year ended	
	31st March 2022	31st March 2021
Profit attributable to equity holder of the company for computing basic EPS	(81.11)	(0.05)
	(81.11)	**(0.05)**
Profit attributable to equity holder of the company for computing diluted EPS		
Net profit as above	(81.11)	(0.05)
Add: Interest on debentures (net of tax)	0.26	-
	(80.84)	**(0.05)**
Weighted average number of equity shares used for computing -		
- Basic EPS	77,562	10,000
- Diluted EPS*	5,27,45,616	10,000
Face Value Per Share	10	10
Basic EPS **(in ₹)**	(1,045.69)	(5.36)
Diluted EPS **(in ₹)**	(1.53)	(5.36)

*Company has issued 7016 compulsorily convertible debentures (CCDs) of ₹ 1,00,000/- each on July 01, 2021 which have dilutive potential in year ended 31 March 2022. These CCDs shall be convertible into equity shares of Purchaser at any time at the option of debenture holder (Seller) after completion of 1 (one) year from the date of allotment and Price of resultant equity shares pursuant to conversion shall be determined at the time, which shall not be earlier than thirty days to the date when the holder of CCD becomes entitled to apply for equity shares, on the basis of valuation report of the registered valuer given not earlier than sixty days of the date when the holder of CCD becomes entitled to apply for equity shares.

CONVERGIA DIGITAL EDUCATION PVT. LTD. *

28 Related party disclosures

Names of related parties and related party relationship

A. Related parties where control exists

Ultimate Holding Company: S Chand And Company Limited

Holding Company: Safari Digital Education Initiatives Private Limited

Key management personnel
- Mr. Saurabh Mittal, Director
- Mr. Vinay Sharma, Director
- Mr. Himanshu Gupta, Director (appointed w.e.f. 23/07/2021)
- Mr. Dinesh Kumar Jhunjhnuwala, Director (appointed w.e.f. 23/07/2021)
- Mr. Dinesh Sharma (Chief Financial Officer)

Companies under same Management
- Edutor Technologies India Private Limited
- DS Digital Private Limited
- Nirja Publishers & Printers Private Limited
- Chhaya Prakashani Limited
- S. Chand Edutech Private Limited
- New Saraswati House (India) Private Limited
- Vikas Publishing House Private Limited
- Eurasia Publishing House Private Limited
- BPI (India) Private Limited

B. Related party transactions

The following table provides the total amount of transactions that have been entered into with related parties for the relevant financial year:

(₹ in million)

Particulars	Holding Company/ Ultimate Holding Company		Key management personnel or their relatives		Companies under Same Management		Total	
	31 Mar 2022	31 Mar 2021	31 Mar 2022	31 Mar 2021	31 Mar 2022	31 Mar 2021	31 Mar 2022	31 Mar 2021
(A) Transactions								
Sale of Printed Books								
Safari Digital Education Initiatives Private Limited	14.41	-	-	-	-	-	14.41	-
Sale of Learnflix License								
DS Digital Private Limited	-	-	-	-	0.38	-	0.38	-
Sale of Licenses								
DS Digital Private Limited	-	-	-	-	3.43	-	3.43	-
Sale of Mylestone Edge								
DS Digital Private Limited	-	-	-	-	0.13	-	0.13	-
Purchase of business								
DS Digital Private Limited	-	-	-	-	218.54	-	218.54	-
Safari Digital Education Initiatives Private Limited	483.18	-	-	-	-	-	483.18	-
Purchase of Printed Books								
Safari Digital Education Initiatives Private Limited	57.31	-	-	-	-	-	57.31	-
Vikas Publishing House Private Limited	-	-	-	-	18.63	-	18.63	-
App Development Support Service Received								
Edutor Technologies India Private Limited	-	-	-	-	3.08	-	3.08	-
Data Management Services Received								
Safari Digital Education Initiatives Private Limited	0.36	-	-	-	-	-	0.36	-
Interest Expense on Loan and Advances Received								
Chhaya Prakashani Limited	-	-	-	-	2.01	-	2.01	-

CONVERGIA DIGITAL EDUCATION PVT. LTD.

28 Related party disclosures

B. Related party transactions (Continued)

(₹ in million)

Particulars	Holding Company/ Ultimate Holding Company		Key management personnel or their relatives		Companies under Same Management		Total	
	31 Mar 2022	31 Mar 2021	31 Mar 2022	31 Mar 2021	31 Mar 2022	31 Mar 2021	31 Mar 2022	31 Mar 2021
Interest Expense on Loan and Advances Received								
Safari Digital Education Initiatives Private Limited	0.24	-	-	-	-	-	0.24	-
D S Digital Private Limited	-	-	-	-	0.11	-	0.11	-
Shared Management Services								
S Chand And Company Limited	4.04	-	-	-	-	-	4.04	-
Reimbursement of Expenses								
S Chand And Company Limited	0.09	-	-	-	-	-	0.09	-
D S Digital Private Limited	-	-	-	-	11.65	-	11.65	-
Safari Digital Education Initiatives Private Limited	0.80	-	-	-	-	-	0.80	-
Salary, Perks and Allowances								
Vinay Sharma	-	-	8.37	-	-	-	8.37	-
Mr. Dinesh Sharma	-	-	1.32	-	-	-	1.32	-
Loans and Advances Received								
Chhaya Prakashani Limited	-	-	-	-	63.00	-	63.00	-
Issue of Equity Shares								
Safari Digital Education Initiatives Private Limited	0.90	-	-	-	-	-	0.90	-
Issue of Compulsory Convertible Debenture								
Safari Digital Education Initiatives Private Limited	483.10	-	-	-	-	-	483.10	-
D S Digital Private Limited	-	-	-	-	218.50	-	218.50	-
(B) Outstanding balances at the Period end								
Trade Receivables as at 31st March 2022								
DS Digital Private Limited	-	-	-	-	4.81	-	4.81	-
S[illegible] Digital Education Initiatives Private Limited	14.41	-	-	-	-	-	14.41	-
T[illegible] Payables as at 31st March 2022								
Vikas Publishing House Private Limited	-	-	-	-	95.37	-	95.37	-
S Chand And Company Limited	15.95	-	-	-	-	-	15.95	-
Chhaya Prakashani Limited	-	-	-	-	3.54	-	3.54	-
DS Digital Private Limited	-	-	-	-	9.56	-	9.56	-
Safari Digital Education Initiatives Private Limited	30.76	-	-	-	-	-	30.76	-
Edutor Technologies India Private Limited	-	-	-	-	1.29	-	1.29	-
Long Term Borrowings (including Interest payable)								
Chhaya Prakashani Limited	-	-	-	-	64.81	-	64.81	-

CONVERGIA DIGITAL EDUCATION PVT. LTD. *

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29 Employees benefit plans:

A. Defined contribution plan

An amount of ₹ 2.35 million [31 March 2021 : ₹ Nil] for the year has been recognised as an expense in respect of the Company's contributions towards Provident Fund, an amount of ₹ 0.01 million [31 March 2021 : ₹ Nil] for the year has been recognised as an expense in respect of Company's contributions towards Employee State Insurance, which are deposited with the government authorities and have been included under employee benefit expenses in the Statement of Profit and Loss.

B. Defined retirement plans (Gratuity)

The company provides for gratuity, a defined benefit retirement plan covering eligible employees. The Gratuity Plan provides a lump sum payments to vested employees at retirement, death, incapacitation or termination of employment, of an amount equivalent to 15 days salary for each completed year of service. Vesting occurs on completion of 5 continuous years of service as per Indian law. However, no vesting condition applies in case of death.

The Company has provided for gratuity based on the actuarial valuation done as per Project Unit Credit Method.

The following table sets out for the status of gratuity plan: **(₹ in million)**

	Particulars	FY 2021-22	FY 2020-21
I	**Change in present value of defined benefit obligation during the year**		
	Defined Benefit Obligation as of Prior Year	-	-
	Service Cost : -		
	Current service cost	0.99	-
	Past Service Cost	0.04	
	Interest Cost	0.23	-
	Benefit payments directly by employer	(0.49)	-
	Acquisition/Divestiture (refer note 31)	5.11	-
	Actuarial (Gain) / Loss - Demographic	-	-
	Actuarial (Gain) / Loss - Financial	(0.23)	-
	Actuarial (Gain) / Loss - Experience	(0.21)	-
	Defined Benefit Obligation at the end of Current Year	**5.44**	**-**
II	**Change in fair value of plan assets during the year**		
	There is no plan assets		
III	**Net asset/ (liability) recognised in the balance sheet**		
	Net defined benefit liability (asset) at prior year end	-	-
	Defined benefit cost included in P&L	1.26	-
	Total remeasurements included in OCI	(0.44)	-
	Direct benefit payments by Employer	(0.49)	-
	Acquisition/Divestiture (refer note 31)	5.11	-
	Net defined benefit liability/(asset) - end of period	**5.44**	**-**
IV	**Expense recognised in the statement of profit or loss during the year**		
	Current service cost	0.99	-
	Past Service Cost	0.04	-
	Interest Cost	0.23	-
	Total expense recognised in the employee benefit expense	**1.26**	**-**

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29 Employees benefit plans:

B. Defined retirement plans (Gratuity) (Continued) (₹ in million)

	Particulars	FY 2021-22	FY 2020-21
V	**Recognised in other comprehensive income for the year**		
	Actuarial (Gain) / Loss due to Demographic Assumption changes in DBO	-	-
	Actuarial (Gain) / Loss due to Financial Assumption changes in DBO	(0.23)	-
	Actuarial (Gain) / Loss due to Experience on DBO	(0.21)	-
	Cumulative OCI - (Income)/Loss, End of Period	**(0.44)**	**-**
VI	**Maturity profile of defined benefit obligation**		
	Year 1	0.56	-
	Year 2	0.58	-
	Year 3	0.60	-
	Year 4	0.59	-
	Year 5	0.58	-
	Year 6 to 10	2.39	-
VII	**Quantitative sensitivity analysis for significant assumptions is as below**		
	a) Impact of change in discount rate		
	Present Value of obligation at the end of the period		
	Discount rate - 100 basis points	5.82	-
	Discount rate + 100 basis points	5.10	-
	Impact of change		
	Discount rate - 100 basis points	(0.38)	-
	Discount rate + 100 basis points	0.34	-
	b) Impact of change in salary		
	Present Value of obligation at the end of the period		
	Rate - 100 basis points	5.11	-
	Rate + 100 basis points	5.80	-
	Impact of change		
	Discount rate - 100 basis points	0.33	-
	Discount rate + 100 basis points	(0.36)	-
VIII	**Actuarial assumptions**		
	Discount Rate	6.55%	-
	Future salary increase	(6% for 1st year, 10% thereafter)	-
	Retirement Age (years)	60 Years	-
	Mortality rates inclusive of provision for disability	IALM (2012-14)	-
	Withdrawal rate	15.00%	-

The actuarial valuation of the present valuation of defined benefit obligation were carried out as at March 31, 2022. The present value of the defined benefit obligation and the related current service cost and past service cost, were measured using the Projected Unit Credit Method.

As per para 83 of Ind AS 19, the rate used to discount post-employment benefit obligations (both funded and unfunded) shall be determined by reference to market yields at the end of the reporting period on government bonds.

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29 Employees benefit plans:

C. Leave Encashment

In respect of leave encashment benefit, accrual is made on the basis of a year-end actuarial valuation in pursuance of the Company's leave rules.

The Company has provided for leave benefits based on the actuarial valuation done as per Project Unit Credit Method.

The following table sets out for the status of leave encashment plan: **(₹ in million)**

	Particulars	FY 2021-22	FY 2020-21
I	**Change in present value of defined benefit obligation during the year**		
	Defined Benefit Obligation as of Prior Year	-	-
	Service Cost : -		
	Current service cost	-	-
	Past service cost	0.02	
	Interest Cost	0.11	-
	Benefit payments directly by employer	(0.41)	-
	Acquisition / Divestiture (refer note 31)	2.57	-
	Actuarial (Gain) / Loss - Demographic	-	-
	Actuarial (Gain) / Loss - Financial	(0.10)	-
	Actuarial (Gain) / Loss - Experience	0.36	-
	Defined Benefit Obligation at the end of Current Year	**2.56**	-
II	**Change in fair value of plan assets during the year**		-
	There is no plan assets		
III	**Net asset/ (liability) recognised in the balance sheet**		
	Net defined benefit liability (asset) at prior year end	-	-
	Defined benefit cost included in P&L	0.39	-
	Total remeasurements included in OCI	-	
	Direct benefit payments by Employer	(0.41)	-
	Acquisition / Divestiture (refer note 31)	2.57	-
	Net defined benefit liability (asset) - end of period	**2.56**	-
IV	**Expense recognised in the statement of profit or loss during the year**		
	Past service cost	0.02	-
	Net interest cost	0.11	-
	Immediate recognition of loss	0.26	-
	Total expense recognised in the employee benefit expense	**0.39**	-
V	**Recognised in other comprehensive income for the year**		
	Cumulative OCI - (Income)/Loss, Beginning of Period	-	-
	Total remeasurements included in OCI	-	-
	Cumulative OCI - (Income)/Loss, End of Period	-	-

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29 Employees benefit plans:

C. Leave Encashment (Continued)

(₹ in million)

	Particulars	FY 2021-22	FY 2020-21
VI	**Maturity profile of defined benefit obligation**		
	Year 1	0.34	-
	Year 2	0.31	-
	Year 3	0.29	-
	Year 4	0.27	-
	Year 5	0.26	-
	Year 6 to 10	1.05	-
VII	**Quantitative sensitivity analysis for significant assumptions is as below**		
	a) Impact of change in discount rate		
	Present Value of obligation at the end of the period		
	Discount rate - 100 basis points	2.72	-
	Discount rate + 100 basis points	2.41	-
	Impact of change		
	Discount rate - 100 basis points	(0.16)	-
	Discount rate + 100 basis points	0.15	-
	b) Impact of change in salary		
	Present Value of obligation at the end of the period		
	Rate - 100 basis points	2.41	-
	Rate + 100 basis points	2.71	-
	Impact of change		
	Discount rate - 100 basis points	0.14	-
	Discount rate + 100 basis points	(0.16)	-
III	**Actuarial assumptions**		
	Discount Rate	6.55%	-
	Future salary increase	(6% for 1st year, 10% thereafter)	-
	Retirement Age (years)	60 Years	-
	Mortality rates inclusive of provision for disability	IALM (2012-14)	-
	Withdrawal rate	15.00%	-

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CONVERGIA DIGITAL EDUCATION PVT. LTD.*

30 Fair Values

Fair Value Measurement Hierarchy:

Set out below, is a comparison by class of the carrying amounts and fair value of the company's financials instruments, other than those with carrying amounts that are reasonable approximations of fair values:

(₹ in million)

Particulars	As at 31 March 2022				As at 31 March 2021			
	Carrying Amount	Level-1	Level-2	Level-3	Carrying Amount	Level-1	Level-2	Level-3
Financial assets								
At Amortized Cost								
- Cash and cash equivalents	5.67	-	-	-	0.07	-	-	-
- Trade receivables	136.89	-	-	-	-	-	-	-
At FVTPL								
- Loans	0.97	-	-	0.97	-	-	-	-
At FVTOCI	-	-	-	-	-	-	-	-
Financial liabilities								
At Amortized Cost								
- Trade payables	191.10	-	-	-	-	-	-	-
- Borrowings	64.81	-	-	-	-			
- Other financial liabilities	10.10	-	-	-	-	-	-	
- Lease Liabilities	4.80	-	-	-	-	-	-	-
At FVTPL	-	-	-	-	-	-	-	-
At FVTOCI	-	-	-	-	-	-	-	-

Valuation Methodology

All financial assets and liabilities are initially recognised and subsequently re-measured at amortised cost except loans. Loans are fair valued through statement of profit and loss Significant unobservable inputs (Level 3).

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CONVERGIA DIGITAL EDUCATION PVT. LTD. *

31 Business Combination Transactions

A Acquisition of business related to "Learnflix" from DS Digital Private Limited and "Mylestone" from Safari Digital Education Initiatives Private Limited

During the year, the company has acquired business related to "Learnflix" from DS Digital Private Limited and "Mylestone" from Safari Digital Education Initiatives Private Limited through business combination under common control. All the assets acquired and liabilities assumed under this business combination transaction are recorded at book value which resulted into creation of capital reserve of ₹ -401.77 million. This capital reserve is presented under other equity. Further inventories of ₹ 62.97 million was acquired in these business combination transactions which is the part of purchases. For purchase consideration, 2185 and 4831 compulsorily convertible debenture (CCDs) are issued to DS Digital Private Limited and Safari Digital Education Initiatives Private Limited respectively. These CCDs carries interest rate of 0.1% per annum and voting rights on as if converted basis. These CCDs having tenure of 10 years and convertible after one year from the date of allotment at the option of CCD holders.

Purchase consideration transferred: **(₹ in million)**

Particulars	Learnflix	Mylestone
i. Compulsorily convertible debenture carries interest rate of 0.1% per annum		
2185 CCDs of ₹ 1,00,000/- each	218.50	-
4831 CCDs of ₹ 1,00,000/- each	-	483.10
ii. Cash Consideration	0.04	0.08
iii. Deferred contingent consideration (refer point C)	-	-
Total consideration	**218.54**	**483.18**

C Deferred contingent consideration

In this business combination transactions, no deferred contingent consideration agreed in business transfer agreement.

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31 Business Combination Transactions (Continued)

D Assets acquired and liabilities assumed

The book values of identifiable assets acquired and liabilities assumed as at the date of transfer were:

(₹ in million)

Particulars	Learnflix	Mylestone	Total
Identifiable assets acquired			
Intangible assets	47.16	170.20	**217.37**
Intangible assets under development	8.24	3.54	**11.78**
Property, plant and equipment	-	5.53	**5.53**
Trade receivables (Gross)	4.25	157.58	**161.83**
Less: Provision for doubtful debts	-	0.89	**0.89**
Less: Provision for discount	-	9.56	**9.56**
Trade receivables (Net)	4.25	147.13	**151.38**
Inventories	13.47	49.50	**62.97**
Other current assets	3.71	1.65	**5.36**
Deferred tax asset	-	-	-
Total book value of assets acquired (i)	**76.84**	**377.54**	**454.38**
Identifiable liabilities assumed			
Trade Payable	23.60	114.84	**138.44**
Other financial Liabilities	0.37	7.59	**7.95**
Provisions			
- Gratuity	0.88	4.22	**5.11**
- Leave Encashment	0.45	2.12	**2.57**
Other Current Liabilities	-	0.36	**0.36**
Total book value of liabilities assumed (ii)	**25.30**	**129.13**	**154.43**
	-	-	-
Net book value of assets acquired (iii) (i-ii)	**51.54**	**248.41**	**299.95**
Total consideration (iv)	**218.54**	**483.18**	**701.72**
Capital Reserve (iii-iv)	**167.00**	**234.77**	**401.77**

E Impact of acquisition on the results

In these business combination transactions, capital reserve is created of ₹ -401.77 million. This capital reserve is presented under other equity.

CONVERGIA DIGITAL EDUCATION PVT. LTD.

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32 Capital & other commitments

The Company does not have any capital and other commitments as on 31 March 2022 (31 March 2021: Nil).

33 Contingent liabilities/assets

The company does not have any contingent liability/assets as at 31 March 2022 (31 March 2021: Nil).

34 Details of dues to micro, small and medium enterprises as defined under the MSMED Act, 2006

The Amount due to Micro and small Enterprises as defined in the "The Micro, Small and Medium Enterprises Development Act, 2006" has been determined to the extent such parties have been identified on the basis of information available with the Company. The disclosures relating to Micro and Small Enterprises as at 31st March 2022 are as under:

(₹ in million)

Particulars	From 01 April 2021 to 31 March 2022	From 01 April 2020 to 31 March 2021
(i) Principal amount remaining unpaid as on 31 March 2022	29.72	-
(ii) Interest due thereon as on 31 March, 2022	-	-
(iii) Interest paid by the Company in terms of Section 16 of Micro, Small and Medium Enterprises Development Act, 2006, along with the amount of the payment made to the supplier beyond the appointed day during the year	-	-
(iv) Interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under Micro, Small and Medium Enterprises Development Act, 2006	-	-
(v) Interest accrued and remaining unpaid as at 31 March 2022	-	-
(vi) Further Interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise	-	-
	29.72	-

5 Unhedged foreign currency exposure

The company does not have any unhedged foreign currency exposure as at reporting date (March 2021-Nil).

36 Revenue in foreign currency revenue and expenditure

During the year, the company has neither earned any income nor incurred any expenditure in foreign currency.

37 Significant Customer

The Company does not have any significant customer (customer having sales aggregating to 10% of total revenue) for the year ended 31 March 2022 (31 March 2021 Nil).

38 Income surrender or disclosed to Income tax authorities

The Company has not surrendered or disclosed any income during the year in the tax assessments under the Income Tax Act, 1961.

39 Corporate Social Responsibility (CSR)

Section 135 of the Companies Act, 2013 is not applicable to the company, thus company is not required to spent or contribute any amount for Corporate Social Responsibility (CSR) in current year or previous year.

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40 Leases

Company as lessee

Set out below are the carrying amounts of right-of-use assets recognised and the movements during the period:

(₹ in million)

	For the year ended 31st March 2022	For the year ended 31st March 2021
As at 01 April	-	-
Additions	13.97	-
Deletion	-	-
Lease liability remeasurement impact	(6.75)	-
Depreciation expense	(3.49)	-
As at 31 March	**3.73**	-

Set out below are the carrying amounts of lease liabilities (included under interest-bearing loans and borrowings) and the movements during the period:

(₹ in million)

	For the year ended 31st March 2022	For the year ended 31st March 2021
As at 01 April	-	-
Additions	13.97	-
Deletion	-	-
Accretion of interest	1.00	-
Lease liability remeasurement impact	(6.75)	-
Payments of lease liability	(3.42)	-
As at 31 March	**4.80**	-
Current	**3.77**	-
Non-current	**1.03**	-

* The effective interest rate for lease liabilities is 12%, with maturity between 2021-2023

The following are the amounts recognised in profit or loss:

(₹ in million)

	For the year ended 31st March 2022	For the year ended 31st March 2021
Depreciation expense of right-of-use assets	3.49	-
Interest expense on lease liabilities	1.00	-
Expense relating to short-term leases (included in other expenses)	2.11	-
Remeasurement impact	-	-
Total amount recognised in profit or loss	**6.60**	-

The company does not face a significant liquidity risk with regard to its lease liabilities as the current assets are sufficient to meet the obligations related to lease liabilities as and when they fall due.

The aggregate depreciation on ROU assets has been included under depreciation and amortisation expense in the Statement of Profit and Loss.

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41 Disclosure related to key financial ratios:

Key financial ratios	Numerator	Denominator	Current period 31 March 2022	Previous period 31 March 2021	% Variance	Reason for variance/Remarks
a. Current ratio	Current assets	Current liabilities	1.06	4.56	-76.67%	Company has started it's business and done transactions in current financial year, comparative period is not comparable.
b. Debt-equity ratio	Total debt	Shareholder's equity	1.29	0.34	278.01%	Company has started it's business and done transactions in current financial year, comparative period is not comparable.
c. Debt service coverage ratio	Earnings available for debt service*	Debt service**	(0.79)	-	-	There is no debt in previous year.
d. Return on equity	Net profits after taxes – Preference dividend	Average shareholder's equity	(0.74)	(2.31)	-68.11%	Company has started it's business and done transactions in current financial year, comparative period is not comparable.
e. Inventory turnover Ratio	Cost of goods sold or sales	Average inventory	3.15	-	-	Company did not hold any inventory in previous year.
f. Trade receivables turnover ratio	Net credit sales	Average accounts receivable	2.12	-	-	There is no trade receivable or sales in previous year.
g. Trade payables turnover ratio	Net credit purchases	Average trade payables	2.03	-	-	There is no trade payable or purchase in previous year.
h. Net capital turnover ratio	Net sales	Working capital	10.64	-	-	There is no sales in previous year.
i. Net profit ratio	Net profit	Net sales	-78.55%	-	-	There is no sales in previous year.
j. Return on capital employed	Earning before interest and taxes	Capital employed***	(10.34)	(1.16)	794.54%	Company has started it's business and done transactions in current financial year, comparative period is not comparable.
k. Return on investment #	{MV(T1) – MV(T0) – Sum [C(t)]}	{MV(T0) + Sum [W(t) * C(t)]}	Not applicable	Not applicable	-	Company does not hold any investment any time during the financial year or previous financial year.

*Earning for debt service = Net profit after taxes + Non-cash operating expenses like depreciation and other amortizations + Interest + other adjustments like loss on sale of fixed assets etc.

**Debt service = Interest and lease payments + Principal repayments

***Capital employed = Tangible net worth + Total debt + Deferred tax liability

T1 = End of time period	t = Specific date falling between T1 and T0	MV(T1) = Market Value at T1	'W(t) = Weight of the net cash flow (i.e. either net inflow or net outflow) on day 't', calculated as [T1 – t] / T1
T0 = Beginning of time period	C(t) = Cash inflow, cash outflow on specific date	MV(T0) = Market Value at T0	

42 Shared Management Services

The Ultimate holding company renders various administrative and management services to its subsidiary companies to facilitate the day-to-day operations. Accordingly, the ultimate holding Company has charged ₹ 4.76 million (31 March 2021: Nil) towards such services rendered during the year ended March 31, 2022.

43 Employee stock compensation

The ultimate holding company instituted the ESOP Scheme, under the ESOP plan, the committee may grant awards of equity based stock options being Growth options to the employees of ultimate holding company and its subsidiaries. As per the Indian Accounting Standard (Ind AS) 102 "Share based payments", the Company receiving the services shall measure the services received as an equity settled transaction and required to record compensation cost and disclose information relating to the shares granted to the employees of the Company, under the above Plan. Since, the plan is assessed, managed and administered by the ultimate holding company, the Company has taken stock option cost pertains to options granted to the employee of the Company as calculated by the ultimate holding Company under Ind AS 102. The ultimate holding company granted stock options through fellow subsidiary of the company (Safari Digital Education Initiatives Private Limited) and capital contribution is being made in such fellow subsidiary for these stock options, accordingly employee stock compensation expense is booked in the statement of profit and loss account as employee benefit expense and payable is created to fellow subsidiary.

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44 Financial Instruments:- Financial risk management objectives and policies

The Company's principal financial liabilities, comprise loans and borrowings, trade and other payables . The main purpose of these financial liabilities is to finance the Company's operations. The Company's principal financial assets include investments in mutual fund, trade and other receivables, security deposits, cash and short-term deposits that derive directly from its operations.

The Company is exposed to market risk and liquidity risk. The Company's senior management oversees the management of these risks and advises on financial risks and the appropriate financial risk governance framework for the Company. The board provides assurance to the stakeholders that the Company's financial risk activities are governed by appropriate policies and procedures and that financial risks are identified, measured and managed in accordance with the Company's policies and risk objectives. The Board of Directors reviews and agrees policies for managing each of these risks, which are summarised below.

A. Market Risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices.

Market risk comprises three types of risk:-

a.) Interest rate risk,

b.) currency risk and other price risk, such as equity price risk and

c.) commodity risk.

Financial instruments affected by market risk include loans and borrowings, investments, deposits, advances and derivative financial instruments.

The sensitivity analysis in the following sections relate to the position as at 31st March 2022 and 31st March 2022.

The sensitivity analysis have been prepared on the basis that the amount of net debt, the ratio of floating to fixed interest rates of the debt and derivatives and the proportion of financial instruments in foreign currencies are all constant in place at 31st March 2022.

The analyses exclude the impact of movements in market variables on: the carrying values of gratuity and other post-retirement obligations; provisions. The sensitivity of the relevant profit or loss item is the effect of the assumed changes in respective market risks.

a. Interest rate risk.

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company's exposure to the risk of changes in market interest rates relates primarily to the Company's long-term debt obligations with fixed interest rates.

The following table demonstrates the sensitivity to a reasonably possible change in interest rates on that portion of loans and borrowings affected, after the impact of hedge accounting. With all other variables held constant, the Company's profit before tax is affected through the impact on floating rate borrowings, as follows:

(₹ in million)

	Increase/decrease in basis points	**Effect on profit before tax**	**Effect on equity (OCI)**
As at 31st March, 2022			
	+0.5%	(0.32)	-
	-0.5%	0.32	-
As at 31st March, 2021			
	+0.5%	-	-
	-0.5%	-	-

b. Foreign currency risk

Foreign currency risk is the risk that the fair value or future cash flows of an exposure will fluctuate because of changes in foreign exchange rates. The Company's exposure to the risk of changes in foreign exchange rates relates primarily to the Company's operating activities (when revenue or expense is denominated in a foreign currency). As on reporting date, company does not have unhedged foreign currency.

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44 Financial Instruments:- Financial risk management objectives and policies (Continued)

B. Credit Risk

Credit risk is the risk that counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Company is not exposed to any significant credit risk from its operating activities (primarily trade receivables), including deposits with banks and financial institutions, foreign exchange transactions and other financial instruments.

The Ageing analysis of trade receivables (net) as of the reporting date is as follows:

(₹ in million)

Age Bracket	Not due	Less than 6 months	6 months - 1 year	More than 1 years	Total
As at 31 March 2022	0.04	0.28	1.06	1.45	2.83
As at 31 March 2021	-	-	-	-	-

C. Liquidity Risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Company's objective is to maintain a balance between continuity of funding and flexibility through the use of bank overdrafts, and bank loans. The Company's approach to managing liquidity to ensure , as far as possible, that it will have sufficient liquidity to meet its liability when they are due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation. The Company closely monitors its liquidity position and deploys a robust cash management system. The Company manages liquidity risk by maintaining adequate reserves, borrowing liabilities, by continuously monitoring forecast and actual cash flows, profile of financial assets and liabilities. It maintain adequate sources of financing including loans from banks at an optimised cost. The table below provides the details regarding contractual maturities of financial liabilities.

(₹ in million)

	As at 31st March 2022
On Demand	
- Borrowings	-
	-
Less than 1 year	
- Borrowings	-
- Trade payables	191.10
- Other financial liabilities	10.10
- Other current liabilities	4.90
	206.10
More than 1 year	
- Borrowings	64.81
	64.81

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45 Ind AS 115 Revenue from Contracts with Customers

a) Disaggregated revenue information

(₹ in million)

Type of goods or service	1st April 2021 to 31 March 2022	1st April 2020 to 31 March 2021
Income from sales of goods	139.16	-
Income from services	5.68	-
Total revenue from contracts with customers	**144.84**	-
India	144.84	-
Outside India	-	-
Total revenue from contracts with customers	**144.84**	-
Timing of revenue recognition		
Services transferred at a point in time	139.16	-
Services transferred over time	5.68	-
Total revenue from contracts with customers	**144.84**	-

The Company collects Goods and Service Tax (GST); where ever applicable, on behalf of the Government and hence, GST is not included in revenue from contract with customers.

b) Contract Balances

(₹ in million)

	1st April 2021 to 31 March 2022	1st April 2020 to 31 March 2021
Trade receivables	136.89	-
Contract assets	-	-
Contract liabilities (advance from customers)	0.93	-

Trade receivables are non-interest bearing and are generally on terms of 180 days. For year ended March 2022, provision of ₹ 2.04 million is created for expected credit loss and ₹ 0.10 million were reversed on account of write off (March 2021: ₹ Nil).

c) Right of cancellation assets and cancellation liabilities

(₹ in million)

	1st April 2021 to 31 March 2022	1st April 2020 to 31 March 2021
Refund liabilities		-
Arising from discounts	17.69	-
Arising from rights of return	18.73	-
	36.42	-

d) Reconciling the amount of revenue recognised in the statement of profit and loss with the contracted price

(₹ in million)

	1st April 2021 to 31 March 2022	1st April 2020 to 31 March 2021
Revenue as per contracted price	181.26	-
Adjustments		
Sales return	18.73	-
Discount	17.69	-
Revenue from contract with customers	**144.84**	-

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Ind AS 115 Revenue from Contracts with Customers (Continued)

Performance obligation

Information about the Company's performance obligations are summarised below:

Sales of goods

The performance obligation is satisfied upon delivery of the goods to the transporter designated by the customer or to the customer whichever is earlier.

The customer has a right to return material to an extent as may be agreed upon with each customer or within the limits as may be determined by the company. The customer is also eligible for discounts based on achievement of revenue targets as may be agreed.

Sales of services

The performance obligation is satisfied upon performing or providing of promised service under the contract to the customer.

46 Capital management

For the purpose of the Company's capital management, capital includes issued equity capital and all other equity reserves attributable to the equity holders of the company. The primary objective of the Company's capital management is to maximise the shareholder value.

The Company seeks to maintain a balance between the higher returns that might be possible with higher levels of borrowings and the advantages and security afforded by a sound capital position. The primary objective of the company's capital management is to maximise the shareholder value.

The Company monitors capital using a gearing ratio, which is net debt divided by total capital plus net debt. The Company's policy is to keep the gearing ratio between 10% to 30%. The Company measures underlying net debt as total liabilities, comprising interest bearing loans and borrowings less cash and cash equivalents. For the purpose of capital management, total capital includes issued equity capital, share premium and all other reserves attributable to the equity holders of the Company, as applicable.

Company's adjusted net debt to equity ratio as at 31 March 2022 is as follow: **(₹ in million)**

Gearing Ratio	**As at 31st March 2022**
Borrowings (Note 11)	64.81
Less: cash and cash equivalents (Note 5C)	(5.67)
Adjusted Net debt (A)	**59.15**
Equity	220.00
Total equity (B)	**220.00**
Total equity and net debt [C = (A+B)]	**279.14**
Gearing Ratio (A/C)	**21.19%**

In order to achieve this overall objective, the Company's capital management, amongst other things, aims to ensure that it meets financial covenants attached to the interest-bearing loans and borrowings that define capital structure requirements. Breaches in meeting the financial covenants would permit the bank to immediately call loans and borrowings. There have been no breaches in the financial covenants of any interest-bearing loans and borrowing in the current period.

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47 Disclosure as required under Ind AS 108 - Operating Segments

The Company has only one reportable business segment, which is content and operates in a single business segment based on the nature of the products and services, the risk and returns, the organization structure and the internal financial reporting systems. Accordingly, the amounts appearing in the financial statements relate to the Company's single business segment.

48 Previous Period Figures and Comparatives

The company has reclassified previous period's figures to confirm to this year's classification and presentation. Further, figures for the current year (FY 2021-22) are for 12 months and figures for the previous year are from September 04, 2020 to March 31, 2021. Accordingly comparative figures for previous year are not comparable.

As per our report of even date
For **J P Chawla & Co. LLP**
Chartered Accountants
Firm Registration Number: 001875N/N500025

JP CHAWLA & CO. LLP * NOIDA (U.P.) * CHARTERED ACCOUNTANTS

per Richa Chawla
Partner
Membership No.: 518499

Place : Noida
Date : 18-05-2022

For and on behalf of the Board of Directors of
Convergia Digital Education Private Limited

Saurabh Mittal
Director
DIN: 01402533

Place : New Delhi
Date : 18-05-2022

Vinay Sharma
Director
DIN: 07063019

Place : New Delhi
Date : 18-05-2022

CONVERGIA DIGITAL EDUCATION PVT. LTD. *