

(Amount in Lakhs)

Particulars	Note No.	As at 31st March 2022	As at 31st March 2021
ASSETS			
Non-current assets			
(a) Property, Plant and Equipment	3	44	65
(b) Right of use Assets	4	121	166
(c) Intangible assets (other than goodwill)	5	968	1,456
(d) Financial Assets	6	46	46
(i) Security deposits	7	241	241
(e) Deferred tax assets (net)		25	24
(f) Assets for Non-current tax			
Total non-current Assets		1,445	1,998
Current assets			
(a) Inventories	8	1,315	1,411
(b) Financial Assets	9	4,925	4,529
(i) Trade receivables	10	479	309
(ii) Cash and cash equivalents	11	14	3
(iii) Other bank balances	12	136	158
(c) Other current assets			
Total current Assets		6,869	6,410
TOTAL ASSETS		8,314	8,408
EQUITY AND LIABILITIES			
Equity			
(a) Equity Share capital	13	4,935	4,935
(b) Other equity		(4,075)	(3,484)
Total equity		860	1,451
LIABILITIES			
Non-current liabilities			
(a) Financial liabilities	14	23	30
(i) Borrowings	15	88	130
(ii) Lease liabilities	16	5	5
(b) Other non-current liabilities	17	-	-
(c) Provisions			
Total non-current liabilities		116	165
Current liabilities			
(a) Financial Liabilities	18	4,454	3,503
(i) Borrowings		42	37
(ii) Lease liabilities	19		
(iii) Trade payables		218	215
- Amount due of micro and small enterprises		622	1,145
- Amount due of others	20	28	52
(iv) Other financial liabilities	21	136	102
(b) Other current liabilities	17	1,838	1,738
(c) Provisions			
Total current liabilities		7,338	6,792
TOTAL EQUITY AND LIABILITIES		8,314	8,408

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

As per our report of even date attached hereto

For N. A. Shah Associates LLP

Chartered Accountants

Firm Registration No. 116560W / W100149

sd/-

Prashant Daftary

Partner

Membership Number: 117080

Place: Mumbai

Date:

For and on behalf of the board of directors of

Indiannica Learning Private Limited

(Formerly known as Encyclopaedia Britannica (India) Private Limited)

sd/-

Anil D. Gala

Chairman

DIN: 00092952

sd/-

Amit K Gala

Managing director & CFO

DIN: 01335267

sd/-

Amit D. Buch

Company Secretary

Mem. No. A15239

Place: New Delhi

Date:

Indiannica Learning Private Limited
Statement of Profit and Loss for the year ended 31st March 2022
CIN: U22110DL1998PTC094399

(Amount in Lakhs)

Particulars	Note No.	For the year ended 31st March 2022	For the year ended 31st March 2021
Income			
Revenue from operations	22	5,457	3,106
Other income	23	10	10
Total income		5,467	3,116
Expenses			
Cost of materials & components consumed	24	1,587	1,053
Purchase of traded goods and services		55	11
Decrease/ (Increase) in inventories of finished goods	25	142	127
Employee benefits expense	26	1,724	1,865
Finance costs	27	248	267
Depreciation and amortisation expense	28	553	749
Other expenses	29	1,768	1,671
Total expenses		6,077	5,743
(Loss) before tax		(610)	(2,627)
Tax expense:	30		
Current tax		-	-
Deferred tax		(5)	(40)
		(5)	(40)
(Loss) for the year		(605)	(2,587)
Other comprehensive income (OCI):			
(a) Items that will not be reclassified to profit or loss in subsequent year		19	22
Less: Income tax relating to the above		(5)	(6)
(b) Items that will be reclassified to profit or loss in subsequent year		-	-
Less: Income tax relating to the above		-	-
Other comprehensive income for the year, net of tax		14	16
Total comprehensive (loss) for the year (Total of loss and other comprehensive income / (loss) for the year)		(591)	(2,571)
Earnings per equity share of Rs. 10/- each			
Basic and diluted (in INR)	31	(1.23)	(5.24)

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

As per our report of even date attached hereto

For N. A. Shah Associates LLP

Chartered Accountants
Firm Registration No. 116560W / W100149

For and on behalf of the board of directors of
Indiannica Learning Private Limited
(Formerly known as Encyclopaedia Britannica
(India) Private Limited)

sd/-

Prashant Daftary

Partner
Membership Number: 117080

Place: Mumbai

Date:

sd/-

Anil D. Gala

Director
DIN: 00092952

sd/-

Amit K Gala

Managing director & CFO
DIN:01335267

sd/-

Amit D. Buch

Company Secretary
Mem. No. A15239

Place: New Delhi

Date:

Indiannica Learning Private Limited
Cash Flow Statement for the year ended 31st March 2022
CIN: U22110DL1998PTC094399

(Amount in lakhs)

Particulars	For the year ended 31st March 2022	For the year ended 31st March 2021
A. Cash flow from operating activities		
Loss before tax	(610)	(2,627)
Adjustments to reconcile (loss)/ profit before tax to net cash flows		
Depreciation and amortisation expense	553	749
Fixed assets disposed off	-	11
Loss on lease termination	-	28
Finance income	(1)	-
Provision for doubtful debts / (written back)	(81)	530
Provision for doubtful deposit	-	11
Provision for contingencies	149	-
Inventory written off / provision	43	187
Unrealised foreign exchange loss (net)	1	1
Finance costs	248	267
Operating loss before changes in assets and liabilities	302	(842)
Working Capital adjustments:		
Decrease in trade receivables	(316)	926
Decrease/(Increase) in inventories	53	(60)
Increase in other financial assets	(12)	(6)
Decrease/(Increase) in other non-financial assets	21	(34)
Decrease in provisions	(30)	(8)
(Decrease)/Increase in trade payable & other financial liabilities	(545)	235
Decrease in current non-financial liabilities	35	(53)
Cash inflow / (outflow) from operations	(492)	156
Income tax paid (net of refund)	(1)	-
Net cash generated from / (used in) operating activities (A)	(493)	156
B. Cash flow from investing activities		
Purchase of property, plant and equipment	-	(8)
Proceeds from sale of Property, plant and equipment	-	5
Net cash used in investing activities (B)	-	(3)
C. Cash flow from financing activities		
Repayment of NBFC Loan (Vehicle Loan)	(7)	(7)
Loan taken from holding company	2,550	1,130
Loan repaid to holding company	(2,100)	(830)
Proceeds from issuance of equity share capital	-	-
Transaction costs on increase of authorised share capital	-	-
Expenses towards increase in authorised capital	(51)	(171)
Payments of Lease liabilities	(232)	(237)
Interest Paid	-	-
Net cash used in financing activities (C)	160	(115)
Net increase / (decrease) in cash and cash equivalents (A + B + C)	(333)	39
Cash and cash equivalents at the beginning of the year	(2,785)	(2,824)
Cash and cash equivalents at the end of the year (Refer note 1 below)	(3,118)	(2,785)

Indiannica Learning Private Limited
Cash Flow Statement for the year ended 31st March 2022
CIN: U22110DL1998PTC094399

Notes:

- 1 Reconciliation of cash and cash equivalent as per Cash Flow Statement

Particulars	For the year ended 31st March 2022	For the year ended 31st March 2021
Cash & cash Equivalent (Note 10)	479	309
Bank Overdraft (Note 18)	(3,597)	(3,096)
Balance as per Cash Flow Statement	(3,118)	(2,785)

- 2 Changes in financing liabilities arising from cash and non-cash changes (Refer note 43).

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

As per our report of even date attached hereto

For N. A. Shah Associates LLP
Chartered Accountants
Firm Registration No. 116560W / W100149

sd/-
Prashant Daftary
Partner
Membership Number: 117080

Place: Mumbai
Date:

For and on behalf of the board of directors of
Indiannica Learning Private Limited
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Anil D. Gala
Director
DIN: 00092952

sd/-
Amit K Gala
Managing director & CFO
DIN:01335267

sd/-
Amit D. Buch
Company Secretary
Mem. No. A15239

Place: New Delhi
Place: Mumbai

Indiannica Learning Private Limited
Statement of changes in equity for the year ended 31st March 2022
CIN: U22110DL1998PTC094399

A Equity share capital

(Amount in Lakhs)

Balance as at 31st March 2020	Changes in equity share capital during the year 2020-21	Balance as at 31st March 2021	Changes in equity share capital during the year 2021-22	Balance as at 31st March 2022
4,935	-	4,935	-	4,935

B Other equity

(Amount in Lakhs)

Particulars	Optionally Convertible Preference Shares Refer note (a) below	Reserves and surplus		Other Comprehensive Income	Total other equity
		Securities premium	Retained earnings	Remeasurement on defined benefit plan	
As at 31st March 2019	-	2,106	(6,080)	3	(3,971)
(Loss) for the period	-	-	(1,811)	-	(1,811)
Optionally Convertible Preference Shares[Refer Note (a) below]	4,900	-	-	-	4,900
Expenses for increase in authorised capital	-	-	(44)	-	(44)
Remeasurement on defined benefit plan	-	-	-	13	13
As at 31st March 2020	4,900	2,106	(7,936)	16	(913)
(Loss) for the period	-	-	(2,587)	-	(2,587)
Remeasurement on defined benefit plan	-	-	-	16	16
As at 31st March 2021	4,900	2,106	(10,523)	32	(3,484)
(Loss) for the period	-	-	(605)	-	(605)
Remeasurement on defined benefit plan	-	-	-	14	14
As at 31st March 2022	4,900	2,106	(11,128)	46	(4,075)

Notes:

- a) The Company had issued Nil (Previous year: 4,90,00,000) Optionally Convertible Preference Shares (OCPS) of Rs. 10 each aggregating to Rs. NIL (Previous year : 4,900 Lakhs). The OCPSs were issued on a right basis to holding company 'Navneet Education Limited' at face value. The OCPSs carries 0% coupon rate. The Company has an option to convert OCPS into same number of Equity shares of the Company of Rs. 10 each (being face value of the shares) at any time after allotment date but before end of 20 years. In case OCPS are not converted by the Company, they shall be redeemed at par in full not later than 20 years from the date of allotment. In the opinion of the management of the Company, the OCPS would be fully converted into equity and there is no obligation to redeem the OCPS, considering the same, the OCPS have been classified as equity. Tabulated below allotment dates on which OCPSs were issued in previous year:

Particulars	Date of allotment
3,90,00,000 OCPS of Rs. 10 each	09-Sep-19
25,00,000 OCPS of Rs. 10 each	26-Sep-19
20,00,000 OCPS of Rs. 10 each	03-Dec-19
10,00,000 OCPS of Rs. 10 each	13-Dec-19
30,00,000 OCPS of Rs. 10 each	29-Jan-20
15,00,000 OCPS of Rs. 10 each	18-Mar-20

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

As per our report of even date attached hereto

For N. A. Shah Associates LLP

Chartered Accountants

Firm Registration No. 116560W / W100149

sd/-

Prashant Daftary

Partner

Membership Number: 117080

Place: Mumbai

Date:

For and on behalf of the board of directors of

Indiannica Learning Private Limited

(Formerly known as Encyclopaedia Britannica (India) Private Limited)

sd/-

Anil D. Gala

Director

DIN: 00092952

sd/-

Amit K Gala

Managing director

DIN: 01335267

sd/-

Amit D. Buch

Company Secretary

Mem. No. A15239

Place: New Delhi

Date:

1 Corporate Information

Indiannica Learning Private Limited is a private limited company domiciled in India (CIN number U22110DL1998PTC094399); and is a subsidiary of Navneet Education Limited ('the Holding Company' and 'the Ultimate Holding Company'). The Company's operations comprises of publishing and sale of educational books with products ranging from school books, reference books, technical & professional books.

The financial statements were authorised for issue by the Board of Directors 13th May 2022.

2 Basis of preparation

a) Statement of compliance:

The financial statements of the Company have been prepared in accordance with the Indian Accounting Standards ('Ind AS') notified under section 133 of the Companies Act, 2013, read together with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 and Companies (Indian Accounting Standards) Amendment Rules, 2016 issued by the Ministry of Corporate Affairs. Accounting policies have been consistently applied except where a newly issued accounting standard is initially adopted or a revision to an existing accounting standard requires a change in the accounting policy hitherto in use.

b) Functional and presentation of currency

The financial statements are prepared in Indian Rupees which is also the Company's functional currency. All amounts are rounded to the nearest lakhs.

c) Basis of measurement

The financial statements have been prepared on a historical cost basis except for the following:

- i) Certain financial assets and financial liabilities measured at fair value (refer accounting policy regarding financial instruments)
- ii) Defined benefit plans – plan assets measured at fair value

2.1 Summary of significant accounting policies

(a) Presentation and disclosure of financial statements

All assets and liabilities have been classified as current and non-current as per Company's normal operating cycle and other criteria set out in the division II of Schedule III of the Companies Act, 2013, for a company whose financial statements are made in compliance with the Companies (India Accounting Standards) Rules, 2015 as amended by the Companies (Indian Accounting Standards) Rules, 2016 and also the subsequent amendments which were notified during the year and applicable to the period.

(b) Property, plant and equipment and depreciation

Property, plant and equipment including capital work in progress are stated at cost, net of accumulated depreciation and accumulated impairment losses, if any. The cost comprises purchase price and directly attributable cost of bringing the asset to its working condition for the intended use.

Subsequent expenditure related to an item of Property, plant and equipment is added to its book value only if it increases the future benefits from the existing asset beyond its previously assessed standard of performance. All other expenses on existing Property, plant and equipment, including day-to-day repair and maintenance expenditure and cost of replacing parts, are charged to the statement of profit and loss for the period during which such expenses are incurred.

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

Parts (major components) of an item of property, plant and equipments having different useful lives are accounted as separate items of property, plant and equipments.

Depreciation on assets is calculated on a straight-line basis as per the useful lives of the assets prescribed under the Schedule II (under section 123) to the Companies Act, 2013, except:

- a) in respect of servers and networks where the Company has estimated useful life of 3 years being lower than the useful life of 6 years as prescribed under Part C of Schedule II of the Companies Act, 2013, based on its internal technical assessment.
- b) Leasehold improvements are depreciated over the period of lease term or 10 years, whichever is less.

The residual values, useful lives and methods of depreciation of property, plant and equipment are reviewed at each balance sheet date and in case of any changes, effect of the same is given prospectively.

(c) Intangible assets and amortisation

Intangible assets are recognized when the entity controls the asset, it is probable that future economic benefits attributed to the asset will flow to the entity and the cost of the asset can be reliably measured.

At initial recognition, intangible assets are recognised at cost. Intangible assets with finite useful lives are carried at cost less accumulated amortisation and accumulated impairment losses, if any.

Intangible assets with infinite life are amortised over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method for an intangible asset 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 considered to modify the amortisation period or method, as appropriate, and are treated as changes in accounting estimates. The amortisation expense on intangible assets is recognised in the statement of profit and loss unless such expenditure forms part of carrying value of another asset.

The Company has assessed the estimated useful lives of different categories of intangible assets as follows:

- a) License is capitalized at the amounts paid to acquire the respective license for use and is amortised over the period of license.
- b) Software are amortized over the period of 2.5 years (SLM)

Gains or losses arising from derecognition 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 and loss when the asset is derecognised

(d) 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 group 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.

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. Impairment losses, if any, are recognized in Statement of Profit and Loss as a component of depreciation and amortisation expense.

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 to the extent 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 or amortisation, had no impairment loss been recognised for the asset in prior years. Such reversal is recognized in the statement of profit and loss when the asset is carried at the revalued amount, in which case the reverse is treated as a revaluation increase.

(e) Current versus non-current classification

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

- > Expected to be realised or intended to be sold or consumed in normal operating cycle
- > Held primarily for the purpose of trading
- > 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 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.

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

(f) Leases

The Company has adopted Ind AS 116 'Leases' effective from 1st April 2019, as notified by the Ministry of Corporate Affairs in the Companies (Indian Accounting Standard) Amendment Rules, 2019. The adoption of this standard did not had any impact on the loss for the year.

As a lessee

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

At commencement or on modification of a contract that contains a lease component, the Company allocates the consideration in the contract to each lease and non-lease component on the basis of their relative stand-alone prices.

The Company recognises a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprise of the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date net of lease incentive received, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located.

The right-of-use assets is subsequently measured at cost less any accumulated depreciation, accumulated impairment losses, if any and adjusted for any remeasurement of the lease liability. The right-of-use asset is depreciated using the straight-line method from the commencement date over the shorter of lease term of right-of-use asset.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Company's incremental borrowing rate. The lease liability is measured at amortised cost using the effective interest method.

The Company has elected not to recognise right-of-use assets and lease liabilities for leases of low-value assets and short-term leases. The Company recognises the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

Right-of-use assets and lease liability balances are adjusted on partial / full termination of lease and corresponding gain / loss on such partial / full termination is charged to other income / other expenses in the Statement of Profit and Loss.

(g) Cash and cash equivalents

Cash and cash equivalents include cash in hand, bank balances, deposits with banks (other than on lien) and all short term and highly liquid investments that are readily convertible into known amounts of cash and are subject to an insignificant risk of changes in value.

(h) 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

All financial assets are recognised initially at fair value plus, in the case of financial assets not recorded at fair value through profit or loss, transaction costs that are attributable to the acquisition of the financial asset.

Subsequent measurement

Debt instruments at amortised cost

Debt instruments at fair value through other comprehensive income (FVTOCI)

Debt instruments, derivatives and equity instruments at fair value through Profit & Loss (FVTPL)

Equity instruments measured at fair value through other comprehensive income (FVTOCI)

(a) Debt instruments at amortised cost

The category applies to the Company's trade and other receivables, cash and cash equivalents, security and other deposits.

A 'debt instrument' is measured at the amortised cost if both the following conditions are met:

- a) The financial asset is held within a business model whose objective is to hold assets for collecting contractual cash flows and
- b) 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 amortisation is included in finance income in the statement of profit and loss.

(b) Debt instruments at fair value through other comprehensive income (FVTOCI)

A 'debt instrument' is classified at the FVTOCI if both of the following criteria are met

- Financial asset is held with the business model whose objective is achieved both by collecting contractual cash flows and selling the financial assets and
- Contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding

After initial measurement, such financial assets are subsequently measured at fair value and fair value movements are recognised in other comprehensive income. However, interest income, impairment losses & reversal of impairment losses and foreign exchange gain or loss is recognised in the statement of profit and loss. On derecognition of the asset, cumulative gain or loss previously recognised in other comprehensive income is reclassified from the equity to statement of profit and loss. Interest earned whilst holding FVTOCI debt instrument is reported as interest income using the effective interest method.

(c) Debt instruments at fair value through profit or loss (FVTPL)

FVTPL is a residual category for debt instruments. Any debt instrument, which does not meet the criteria for categorization at amortized cost or at FVTOCI, is classified at FVTPL.

In addition, the Company may elect to designate a debt instrument, which otherwise meets amortized cost or FVTOCI criteria, at FVTPL. However, such election is allowed only if doing so reduces or eliminates a measurement or recognition inconsistency (referred to as 'accounting mismatch').

Debt instruments included within the FVTPL category are measured at fair value with all changes recognised in the statement of profit and loss. The Company has not designated any debt instrument at FVTPL.

(d) Equity instruments measured at fair value

An equity instrument is any contract that evidences a residual interest in the assets of the Company after deducting all of its liabilities. Equity instruments are recorded at the proceeds received, net of direct issue costs. All equity instruments are measured at fair value in the balance sheet, with value changes recognised in the statement of profit and loss except for those equity instruments for which the entity has elected to present value changes in other comprehensive income. The Company makes such election on an instrument by instrument basis. The classification is made on initial recognition and is irrevocable.

If the Company decides to classify an equity instrument at FVTOCI, then all fair value changes on the instrument, excluding dividends, are recognised in the other comprehensive income. There is no recycling of the amounts from other comprehensive income to statement of profit and loss, even on sale of investment. However, the Company may transfer the cumulative gain or loss within equity. The Company has not designated any equity instrument at FVTOCI.

Derecognition

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

- (a) The rights to receive cash flows from the asset have expired or
- (b) 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
 - i. The Company has transferred substantially all the risks and rewards of the asset or
 - ii. 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.

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 financial assets that are debt instruments and are initially measured at fair value with subsequent measurement at amortised cost.

The Company follows 'simplified approach' for recognition of impairment loss allowance for trade and other receivables.

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 whether there has been a significant increase in the credit risk since initial recognition. If credit risk has not increased significantly, twelve month ECL is used to provide for impairment loss. However, if credit risk has increased significantly, lifetime ECL is used. If, in the 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 a twelve month ECL.

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.

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 or payables, 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, etc.

Subsequent measurement

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

Financial liabilities at amortised cost

This category includes trade and other payables etc. After initial recognition, such liabilities are subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in statement of profit and 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.

Financial liabilities at fair value through profit or loss (FVTPL)

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. Separated embedded derivatives are also classified as held for trading unless they are designated as effective hedging instruments.

Gains or losses on liabilities held for trading are recognised in the statement of profit and 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 recognised in other comprehensive income. These gains / losses are not subsequently transferred to statement of profit and loss. 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 and loss. The Company has not designated any financial liability as at fair value through profit or loss.

Loans & borrowings

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortized cost using the Effective Interest Rate (EIR) method. Gains and losses are recognised in statement of profit and loss when the liabilities are derecognised as well as through the EIR amortization process.

Amortized 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 as finance costs in the statement of profit and loss.

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 and loss.

Classification as debt or equity instrument

Financial liabilities and equity instruments issued by the Company are classified according to the substance of the contractual arrangements entered into and the definitions of a financial liability and an equity instrument

Compound financial instruments

The liability component of a compound financial instrument is recognised initially at fair value of a similar liability that does not have an equity component. The equity component is recognised initially as the difference between the fair value of the compound financial instrument as a whole and the fair value of the liability component. Any directly attributable transaction costs are allocated to the liability and the equity components, if material, in proportion to their initial carrying amounts.

Subsequent to the initial recognition, the liability component of a compound financial instrument is measured at amortized cost using the effective interest rate method. The equity component of a compound financial instrument is not re-measured subsequent to initial recognition except on conversion or expiry.

Re-classification of financial assets

The Company determines classification of financial assets and liabilities on initial recognition. After initial recognition, no re-classification is made for financial assets which are equity instruments and financial liabilities. For financial assets which are debt instruments, a re-classification 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 re-classifies financial assets, it applies the re-classification prospectively from the re-classification 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 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.

(i) Inventories

- i. Materials: cost includes cost of purchase and other costs incurred in bringing the inventories to their present location and condition. Cost is determined on first in, first out basis.
- ii. Finished goods: Finished goods are valued at the lower of cost and net realisable value. cost includes cost of purchase of direct materials and labour. Cost is determined on first in, first out basis.
- iii. 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 a first in first out 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.

(j) Revenue recognition

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured. Revenue is measured at the fair value of the consideration received or receivable and represents amounts receivable for services or goods provided in the normal course of business. Revenue is recorded net of returns, trade discount, cash discount, other rebates and taxes (if any).

- i. Sale of goods
Revenue is recognized upon transfer of control of promised products to customers, which is typically upon delivery of the goods to the customer, in an amount that reflects the expected consideration to be received in exchange for those products, are recorded at the fair value of the consideration received or receivable, net of returns and allowances, trade, volume & other discounts.
- ii. Subscription of digital content and royalty for right to use license:
Revenue from subscription of digital content and royalty for right to use license are accounted over the subscription period / agreement period in accordance with the terms of the arrangement on straight line basis.
- iii. Interest
Interest income is recognised as it accrues in statement of profit and loss, using the effective interest rate (EIR) which is the rate that exactly discounts the estimated future cash receipts through the expected life of the financial instrument or a shorter period, where appropriate, to the net carrying amount of the financial asset.

(k) Taxes

The income tax expense comprises of current and deferred income tax. Income tax is recognized in the statement of profit and loss, except to the extent that it relates to items recognized in the other comprehensive income or directly in equity, where the related income tax is also recognised accordingly.

Current income tax

The current tax is calculated on the basis of the tax rates, laws and regulations, which have been enacted or substantively enacted as at the reporting date. The payment made in excess / (shortfall) of the Company's income tax obligation for the period are recognized in the balance sheet as current income tax assets / liabilities.

Any interest / penalties, related to accrued liabilities for potential tax assessments are not included in income tax charge or (credit), but are rather recognised within finance costs.

The Company 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 on the basis of amounts expected to be paid to the tax authorities.

Deferred tax

Deferred tax is provided using the liability method on temporary differences between the tax bases of assets and liabilities at the reporting date.

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.

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

(l) Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalised as part of the cost of the asset. All other borrowing costs are expensed in the period in which they occur. Borrowing costs consist of interest expenses calculated as per effective interest method, exchange difference arising from foreign currency borrowings to the extent they are treated as an adjustment to the borrowing cost and other costs that an entity incurs in connection with the borrowing of funds.

(m) Employee benefits

i) Short term employee benefit

All employee benefits falling due wholly within twelve months after the end of the reporting period are classified as short term employee benefits and they are recognised as an expense at the undiscounted amount in the statement of profit and loss in the period in which the employee renders the related service.

ii) Post-employment benefits

a) Defined contribution plan

The defined contribution plan is post-employment benefit plan under which the Company contributes fixed contribution to a government administered fund and will have no legal or constructive obligation to pay further contribution. The Company's defined contribution plan comprises of Provident Fund, Labour Welfare Fund, Employee State Insurance Scheme and Government Pension Fund. The Company's contribution to defined contribution plans are recognised in the statement of profit and loss in the period in which the employee renders the related services.

b) Defined benefit plan

The Company's obligation towards gratuity liability is not funded. The present value of the defined benefit obligations is determined based on actuarial valuation using the projected unit credit method. The rate used to discount defined benefit obligation is determined by reference to market yields at the Balance Sheet date on Indian Government Bonds for the estimated term of obligations.

Re-measurements comprising of (a) actuarial gains and losses, (b) the effect of the asset ceiling (excluding amounts included in net interest on the net defined benefit liability) and (c) 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 other comprehensive income in the period in which they occur. Re-measurements are not reclassified to statement of profit and loss in subsequent periods.

The interest cost on defined benefit obligation is recognised under finance cost.

Gains or losses on the curtailment or settlement of defined benefit plan are recognised when the curtailment or settlement occurs.

c) Compensated absences

The Company has benefits in the form of compensated absences. The present value of such compensated absences is determined based on actuarial valuation using the projected unit credit method. The rate used to discount defined benefit obligation is determined by reference to market yields at the Balance Sheet date on Indian Government Bonds for the estimated term of obligations.

Actuarial gains or losses arising on account of experience adjustment and the effect of changes in actuarial assumptions are recognised immediately in the statement of profit and loss as income or expense.

Gains or losses on the curtailment or settlement of other long-term benefits are recognised when the curtailment or settlement occurs.

(n) Provisions

(i) General

A provision is recognised when the Company has a present obligation (legal or constructive) as a result of past event and it is probable that an outflow of resources will be required to settle the obligation, in respect of which a reliable estimate can be made.

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.

Provisions are reviewed at the end of each reporting period and adjusted to reflect the current best estimate. If it is no longer probable that an outflow of resources would be required to settle the obligation, the provision is reversed.

(ii) Contingent assets/ liabilities

Contingent assets are not recognised. However, when realisation of income is virtually certain, then the related asset is no longer a contingent asset, and is recognised as an asset.

Contingent liabilities are disclosed in notes to accounts when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company or a present obligation that arises from past events where it is either not probable that an outflow of resources will be required to settle or a reliable estimate of the amount cannot be made.

(o) Earnings per share

Basic earnings per share is calculated by dividing the net profit or loss (after tax) for the year attributable to ordinary equity shareholders of the Company by the weighted average number of equity shares outstanding during the year. The weighted average numbers of shares also includes fixed number of equity shares that are issuable on conversion of compulsorily convertible instruments and it is included from the date consideration is receivable (generally the date of their issue) of such instruments.

Diluted earnings per share is calculated by dividing the net profit or loss (after tax) for the year attributable to ordinary equity shareholders of the Company by the weighted average number of equity shares outstanding during the year are adjusted for the effects of all dilutive potential equity shares.

(p) Fair value measurement

The Company measures certain financial instruments 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
- 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.

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.

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

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorized 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 — unadjusted quoted price in active markets for identical assets and liabilities.

Level 2 — inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly

Level 3 — unobservable inputs for the asset or liability

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.

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.

(q) Foreign currency transactions

The Company's financial statements are presented in reporting currency, 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 revenues and incurs expenses.

Transactions in foreign currencies are initially recorded at the spot rates prevailing at the date the transaction.

Monetary assets and liabilities denominated in foreign currencies are translated into the functional currency at the closing exchange rate prevailing as at the reporting date with the resulting foreign exchange differences recognised in the statement of profit and loss.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transactions.

(r) Segment reporting policies

The operating segments have been identified taking into account the nature of the products / services, nature of risks and returns, internal organization structure and internal financial reporting system. In accordance with Ind AS 108, identification of the operating segment is based on the conditions specified in paragraph 5 to the standard, i.e. the segment engages in business activities, performance is regularly reviewed by CODM and discrete financial information is available for the segment.

Operating Segments are reported in a manner consistent with internal reporting provided to the Chief Operating Decision Maker (CODM). The Company prepares its segment information in conformity with the accounting policies adopted for preparing and presenting the financial statements of the Company as a whole.

(s) Cash Flow Statement

Cash Flows are reported using the indirect method, whereby net profit before tax is adjusted for the effects of transactions of non-cash nature, any deferrals or accruals of past or future operating cash receipts or payments and item of income or expenses associated with investing or financing cash flows. The cash flows from operating, investing and financing activities of the Company are segregated.

2.2 Significant accounting judgements, estimates and assumptions

The preparation of the Company's financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the accompanying disclosures, and the disclosure of contingent liabilities. 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.

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 consolidated 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.

(a) Impairment of Licenses

Impairment testing is an area involving management judgement, requiring assessment as to whether the carrying value of assets can be supported by the net present value of future cash flows derived from such assets using cash flow projections which have been discounted at an appropriate rate. In calculating the net present value of the future cash flows, certain assumptions are required to be made in respect of highly uncertain matters including management's expectations of future growth, discount rates etc. The company has prepared projections for next 5 years which have been used for the said calculations.

(b) Allowances for doubtful receivables

The management estimates at each reporting date the recoverability of its trade and other receivables. Allowances for doubtful receivables is estimated based on the best available facts and circumstances, including but not limited to, confirmation from the customers using the ECL approach. The allowances are re-valued and adjusted as additional information received affects the amount estimated.

(c) Defined benefit plan

The cost of defined benefit plan as well as the present value of the benefit obligations are determined using actuarial valuations. The actuarial valuation involves making various assumptions. These include determination of discount rates, future salary increase and mortality rates. Due to complexity of the valuation and the underlying assumptions, defined benefit plan obligations are highly sensitive to changes in these assumptions.

(d) Fair value of financial instruments

Where the fair value of the financial statements recorded on balance sheet cannot be derived from active markets, they are determined using valuation techniques including the discounted cash flow method. The input to these models are derived from observable market data where possible, but where this is not feasible, a degree of judgement is required in establishing fair values.

(e) Income taxes

The Company has exposure to income taxes primarily in Indian jurisdictions. Deferred tax assets are recognized to the extent that it is probable that taxable profit will be available against which losses can be utilized. Significant management's judgement is required to determine the amounts of deferred tax assets that can be recognized, based upon the likely timing and level of future taxable profits along with future tax planning strategies. Considering lower probability of future taxable profit, utilisation of deferred tax asset is not certain, hence the same is not recognised in full and also carry forward losses and unabsorbed depreciation are not considered for calculation of DTA.

2.3 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 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.

Indiannica Learning Private Limited
Notes to the financial statements for the year ended 31st March 2022
CIN: U22110DL1998PTC094399

3 Property, plant and equipment

(Amount in Lakhs)

Particulars	Computers	Office equipment	Furniture and fixtures	Leasehold Improvements (Refer note 3.2 below)	Motor vehicles	Total
Gross block						
As at March 31, 2020	160	22	32	171	62	447
Additions	3	4	1	-	-	9
Disposals / capitalisation of assets	(5)	(4)	(28)	(171)	-	(208)
As at March 31, 2021	158	22	5	0	62	247
Additions	#					
Disposals / Adjustments		22	5	0	62	247
As at March 31, 2022	158	22	5	0	62	247
Accumulated depreciation						
As at March 31, 2020	126	16	12	83	15	252
Charge for the year	20	3	3	88	8	122
Disposals	(3)	(4)	(14)	(171)	-	(192)
As at March 31, 2021	143	15	1	0	23	182
Charge for the year	10	2	1	-	8	21
Disposals / Adjustments						-
As at March 31, 2022	153	17	2	0	31	203
Net book value						
As at March 31, 2021	15	7	4	-0	39	65
As at March 31, 2022	5	5	3	-0	31	44

Notes:

- 3.1 For details of charge on above assets, refer note 18.3 of the financial statement.
- 3.2 In the previous year, the Company has pre-maturely terminated the lease agreement for office premises. Accordingly, following adjustments have been made in financial statements:
- a) Disposal / adjustment from gross block and accumulated depreciation in block of leasehold improvements (additional depreciation impact of Rs. 72 Lakhs).
- b) Disposal / adjustment from gross block and accumulated depreciation in note 4 'Right of use Assets' and in note 15 'Lease Liabilities are accounted on such pre-mature termination of lease (net balance adjusted is Rs. 28 Lakhs). Corresponding impact of the same is given in note 29 'Other expenses'.

Indiannica Learning Private Limited

Notes to the financial statements for the year ended 31st March 2022

CIN: U22110DL1998PTC094399

4 Right of use Assets

Particulars	(Amount in Lakhs)
Gross block	Office premises
As at March 31, 2020	831
Additions	176
Disposals / adjustments	(831)
As at March 31, 2021	176
Additions	
Disposals / adjustments	
As at March 31, 2022	176
Accumulated depreciation	
As at March 31, 2020	162
Charge for the year	132
Disposals / adjustments	(284)
As at March 31, 2021	10
Charge for the year	44
Disposals / adjustments	
As at March 31, 2022	54
Net book value	
As at March 31, 2021	166
As at March 31, 2022	121

Notes:

4.1 For details of other disclosures required under Ind AS 116 on above assets, refer note 35 of the financial statement.

4.2

Refer note 3.2 for adjustment on account of pre-mature termination of lease.

5 Intangible assets (other than goodwill)

(Amount in Lakhs)

Particulars	Software	Licenses	Total
Gross block			
As at March 31, 2020	62	3,500	3,562
Additions	-	-	-
Disposal	-	-	-
As at March 31, 2021	62	3,500	3,562
Additions	-	-	-
Disposal	-	-	-
As at March 31, 2022	62	3,500	3,562
Accumulated Amortisation			
As at March 31, 2020	43	1,568	1,611
Additions	13	482	495
Disposal	-	-	-
As at March 31, 2021	56	2,050	2,106
Additions	6	482	488
Disposal	-	-	-
As at March 31, 2022	62	2,532	2,594
Net book value			
As at March 31, 2021	6	1,450	1,456
As at March 31, 2022	0	968	968

- 5.1 Impairment test for Licenses has been carried out by the management based on the projections provided. Remaining useful life of this license is also two years for which projections are made. The value in use of the future earnings based on the projections is significantly higher than the carrying value of the licenses. Some of the assumptions based on which projections are prepared based on market estimates and management judgements which have been relied upon by the auditors.

- 5.2 Disclosures on impairment test for licenses

- Impairment loss recognised / (reversal) in the Statement of Profit & Loss and in the Other Comprehensive Income is Rs. Nil (Previous year: Rs. Nil).
- Assumptions used to determine the recoverable amount of brand licenses, are prepared based on market estimates and management judgements (i.e. Growth rate, EBIT, discount rate etc.)
- The management has carried out sensitivity analysis of discount rate and growth rate considered to arrive at value in use and accordingly to the same also, there is no provision for impairment required.

- 5.3 Details of remaining amortisation period and carrying value of intangibles are as under:

Description	Carrying amount as at		Remaining useful life as at [in months]	
	March 31, 2022	March 31, 2021	March 31, 2022	March 31, 2021
Software	-	6	-	9 to 14
Licenses	968	1,450	24	36
Total	968	1,456		

6 Security deposits

At amortised cost

(Unsecured, considered good)

Security deposits

Less: Provision for doubtful deposit

Total

March 31, 2022	March 31, 2021
57	57
(11)	(11)
46	46

7 Deferred tax relates to the following

Particulars	Balance sheet		Statement of profit and loss	
	March 31, 2022	March 31, 2021	March 31, 2022	March 31, 2021
(Amount in Lakhs)				
Deferred tax liability				
Accelerated depreciation for tax purposes	(107)	(107)	-	24
Lease assets net of lease liabilities	-	-	-	4
	(107)	(107)	0	28
Deferred tax Assets				
Provision for sales returns	72	72	0	(64)
Provision for obsolete inventories	38	38	-	(54)
Provision for employee benefits	30	30	-	3
Provision for doubtful receivables	150	150	-	83
Provision for bonus	58	58	-	38
	348	348	-	7
Deferred tax (expense)/income				
Net deferred tax assets	241	241	0	34
Reconciliation of deferred tax assets (net)				
Opening balance			March 31, 2022	March 31, 2021
Tax (expense) during the year recognised in profit or loss			241	207
Tax income/(expense) during the year recognised in OCI			5	40
Closing balance			(5)	(6)
			241	241

The Company offsets tax assets and liabilities if and only if it has a legally enforceable right to set off current tax assets and current tax liabilities and the deferred tax assets and deferred tax liabilities related to income taxes levied by the same tax authority.

7.1 Considering lower probability that future taxable profit will allow the deferred tax asset to be recovered, Deferred Tax Assets has not been recognised on carry forward losses and unabsorbed depreciation. In previous year, Deferred Tax Assets (DTA) has been partially recognised to the extent it is certain to be utilised. Accordingly, carry forward losses and unabsorbed depreciation are not considered for calculation of partial DTA.

7.2 Also refer note 30(c).

Indiannica Learning Private Limited
Notes to the financial statements for the year ended 31st March 2022
CIN: U22110DL1998PTC094399

Particulars	(Amount in Lakhs)	
	March 31, 2022	March 31, 2021

8 Inventories (valued at lower of cost or net realizable value)		
Materials	51	5
Less: Provision for Obsolete Material	(5)	(5)
	46	-
Finished goods		
Manufactured goods	1,347	1,554
Less: Provision for Obsolete Inventory	(114)	(203)
	1,233	1,351
Traded goods	36	60
Total	1,315	1,411

8.1 During the year, the Company has written off Rs. 131 Lakhs (Previous Year: Rs. 382 Lakhs) & charged to the Statement of Profit & Loss.

9 Trade receivables		
Considered good	5,606	5,351
Significant increase in credit risk	-	-
Credit impaired	-	-
	5,606	5,351
Considered good		
Less: Allowance for bad and doubtful debts & credit losses	(681)	(822)
Total	4,925	4,529

9.1 Trade receivables ageing schedule as at 31st March 2022

Particulars	Outstanding for following periods from due date of payment						
	Not due	Less than 6 months	6 months - 1 year	1 - 2 years	2 - 3 years	More than 3 years	Total
(i) Undisputed Trade receivables - considered good	4,835	25	128	106	175	206	5,475
(ii) Disputed Trade receivables - which have significant increase in credit risk	-	-	-	-	-	131	131
Less: Allowance for bad and doubtful debts & credit losses	-	-	-	-	-	-	(681)
Total	4,835	25	128	106	175	337	4,925

Particulars	Outstanding for following periods from due date of payment Previous year						
	Not due	Less than 6 months	6 months - 1 year	1 - 2 years	2 - 3 years	More than 3 years	Total
(i) Undisputed Trade receivables - considered good	4,231	168	172	350	204	75	5,200
(ii) Disputed Trade receivables - which have significant increase in credit risk	-	-	-	-	7	144	151
Less: Allowance for bad and doubtful debts & credit losses	-	-	-	-	-	-	(822)
Total	4,231	168	172	350	211	219	4,529

9.3 No trade or other receivable are due from directors or other officers of the Company either severally or jointly with any other person. Nor any trade or other receivable are due from firms or private companies respectively in which any director is a partner, a director or a member.
Trade receivables are non-interest bearing and are generally on credit terms of 90 to 120 days.

9.4 The Company follows simplified approach & the trade receivables do not contain significant financing component and accordingly the Company does not separately track changes in credit risk of trade receivables as the impairment amount represents "lifetime" expected credit loss. Accordingly, the disclosure as required by Schedule III, Division II as regards (a) Trade Receivables which have significant increase in credit risk & (b) Trade Receivables which are credit impaired is not required. In addition to collective pool assessment, the Company has carried out individual assessment as well, however, the amount of loss allowance to be recognised for such trade receivables is Rs. Nil (Previous year: Rs. Nil).

10 Cash and cash equivalents

Cash On hand	#	#
Balance with Scheduled Banks		
- On current accounts	479	309
Total	479	309

11 Other bank balances

Margin money deposits (Refer note 11.1 below)		
Fixed deposits with original maturity for more than 3 months but less than 12 months	4	3
	10	-
Total	14	3

11.1 Margin money deposit balance represents restricted deposits (along-with accrued interest thereon) under lien (subject to first charge to secure the Company's bank guarantee) placed with sales tax authorities.

12 Other current assets

Advance to suppliers	103	129
Less: Allowance for doubtful advances	(56)	(56)
	47	73
Prepayments	33	27
Advances to Employees for expenses	39	43
Goods and Service Tax	13	15
Prepaid gratuity	6	-
Total	136	158

13 Share capital

		(Amount in Lakhs)	
		2021-2022	2020-2021
a) Authorised share capital			
5,07,00,000 (Previous year: 5,07,00,000) equity shares of Rs.10/- each		5,070	5,070
4,90,00,000 (Previous year: 4,90,00,000) optionally convertible preference shares of Rs.10/- each		4,900	4,900
Total Authorised capital		9,970	9,970

b)	2021-2022		2020-2021	
	No. of shares	Amount in Lakhs	No. of shares	Amount in Lakhs
Equity shares				
At the beginning of the year	4,93,51,063	4,935	4,93,51,063	4,935
Add: Shares Issued	-	-	-	-
Less: Shares Cancelled / Buy Back	-	-	-	-
At the end of the year	4,93,51,063	4,935	4,93,51,063	4,935
0% Optionally Convertible Preference Shares				
At the beginning of the year	4,90,00,000	4,900	-	-
Add: Shares Issued	-	-	4,90,00,000	4,900
Less: Shares Cancelled / Buy Back	-	-	-	-
At the end of the year	4,90,00,000	4,900	4,90,00,000	4,900

Note - The proceeds from issue of shares during the previous year had been used in accordance with the purpose of the issue.

c) Rights, preference and restrictions attached to shares:

Equity shares

The Company has only one class of equity shares having par value of Rs.10 per share. Each holder of equity shares is entitled to one vote per share. 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 amount. The distribution will be in proportion to the equity shares held by the shareholders.

0% Optionally Convertible Preference Shares

The Company has only one class of 0% Optionally Convertible Preference Shares having par value of Rs.10 per share. Refer note (a) to the Statement of Changes in Equity.

d) Details of shareholders (as per the register of shareholders) holding more than 5% of shares in the Company:

Particulars	As at 31st March 2022		As at 31st March 2021	
	No. of shares	% holding	No. of shares	% holding
Equity shares of Rs. 10 each fully paid up				
Navneet Education Limited, the holding company	4,93,51,048	99.99%	4,93,51,048	99.99%
Optionally Convertible Preference Shares				
Navneet Education Limited, the holding company	4,90,00,000	100.00%	4,90,00,000	100.00%

Note - As per records of the Company, including its register of shareholders / members, the above shareholding represents legal ownerships of shares.

e) Aggregate number of shares issued for consideration other than cash during the period of five years immediately preceding the reporting date:

There is no issue of shares pursuant to contract without payment being received in cash during the previous five years.

f) Shareholding of Promoters as under:

Shares held by promoters at the end of the year				% Change during the year
Sr. no	Promoter Name	No. of Shares	% of total shares	
1	Navneet Education Ltd.	4,93,51,048	99.99%	-
Shares held by promoters at the end of the year Previous Year				% Change during the year
Sr. no	Promoter Name	No. of Shares	% of total shares	
1	Navneet Education Ltd.	4,93,51,048	99.99%	-

Particulars	(Amount in Lakhs)	
	March 31, 2022	March 31, 2021
14 Borrowings		
Non-current borrowings		
Vehicle Loan (Secured)		
Indian rupee loan from NBFC (Refer note 14.1 below)	30	37
Less: Amount presented under 'Short Term Borrowings' (Refer note 18)	(7)	(7)
Total	23	30

14.1 Vehicle loan (Secured) amounting to Rs. 55 Lakhs was taken during the financial year 2018-19 and carries interest @ 10.7044%. The loan is repayable in 48 monthly instalments of Rs. 0.92 Lakhs each including interest. Number of instalments remaining as at 31st March 2022 is 2 (31st March 2021: 14). This loan is secured against hypothecation charge created on vehicle and one month instalment in advance which is grouped under Security deposits in note 6 'Non-current financial assets'.

15 Lease Liabilities		
Lease liabilities on right of use assets	130	167
Less: Amount presented under current lease liability	(42)	(37)
Total	88	130

15.1 Refer note 3.2 for adjustment on account of pre-mature termination of lease.

16 Other non-current liabilities		
Deferred revenue	5	5
Total	5	5

17 Provisions		
Provision for employee benefits		
- Gratuity (Refer note 32)	-	5
- Compensated absences	67	94
Other provisions		
- Performance bonus	172	91
- Sales return	1,123	957
Discount	327	591
Provision for contingencies (Refer Note 17.3(d))	149	-
Total	1,838	1,737

17.1 Current and non-current bifurcation:

Particulars	March 31, 2022		March 31, 2021	
	Current	Non-current	Current	Non-current
Gratuity	-	-	5	-
Compensated absences	67	-	94	-
Performance bonus	172	-	91	-
Sales return	1,123	-	957	-
Discount	327	-	591	-
Total	1,689	-	1,737	-

17.2 Movement of other provisions

Particulars	Performance Bonus	Sales Return	Total
At April 01, 2021	91	957	1,048
Add: additions during the year	274	2,590	2,864
Less: amount used / adjustment during the year	(193)	(2,324)	(2,517)
Less: discount	-	(100)	(100)
At March 31, 2022	172	1,123	1,295
At April 01, 2020	86	1,432	1,518
Add: additions during the year	76	1,879	1,955
Less: amount used / adjustment during the year	(71)	(1,897)	(1,968)
Less: discount	-	(457)	(457)
At March 31, 2021	91	957	1,048

17.3 Description of provisions:

- Employee benefits
Refer note 32 for details of employee benefits provided by the Company.
- Provision for Sales Return
Provision for expected sales returns are made based on trend arrived as average of actual sales return to sales of previous three normal years and management estimate. (Excluding covid year)
- Provision for Performance Bonus
The Company has made provisions for performance bonus which are expected to be paid in the next year.
- Provision for contingencies
The Company has made provision for contingencies of Rs. 149 lakhs in respect to certain legal matters which is pending to be resolved.

(Amount in Lakhs)

Particulars	March 31, 2022	March 31, 2021
18 Borrowings		
Unsecured		
Loan from holding company (Refer note 18.1 and note 36)	850	400
Secured		
Bank overdraft (Refer note 18.2 & 18.3 below)	3,597	3,096
Current maturity of vehicle loan from NBFC	7	7
Total	4,454	3,503

- 18.1 Intercompany loan (unsecured) is taken from the holding company (Navneet Education Limited) and carries interest @ 6.70% to 7% (31st March 2021: 7%). This loan are repaid subsequently after the year end.
- 18.2 The average rate of interest for the above mentioned overdraft facility during the year is 7.25% per annum (Previous year 8.60% per annum).
- 18.3 Bank Overdraft is secured against charge on current assets & fixed assets (both present and future) of the Company, along with Corporate Guarantee for Rs. 4,000 Lakhs (Previous Year: Rs. 4,000 Lakhs) from holding company.
- 18.4 The company has utilized the funds borrowed from banks for the purpose for which it was obtained.
- 18.5 During the year, the company has been sanctioned working capital limits from banks on the basis of security of current assets; for which the quarterly returns or statements has been filed by the company with such banks which are in agreement with the books of accounts of the Company except on account of quarter-end cut off / finalization entries as mentioned below:

(a) For financial year 2021-22 :

(Amount in Lakhs)

Quarter	Name of bank	Particulars of Securities Provided	Amount as per books of account	Amount as reported in the quarterly return/ statement	Amount of difference
Q1	Axis Bank Limited	Inventory & debtors	6,181	6,191	(10)
Q2	Axis Bank Limited	Inventory & debtors	4,594	4,589	5
Q3	Axis Bank Limited	Inventory & debtors	3,672	3,691	(19)

(b) For financial year 2020-2021 :

In the previous year, the Company had taken working capital loan from CITI Bank and there was no requirement for submission of quarterly statements.

19 Trade payables

- Due to Micro, Small and Medium Enterprises (Refer note 19.3 below)
- Due to Others

218	215
622	1,145
840	1,360

The following ageing schedule shall be given for trade payables due for payment:

Trade payables ageing schedule as at 31st March 2022

Particulars	Unbilled	Outstanding for following periods from due date of payment				
		Less than 1 year	1 - 2 years	2 - 3 years	More than 3 years	Total
(i) MSME	-	218	-	-	-	218
(ii) Others	48	547	34	2	-9	622
(iii) Disputed dues - MSME	-	-	-	-	-	-
(iv) Disputed dues - Others	-	-	-	-	-	-
Total	48	765	34	2	-9	840

Trade payables ageing schedule as at 31st March 2021

Particulars	Unbilled	Outstanding for following periods from due date of payment Previous Year				
		Less than 1 year	1 - 2 years	2 - 3 years	More than 3 years	Total
(i) MSME	-	215	-	-	-	215
(ii) Others	67	956	25	25	72	1,145
(iii) Disputed dues - MSME	-	-	-	-	-	-
(iv) Disputed dues - Others	-	-	-	-	-	-
Total	67	1,171	25	25	72	1,360

19.1 Trade payables are non-interest bearing and are normally settled on 0-90 day credit terms.

19.2 For explanations on the Company's credit risk management processes, refer note 38.

19.3 Details of the dues to Micro, Small and Medium Enterprises (MSME), as defined in the Micro, Small and Medium Enterprises Development Act, 2006 (MSMED Act), as on 31st March 2022 based on available information with the Company which are as under:

Particulars	2021-2022	2020-2021
a) the principal amount remaining unpaid to any supplier at the end of accounting year;		215
b) the interest due on above, remaining unpaid to any supplier at the end of accounting year;	-	-
c) the amount of interest paid by the buyer in terms of section 16 of the MSMED Act (27 of 2006), along with the amount of the payment made to the supplier beyond the appointed day during accounting year;		#
d) the amount of interest due and payable for the period of delay in making payment (which has been paid but beyond the appointed day during the year) but without adding the interest specified under the MSMED Act;	-	-
e) the amount of interest accrued and remaining unpaid at the end of accounting year; and	-	-
f) the amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues above are actually paid to the small enterprise, for the purpose of disallowance of a deductible expenditure under section 23 of the MSMED Act.	-	-

(Amount in Lakhs)

Particulars	March 31, 2022	March 31, 2021
20 Other financial liabilities		
Other financial liabilities at amortised cost		
Employee Benefits Payable	28	52
Total	28	52
21 Other current liabilities		
Statutory Dues		
- Provident fund / ESIC / Profession tax	12	16
- Tax deducted at source	59	41
- Goods and Service Tax	50	21
Deferred Revenue	15	24
Total	136	102

(Amount in Lakhs)

Particulars	For the year ended 31st March 2022	For the year ended 31st March 2021
22 Revenue from operations		
a) Sale of products		
Finished goods (Books)	7,715	4,414
Traded Goods (Books)	118	30
Gross sales	7,833	4,444
Less: Sales discount and incentives	(2,506)	(1,410)
	5,327	3,034
b) Other operating Revenue	130	72
Total	5,457	3,106

22.1 Details of products sold

Finished goods sold		
Books	7,715	4,414
CD Sales	-	-
	7,715	4,414
Traded goods sold		
Books	118	30
CD Sales	-	-
	118	30
	7,833	4,444

22.2 Disclosures of Ind AS 115:

- a) Contracts with customer and significant judgement in applying the standard:
- i) The company is in the business of publishing and sale of educational books with products ranging from school books, reference books, technical & professional books.
- The company applies the guidance provided in Ind AS 115 'Revenue from contracts with customer' for determining the timing of recognition of revenue. Refer note 2.1(j) of significant accounting policies.
- ii) For details of revenue recognised from contracts with customers, refer note 22 above.
- iii) There are no contract assets arising from the Company's contract with customers.
- b) Disaggregation of revenue
- i) For disaggregation of revenue, refer break-up given in note 22 above.
- ii) No single customer represents 10% or more of the Company's total revenue during the period ended 31st March 2022 and 31st March 2021.
- c) Performance obligation
- i) For timing of satisfaction of its performance obligations, refer note 2(j) of significant accounting policies of the Company.

23 Other income

Finance income		
Interest on deposits with bank	#	-
Miscellaneous income		
- Royalty income	10	10
Total	10	10

(Amount in Lakhs)

Particulars	For the year ended 31st March 2022	For the year ended 31st March 2021
24 Cost of materials and components consumed		
Material consumed		
Inventory at the beginning of the year	5	5
Add : Purchases	1,633	1,053
	1,638	1,058
Less: inventory at the end of the year	51	5
Total	1,587	1,053
25 Decrease/ (Increase) in inventories of finished goods and traded goods		
Inventories at the end of the period		
Finished goods (Books)	1,233	1,351
Traded Goods	36	60
Inventories at the beginning of the period		
Finished goods (Books)	1,351	1,466
Traded Goods	60	71
Total	142	127
25.1 Details of Inventory:		
Manufactured goods		
Books	1,322	1,529
CDs / Coupons	25	25
	1,347	1,554
Traded Goods		
Books	28	43
CDs	8	17
	36	60
Total	1,383	1,614
26 Employee benefits expense		
Salaries, allowances and bonus	1,574	1,693
Contribution to provident and other funds	85	97
Gratuity expense (Refer note 32)	23	30
Staff welfare expenses	42	45
Total	1,724	1,865
27 Finance costs		
Interest		
- On borrowings	232	237
- On leased Asset (Refer note 35)	14	29
Other finance charges	2	1
Total	248	267
28 Depreciation and amortisation expense		
Depreciation of tangible assets (Refer note 3 and also refer note 3.2)	21	122
Depreciation of right-of-use assets (Refer note 4)	44	132
Amortisation of intangible assets (Refer note 5)	488	495
Total	553	749

(Amount in Lakhs)

Particulars	For the year ended 31st March 2022	For the year ended 31st March 2021
29 Other expenses		
Royalty	338	186
Editorial expenses	380	134
Travelling and conveyance	218	172
Logistics expenses	387	226
Business promotion	25	19
Advertisement and sales promotion expenses	12	78
Legal and professional fees	25	40
Rent & Maintenance	57	21
Payment to auditor (Refer note 29.1 below)	9	6
Bad debts written off	60	
Less: bad debts written off against opening provision	(60)	-
Allowance for bad and doubtful debts & credit losses	-	530
Allowance for doubtful advances	-	-
Allowance for doubtful deposit	-	11
Repairs and maintenance		
Computers	59	96
Others	5	12
Electricity and water	18	10
Communication costs	15	25
Packing cost	33	20
Fixed assets disposed off	-	11
Miscellaneous expenses (Refer note 29.3 below)	38	46
Provision for contingencies (Refer Note 17.3 (d))	149	
Loss on Lease Termination (Refer note 29.2 below)	-	28
Total	1,768	1,671

29.1 Payment to auditors (including GST):

As auditors

Statutory audit fee

Tax audit fee

8	5
1	1
9	6

29.2 Refer note 3.2 for impact on account of pre-mature termination of lease.

30 Income tax

The major components of income tax expense for the years ended 31st Mar 2022 and 31st March 2021 are:

a) Statement of profit and loss

Current tax

Deferred tax

-	-
(5)	(40)
(5)	(40)

Total tax expenses as per statement of profit and loss

b) Reconciliation of income tax expense and the accounting profit multiplied by statutory tax rate:

Profit before tax	(610)	(2,627)
Enacted tax rates in India	22.88%	22.88%
Computed expected tax expense	(139)	(601)
DTA not recognised on tax loss during the year	303	394
Related to tax rate change	-	34
Others (Also refer note 7.1)	77	(30)
At the effective income tax rate	241	(203)
Income tax expense reported in the statement of profit and loss	(5)	(40)

(Amount in Lakhs)

Particulars	For the year ended 31st March 2022	For the year ended 31st March 2021
-------------	---------------------------------------	---------------------------------------

- c) Considering uncertainties on utilisation of Deferred Tax Assets (DTA) recognised in earlier years in financial statements due to losses incurred, increase in DTA (if any) is restricted to increase in deferred tax liability.

Details of tax losses:

The Company is having carry forward depreciation losses as at 31st March 2022 of Rs. 3,014 Lakhs (Previous year: Rs. 2,924 Lakhs) which doesn't have any expiry date and carry forward business losses as on 31st March 2022 is Rs. 7,708 Lakhs (Previous year: Rs. 6,026 Lakhs) which will be expired in next 3 to 8 (Previous year : 4 to 8 years).

31 Earnings per share (EPS)

The following is a reconciliation of the equity shares used in the computation of basic and diluted earnings per equity share:

Weighted average number of equity shares at the end of the year for calculation of basic and diluted EPS	4,93,51,063	4,93,51,063
Net (Loss) before Other Comprehensive Income available for computing basic and diluted EPS	(605)	(2,587)
Basic and diluted earnings per equity share	(1.23)	(5.24)

- 31.1 As per paragraph 23 of Ind AS 33 'Earnings Per Share', mandatorily convertible instrument should be considered for basic EPS from the date of the contract and accordingly, optionally convertible preference shares (OCPs) issued by the Company are not considered for the purpose of calculation of basic EPS. Further, the same is not considered for the purpose of calculation of diluted EPS also, as impact of the same would be anti-dilutive.

32 Defined benefit plan

	(Amount in Lakhs)	
	March 31, 2022	March 31, 2021
Provision for gratuity	-	5
Total	-	5

The Company has a defined benefit gratuity plan. Every employee who has completed five years or more of service gets a gratuity on departure at 15 days of last drawn basic salary for each completed year of service or part thereof in excess of six months. The scheme is funded with Life Insurance Corporation.

The following tables summaries the components of net benefit expense recognised in the statement of profit and loss and amounts recognised in the balance sheet and changes in the projected benefit obligation.

Net benefit expense recognised in the statement profit and loss

Current service cost	23	29
Interest cost on benefit obligation (Net)	#	1
	23	30

Net benefit expense recognised in the other comprehensive income

Re-measurement (loss)/gain on defined benefit plan	19	22
	19	22

Balance sheet

Present value of defined benefit obligation	(98)	(129)
Fair value of plan assets	104	123
Plan liability	6	(6)

Changes in the present value of the defined benefit obligation (DBO)

Opening defined benefit obligation	128	133
Interest cost	9	9
Current service cost	23	29
Benefits paid	(36)	(17)
Actuarial losses on obligation	(25)	(26)
Closing defined benefit obligation	98	128

Changes in fair value of plan assets

Opening fair value of plan assets	123	122
Expected return	2	4
Contributions by employer	15	14
Benefit paid	(36)	(17)
Actuarial gain	-	-
Closing fair value of plan assets	104	123

The Company expects to contribute Rs. 34.74 Lakhs to gratuity in the next year.

The major categories of plan assets as a percentage of the fair value of total plan assets are as follows:

	March 31, 2022	March 31, 2021
Life Insurance Corporation [Funds Managed by Insurer]	100%	100%

The principal assumptions used in determining gratuity obligation for the Company's plans are shown below:

	March 31, 2022	March 31, 2021
Discount rate	7.26%	6.76%
Salary escalation	9.00%	9.00%
Mortality rates	100% of IALM (2012 - 14)	100% of IALM (2012 - 14)
Employee turnover		
Ages: up to 30 years	20.00%	20.00%
From 31 to 44 years	15.00%	15.00%
Above 44 years	10.00%	10.00%
Normal retirement age(Years)	65	65
Average remaining working life (Years)	28.21	29.00

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

Sensitivity Analysis of the defined benefit obligation.

a) Impact of the change in discount rate

	(Amount in Lakhs)	
	March 31, 2022	March 31, 2021
Present Value of Obligation at the end of the period	98	128
Impact due to increase of 0.50 %	-3.76	-5.10
Impact due to decrease of 0.50 %	4.04	5.48

b) Impact of the change in salary increase

Present Value of Obligation at the end of the period	98	128
Impact due to increase of 0.50 %	3.96	5.34
Impact due to decrease of 0.50 %	-3.72	-5.02

Sensitivities due to mortality & withdrawals are not material and hence impact of change not calculated.

Maturity profile of defined benefit obligation	(Amount in Lakhs)	
	March 31, 2022	March 31, 2021
Within the next 12 months (next annual reporting period)	7	9
Between 1 and 5 years	37	48
Between 5 and 10 years	55	72

33 Contingent Liabilities & litigations

i) Income tax matters:

The Company has tax disputes against the demand raised and penalty levied by the Assessing Officer aggregating to Rs. 69 lakhs (Previous Year Rs. 69 lakhs). Details of the same is given below:

a) On-going tax demand of Rs. 69 lakhs for FY 2016-17 with CIT (Appeals) - Refund of FY 2018-19 of Rs. 2 lakhs is adjusted against this demand.

Future cash outflows in respect of matters considered disputed in (i) above are determinable only on receipt of judgment / decision pending at various forums / authorities. Considering the facts of the case of Company, the management does not expect any cash outflow in respect of the pending dispute and accordingly no provision has been made in the financial statements.

34 Capital Commitments and Other Commitments

Estimated amount of contracts remaining to be executed on capital account and not provided for Rs. NIL (31st March 2021: Rs. NIL).

35 Leases

The Company has adopted Ind AS 116 'Leases' from 1st April 2019. Refer note (f) for accounting policy on leases.

i) **As a lessee**

The company has lease contracts for office premises and warehouse used in its operations. For lease arrangement with lease terms of 12 months or less, the Company has applied the 'short-term lease' recognition exemptions.

For addition, depreciation and carrying value of right of use asset, refer note 4.

Particulars	(Amount in Lakhs)	
	March 31, 2022	March 31, 2021
a) Interest expense on lease liabilities (Refer note 27)	14	29
b) Lease expenses		
Lease expenses in case of short term leases (Refer note 29)	57	21
Lease expenses in case of low value leases (other than short term as disclosed above)	-	-
Lease expenses debited to lease liabilities	50	170
Total cash outflow for leases [incl. short term & low value leases]	107	191
Variable lease payments not considered in measurement of lease liabilities	-	-
Income from subleasing ROU assets	-	-

Also refer note 3.2 for details regarding termination of lease

36 Related party disclosures

(I) Name of Related Parties and related party relationship:

Nature of relationship	Name of the relative
Holding Company & Ultimate holding company	Navneet Education Limited
Directors / Key Managerial Personnel (KMP)	Mr. Sumit Gupta (Managing Director) (upto 3rd September 2021) Mr. Tushar Jani (Independent Director) Mr. Sanjeev Shankar (Independent Director) (w.e.f. 15th January 2021) Mr. Piyush Pravin Gada (Independent Director) (From 1st August 2020 to 16th January 2021) Mr. Yasho Verdhana Verma (Director) Mr. Raju Gala (Director) (w.e.f. 15th January 2021) Mr. Anil Gala (Director) Mr. Sanjeev Jitendra Gala (Director) Mr. Kalpesh Gala (Director) (upto 16th January 2021) Mr. Amit Kalyanji Gala (Managing Director & CFO) (w.e.f. 25th Oct 2021)
Key Managerial Personnel (KMP) and relatives as per the Companies Act, 2013	Mr. Deepak Kaku (CFO) (upto 20th October 2021) Ms. Meera Sawhney (Company Secretary) (upto 14th January 2022) Mr. Amit Buch (Company Secretary) (w.e.f. 28th January 2022)
Entity with joint control (Fellow Subsidiary)	Esense Learning Limited
Post-employment Benefit Plan	Indiannica Learning Group Gratuity Scheme

(II) 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:

Particulars	Holding Company and Ultimate Holding Company		Entity with joint control (Fellow Subsidiary)		Key Managerial Personnel		Total	
	Mar 31, 2022	March 31, 2021	Mar 31, 2022	March 31, 2021	Mar 31, 2022	March 31, 2021	Mar 31, 2022	March 31, 2021
Loans taken during the year								
Navneet Education Limited	2,550	1,130	-	-	-	-	2,550	1,130
Loans repaid during the year								
Navneet Education Limited	2,100	830	-	-	-	-	2,100	830
Interest expenses								
Navneet Education Limited	43	13	-	-	-	-	43	13
Sales promotion income								
Navneet Education Limited	-	5	-	-	-	-	-	5
Animations Expenses								
Esense Learning Limited	-	-	151	-	-	-	-	-
Purchase of traded goods / Job work charges								
Navneet Education Limited	810	556	-	-	-	-	810	556
Contribution to Indiannica Learning Group Gratuity Scheme	15	14	-	-	-	-	15	14
Remuneration of Key Managerial Person								
- Mr. Amit Kalyanji Gala (Managing Director & CFO)	-	-	-	-	20	-	20	-
- Mr. Sumit Gupta	-	-	-	-	107	133	107	133
- Mr. Tushar Jani	-	-	-	-	1	3	1	3
- Mr. Yasho Verma	-	-	-	-	1	2	1	2
- Mr. Sanjeev Shankar	-	-	-	-	2	-	2	-
- Ms. Meera Sawhney	-	-	-	-	4	4	4	4

Transactions with key management personnel

Compensation of key management personnel of the Company:

Particulars	Mar 31, 2022	March 31, 2021
Short-term employee benefits	131	137
Total	131	137

Note: The amounts disclosed in the table are the amounts recognised as an expense during the reporting period related to key management personnel which does not include accrued post employment & long term benefits to KMP since it is calculated on actuarial basis for the Company and separate figures are not available.

Indiannica Learning Private Limited
Notes to the financial statements for the year ended 31st March 2022
CIN: U22110DL1998PTC094399

(III) Outstanding Balances as at the year end:

Particulars	Holding Company and Ultimate Holding Company		Entity with joint control (Fellow Subsidiary)		Enterprises owned or significantly influenced by key management personnel or their relatives		Total	
	Mar 31, 2022	March 31, 2021	Mar 31, 2022	March 31, 2021	Mar 31, 2022	March 31, 2021	Mar 31, 2022	March 31, 2021
Short Term borrowings outstanding at the year end								
Navneet Education Limited	850	400			-	-	850	400
0% Optionally Convertible Preference Shares								
Navneet Education Limited	-	4,900			-	-	-	4,900
Trade Payables								
Navneet Education Limited	11	549			-	-	11	549
Esense Learning Limited			51	-	-	-	51	-
Advances paid to vendor								
Esense Learning Limited	-	-	-	16			-	16
Balance with Fund								
Indiannica Learning Group Gratuity Scheme	-	-			104	123	104	123

Notes:

a) Bank Overdraft of the Company is secured by corporate guarantee given by holding company amounting to Rs. 4,000 Lakhs (Previous Year: 4,000 Lakhs). Refer note 18.2.

b) Terms and conditions of transactions with related parties

The rendering and availing of services from related parties are made on terms equivalent to those that prevail in arm's length transactions. Outstanding balances at the year-end are unsecured and interest free and settlement occurs in cash. There have been no guarantees provided or received for any related party, other than mentioned above. For the year ended 31st March 2022, the Company has not recorded any impairment of receivables relating to amounts owed by the related parties (31st March 2021). This assessment is undertaken each financial year through examining the financial position of the related party and the market in which the related party operates.

37 Fair value of financial assets and liabilities

The management assessed that the fair values of financial asset and financial liabilities approximate their carrying amounts.

The following methods and assumptions were used to estimate the fair values:

- Fair values of cash and cash equivalents, trade receivables, interest accrued on deposits with bank, bank deposits, trade payables and other financial liabilities, approximate their carrying amounts largely due to the short-term maturities of these instruments.
- The management has considered fair value of security deposits, loan from NBFC, loan from bank, loan from related party, equal to their carrying value as fair values based on the current market interest rates and other risk factors approximate to carrying value.

Fair value hierarchy

The following table presents the financial assets and financial liabilities by level with the fair value measurement hierarchy :

(Amount in Lakhs)

Particulars	March 31, 2022		March 31, 2021	
	Level of input used in*	Carrying Amount	Level of input used in*	Carrying Amount
a) Financial assets				
At Amortised Cost				
Trade receivables (net of provisions)	NA	4,925	NA	4,395
Cash and cash equivalents	NA	479	NA	309
Bank deposits	NA	14	NA	3
Security deposits	NA	57	NA	57
b) Financial liabilities				
At Amortised Cost				
Indian rupee loan from NBFC	NA	30	NA	37
Indian rupee loan from related party	NA	850	NA	400
Other financial liability	NA	28	NA	119
Bank overdraft	NA	3,597	NA	3,096
Lease Liability	NA	130	NA	167
Trade payables	NA	839	NA	1,293

* Level is NA, since valued at amortised cost.

38 Financial risk management objectives and policies

The Company is exposed to market risk, credit risk and liquidity risk. The management reviews and agrees policies for managing each of these risks which are summarized below :

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 comprise three types of risk: foreign currency risk, interest rate risk and other price risk. Financial instruments affected by market risk primarily include trade receivables, trade payables, cash and cash equivalents.

The sensitivity analysis in the following sections relate to the position for the periods presented. The sensitivity analysis has been prepared on the basis that the amount of net debt and the proportion of financial instruments in foreign currencies are all constant. The analysis exclude the impact of movements in market variables on the carrying values of gratuity obligation and provisions.

The sensitivity of the relevant profit and loss item is the effect of the assumed changes in respective market risks based on the financial assets and financial liabilities held at the periods presented.

Interest rate risk

The following tables demonstrate the sensitivity to a reasonably possible change in interest rate, with all other variables held constant. The impact on the Company's profit before tax is due to changes in the fair value of monetary assets and liabilities.

(Amount in Lakhs)

	Change in Interest Rate	Effect on profit before tax
March 31, 2022	1%	-36
	-1%	36
March 31, 2021	1%	-31
	-1%	31

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 trade payables, trade receivables.

Foreign currency sensitivity

The following tables demonstrate the sensitivity to a reasonably possible change in USD, with all other variables held constant. The impact on the Company's profit before tax is due to changes in the fair value of monetary assets and liabilities.

(Amount in Lakhs)

	Change in USD rate	Effect on profit before tax
March 31, 2022	5%	0.36
	-5%	-0.36
March 31, 2021	5%	0.36
	-5%	-0.36

Price risk

The Company is not exposed to any significant price risk.

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 exposed to credit risk from its operating activities, primarily for trade receivables and deposits with banks and other financial assets.

Trade receivables

Customer credit risk is managed based on the Company's established policy, procedures and control relating to customer credit risk management. The Company evaluates the concentration of risk with respect to trade receivables as low. There are no customers who represent more than 10% of the balance of trade receivables. Outstanding customer receivables are regularly monitored by the management.

An impairment analysis is performed at each reporting date on an individual basis for major customers.

The maximum exposure to credit risk at the reporting date is the carrying value of each class of financial assets. The Company does not hold collateral as security.

The ageing of trade receivable and credit loss allowance is as under:

(Amount in Lakhs)

Particulars	Ageing (based on due date)		Total
	Upto 6 months	More than 6 months	
As at 31st March 2022			
Secured	-	-	-
Unsecured	4,860	746	5,606
Total receivables	4,860	746	5,606
Allowance for doubtful receivables & credit losses			681
Net Receivables			4,925
Expected loss rate *			12%
As at 31st March 2021			
Secured	-	-	-
Unsecured	4,399	952	5,351
Total receivables	4,399	952	5,351
Allowance for doubtful receivables & credit losses			822
Net Receivables			4,529
Expected loss rate *			15%

* Expected loss rate includes both allowance made based on age of the receivable and expected loss based on historical experience.

Movement in credit loss allowance

(Amount in Lakhs)

Particulars	Year ended 31st March 2022	Year ended 31st March 2021
Balance at the beginning	822	292
Additional provision/ (write back)	-81	530
Amounts written off or utilised	60	-
Balance at the end	681	822

Deposits with banks and other financial assets

Credit risk from balances with banks and financial institutions is managed by the Company's treasury department in accordance with the Company's policy.

Liquidity risk

Liquidity risk is the risk that the Company may not be able to meet its present and future cash and collateral obligations without incurring unacceptable losses. The Company's objective is to, at all times maintain optimum level of liquidity to meet its cash and collateral requirements. The Company closely monitors its liquidity position and deploys a robust cash management system.

The table below summarises the maturity profile of the Company's financial liabilities based on contractual undiscounted payments.

(Amount in Lakhs)

Particulars	Less than 3 months	3 to 12 months	1 to 5 years	Total
Year ended 31st March 2022				
Indian rupee loan from related party	850	-	-	850
Bank overdraft	3,597	-	-	3,597
Trade payables	839	-	-	839
Lease liability	13	29	88	130
Other financial liability	28	-	-	28
Indian rupee vehicle loan from NBFC	2	6	23	30
Year ended 31st March 2021				
Indian rupee loan from related party	400	-	-	400
Bank overdraft	3,096	-	-	3,096
Trade payables	1,293	-	-	1,293
Lease liability	9	28	130	167
Other financial liability	119	-	-	119
Indian rupee vehicle loan from NBFC	2	5	30	37

As at year end, current liabilities of the Company are less than current assets. The Company, based on detailed projections does not expect any significant liquidity risk.

Bank Guarantee

The Company has given bank guarantee to Sales Tax department of Rs. 2 Lakhs (Previous year: Rs. 2 Lakhs). Further, the Company has kept deposits with bank against this bank guarantee which are disclosed in note 11 along-with accrued interest.

39 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 shareholders. The primary objective of the Company's capital management is to maximise the shareholder value.

The Company manages its capital structure and makes suitable adjustments in light of changes in economic conditions.

The Company monitors capital using a gearing ratio, which is net debt divided by total capital plus net debt. For the purpose of calculation of net-debts, the Company has included loan obligations (short term and long term), lease liabilities (short term and long term) and trade and other payables and the same is adjusted with cash and cash equivalents.

(Amount in Lakhs)		
Particulars	Year ended 31st March 2022	Year ended 31st March 2021
Vehicle loan from NBFC	37	44
Loan from holding company	850	400
Lease liability	130	167
Bank overdraft	3,597	3,096
Trade payables	839	1,293
Less: Cash and cash equivalents	-479	-309
Net Debt	4,975	4,691
Equity *	860	1,451
Capital and Net debt	5,835	6,142
Gearing Ratio	85%	76%

* including accumulated debit balance of profit and loss and equity component of optionally convertible preference shares

- 40 The Company's activities during the year revolve around 'Publishing and sale of educational books'. Considering the nature of Company's business and operations, there is only one reportable segment (business and/or geographical) in accordance with the requirements of Ind AS 108 'Operating Segments', prescribed under Companies (Indian Accounting Standards) Rules, 2015.
- 41 The Company has incurred losses during the year and previous financial years; also current liabilities of the Company are exceeding current assets as at year-end. The financial statements of the Company is prepared on going concern basis considering the positive net-worth and continuous financial support from the holding company. Further, management of the Company is confident of making profits in near future and the Company will realize its assets and discharge liabilities in the normal course of business based on future projections / profitability as approved by Managing Director and Chairman.
- 42 Revenue of the Company is significantly impacted on account of non-opening of schools amid Covid-19 lock-down. The management of the Company expects improvement in business going forward. The Company has made assessment of its liquidity position and has considered internal and external information in assessing the recoverability of its assets such as intangible assets, trade receivables, inventories etc. The Company has used the principles of prudence in applying judgments, estimates and assumptions and based on the current estimates, the Company expects to fully recover the carrying amount of these assets. This being a technical matter has been relied upon by the auditors.

The impact assessment of COVID-19 is an ongoing process, and may be different from that estimated as at the date of approval of these financial statements, given the uncertainties associated with its nature and duration and the Company will continue to monitor all material changes to the entity's environment.

43 Changes in financing liabilities arising from cash and non-cash changes:

(Amount in Lakhs)				
Particulars	March 31, 2021	Cash flows (net)	Impact of Ind AS 116	March 31, 2022
Vehicle Loan	37	-7	-	30
Loan from Holding company	400	450	-	850
Lease Liability (impact of IND AS 116)	167	-51	14	130
Total	604	392	14	1,010

(Amount in Lakhs)				
Particulars	March 31, 2020	Cash flows (net)	Impact of Ind AS 116	March 31, 2021
Vehicle Loan	44	-7	-	37
Loan from Holding company	100	300	-	400
Lease Liability (impact of IND AS 116)	652	-171	-314	167
Total	796	122	-314	604

The Company has accounted for lease liabilities and fair value changes in accordance with Ind AS 116 implemented during the previous year. Detail

Particulars	Year ended 31st March 2022	Year ended 31st March 2021
i) Transition adjustment on implementation of Ind AS 116	-	-
ii) Finance cost on lease liabilities	14	29
iii) Addition during the year	-	176
iii) Deletion during the year (after consideration of depreciation)	-	-519
Total	14	-315

44 Ratios

Particulars	Numerator	Denominator	Ratio		% Change *
			As at 31st March 2022	As at 31st March 2021	
(a) Current ratio	Current Assets	Current liabilities	0.94	0.94	-0.83%
(b) Debt equity ratio	Total Debt (incl. Current Borrowings, Non-Current Borrowings and Current maturities of Non-Current Borrowings, Long-term lease liabilities and short-term lease liabilities) (if any)	Total Equity (Equity Share Capital and Other Equity)	5.36	2.55	110.11%
(c) Debt Service Coverage Ratio	Net profit after taxes + Depreciation and amortisation + Interest expenses + other adjustments like loss on sale of fixed assets etc. - Exceptional items	Interest & Lease payments + Principal repayments made during the period	0.08	-1.24	-106.58%
(d) Return on Equity Ratio	Profit / (loss) after tax	Average shareholder's equity	-0.52	-0.95	-44.63%

Indiannica Learning Private Limited
Notes to the financial statements for the year ended 31st March 2022

CIN: U22110DL1998PTC094399

(e) Inventory turnover ratio	Cost of goods sold	Average inventories	1.31	0.81	61.99%
(f) Trade Receivables turnover ratio	Value of Net sales and service (excl. other operating revenue)	Average trade receivables, net of provisions for doubtful debts and expected credit loss	1.13	0.58	92.80%
(g) Trade payables turnover ratio	Purchase of stock and other expenses	Average Trade payables	1.66	0.28	501.16%
(h) Net capital turnover ratio	Net Sales (excl. other operating Revenue)	Working Capital	-11.36	-7.96	42.69%
(i) Net profit ratio	Net profit after tax before other comprehensive Income	Revenue from operations	-0.11	-0.85	-86.68%
(j) Return on Capital employed	Earning before Interest and tax	Capital Employed	-0.08	-0.64	-87.41%
(k) Return on investment	Income generated from invested funds		NA	NA	NA

Note: Explanation for change in ratio by more than 25%

- (i) Increase in borrowings has resulted in adverse debt equity ratio.
- (ii) Debt service coverage ratio has been improved due to reduction in losses.
- (iii) Losses has been decreased as compared to previous year resulting in improved return on equity.
- (iv) Increase in sales leading to improved inventory turnover ratio.
- (v) Trade receivables turnover ratio has improved due to realization from old trade receivables.
- (vi) Trade payable turnover ratio has been improved due to lower trade payables.
- (vii) As the Company is having negative working capital, it leads to adverse net capital turnover ratio.
- (viii) Net profit ratio has been improved due to increase in sales.
- (ix) Losses has been decreased leading to improved return on capital employed.

- 45 Mr. Deepak Kaku, the Chief Financial Officer (CFO) of the Company has resigned during the year effective from 20th October 2021 and the Company has appointed Mr. Amit Gala as CFO (key managerial personnel) as on 25th October 2021 as required by Section 203 of the Companies Act, 2013.
- 46 Additional Information as required by para 7 of General Instructions for preparation of Statement of Profit and Loss (other than already disclosed above) are either Nil or Not Applicable or complied with.
- 47 # in financial statement represents amount less than Rs. 50,000.
- 48 No proceedings have been initiated or are pending against the Company as on 31st March, 2022 for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 and rules made thereunder.
- 49 As on March 31, 2022 the Company has not been declared wilful defaulter by any bank/financial institution or other lender.
- 50 The Company does not have any transaction with companies struck off under section 248 of Companies Act, 2013 or section 560 of Companies Act, 1956 and hence no disclosure is required.
- 51 The company does not have any charges or satisfaction yet to be registered with the registrar of companies(ROC) beyond the statutory period as at March 31, 2022.
- 52 The Company has complied with the number of layers prescribed under clause (87) of section 2 of the Act read with Companies (Restriction on number of Layers) Rules, 2017.
- 53 The Company has not advanced any funds or loaned or invested by the Company to or in any other person(s) or entities, including foreign entities ("Intermediaries"), with the understanding that the intermediary shall whether directly or indirectly lend or invest in other persons or entities identified in any manner by or on behalf of the Company (Ultimate Beneficiaries) or provide any guarantee, security or the like on behalf of ultimate beneficiaries.
- The Company has not received any funds from any person(s) or entities including foreign entities ("Funding Parties") with the understanding that such 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 guarantee, security or the like on behalf of the Ultimate beneficiaries.
- 54 The Company has not entered into any scheme of arrangements in terms of sections 230 to 237 of the Companies Act, 2013.
- 55 The Company is not required to spend on CSR as per section 135 of the Companies Act, 2013.
- 56 The Company is not engaged in the business of trading or investing in crypto currency or virtual currency and hence no disclosure is required.
- 57 There are no transaction that are not recorded in the books of accounts that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961.
- 58 Previous year figures have been regrouped / rearranged wherever necessary.

For N. A. Shah Associates LLP
Chartered Accountants
Firm Registration No. 116560W / W100149

sd/-
Prashant Daftary
Partner
Membership Number: 117080

Place: Mumbai
Date:

For and on behalf of the board of directors of
Indiannica Learning Private Limited
(Formerly known as Encyclopaedia Britannica (India) Private Limited)

sd/-
Anil D. Gala
Director
DIN: 00092952

sd/-
Amit D. Buch
Company Secretary
Mem. No. A15239

Place: New Delhi
Date:

sd/-
Amit K Gala
Managing director & CFO
DIN:01335267