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Independent Auditor's Report

To the Members of NSPIRA Management Services Private Limited

Report on the Audit of the Financial Statements

Opinion

1. We have audited the accompanying financial statements of **NSPIRA Management Services Private Limited** ('the Company'), which comprise the Balance Sheet as at 31 March 2020, the Statement of Profit and Loss (including Other Comprehensive Income), the Cash Flow Statement and the Statement of Changes in Equity for the year then ended, and a summary of the significant accounting policies and other explanatory information.
2. In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Companies Act, 2013 ('Act') in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India including Indian Accounting Standards ('Ind AS') specified under section 133 of the Act, of the state of affairs of the Company as at 31 March 2020, and its profit (including other comprehensive income), its cash flows and the changes in equity for the year ended on that date.
3. We conducted our audit in accordance with the Standards on Auditing specified under section 143(10) of the Act. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India ('ICAI') together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Chartered Accountants

Offices in Bengaluru, Chandigarh, Chennai, Gurugram, Hyderabad, Kochi, Kolkata, Mumbai, New Delhi, Noida and Pune

Walker Chandiook & Co LLP is registered with limited liability with identification number AAC-2085 and its registered office at L-41 Connaught Circus, New Delhi, 110001, India



Emphasis of Matter –COVID-19

4. We draw attention to note 38 to the accompanying financial statements, which describes the uncertainties due to the outbreak of COVID-19 pandemic and the management's evaluation of its impact on the accompanying financial statements and operations of the Company as at the balance sheet date the extent of which is significantly dependent on future developments as they evolve. Our opinion is not modified in respect of this matter.

Information other than the Financial Statements and Auditor's Report thereon

5. The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Annual Report, but does not include the financial statements and our auditor's report thereon.

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

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and those charged with governance for the Financial Statements

6. The accompanying financial statements have been approved by the Company's Board of Directors. The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Ind AS specified under section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.
7. In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.
8. Those Board of Directors is also responsible for overseeing the Company's financial reporting process.



Auditor's Responsibilities for the Audit of the Financial Statements

9. Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Standards on Auditing will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.
10. As part of an audit in accordance with Standards on Auditing, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:
 - Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;
 - Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls
 - Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management;
 - Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern;
 - Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation;
11. We Communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Report on Other Legal and Regulatory Requirements

12. Based on our audit, we report that the provisions of section 197 read with Schedule V to the Act are not applicable to the Company since the Company is not a public company as defined under section 2(71) of the Act. Accordingly, reporting under section 197(16) is not applicable.
13. As required by the Companies (Auditor's Report) Order, 2016 ('the Order') issued by the Central Government of India in terms of section 143(11) of the Act, we give in the Annexure A a statement on the matters specified in paragraphs 3 and 4 of the Order.



14. Further to our comments in Annexure A, as required by section 143(3) of the Act, based on our audit, we report, to the extent applicable, that:
- a) we have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit of the accompanying financial statements;
 - b) in our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
 - c) the financial statements dealt with by this report are in agreement with the books of account;
 - d) in our opinion, the aforesaid financial statements comply with Ind AS specified under section 133 of the Act;
 - e) on the basis of the written representations received from the directors and taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2020 from being appointed as a director in terms of section 164(2) of the Act;
 - f) we have also audited the internal financial controls with reference to financial statements of the Company as on 31 March 2020 in conjunction with our audit of the financial statements of the Company for the year ended on that date and our report dated 15 October 2020 as per Annexure B expressed unmodified opinion;
 - g) with respect to the other matters to be included in the Auditor's Report in accordance with rule 11 of the Companies (Audit and Auditors) Rules, 2014 (as amended), in our opinion and to the best of our information and according to the explanations given to us:
 - i. the Company, as detailed in note 33 to the financial statements, has disclosed the impact of pending litigations on its financial position as at 31 March 2020;
 - ii. the Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses as at 31 March 2020;
 - iii. there were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company during the year ended 31 March 2020; and
 - iv. the disclosure requirements relating to holdings as well as dealings in specified bank notes were applicable for the period from 8 November 2016 to 30 December 2016, which are not relevant to these financial statements. Hence, reporting under this clause is not applicable.

For **Walker Chandiook & Co LLP**

Chartered Accountants

Firm's Registration No.: 001076N/N500013


Sanjay Kumar Jain

Partner

Membership No.: 207660

UDIN: 20207660AAAADN6106

Place: Hyderabad

Date: 15 October 2020

Annexure A to the Independent Auditor's Report of even date to the members of NSPIRA Management Services Private Limited on the financial statements for the year ended 31 March 2020

Based on the audit procedures performed for the purpose of reporting a true and fair view on the financial statements of the Company and taking into consideration the information and explanations given to us and the books of account and other records examined by us in the normal course of audit, and to the best of our knowledge and belief, we report that:

- (i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of Property, plant and equipment.
- (b) The Property, plant and equipment of the Company have been physically verified by the management during the year, however, as mentioned in note 3(a)(ii) to the accompanying financial statements, due to the mandatory lockdowns and restriction imposed due to COVID - 19 pandemic, the management was not able to complete the reconciliation of such verification performed with the books and records maintained by the Company, pending which we are unable comment upon the material discrepancies, if any. In our opinion, the frequency of verification of Property, plant and equipment is reasonable having regard to the size of the Company and nature of its assets.
- (c) The Company does not hold any immovable property (in the nature of 'Property, plant and equipment'). Accordingly, the provisions of clause 3(i) (c) of the Order are not applicable.
- (ii) In our opinion, the management has conducted physical verification of inventory at reasonable intervals during the year and no material discrepancies between physical inventory and book records were noticed on physical verification.
- (iii) The Company has not granted any loan, secured or unsecured to companies, firms, Limited Liability Partnerships (LLPs) or other parties covered in the register maintained under Section 189 of the Act. Accordingly, the provisions of clauses 3(iii)(a), 3(iii)(b) and 3(iii)(c) of the Order are not applicable.
- (iv) In our opinion, the Company has complied with the provisions of Section 186 in respect of investments. Further, in our opinion, the Company has not entered into any transaction covered under Section 185 and Section 186 of the Act in respect of loans, guarantees and security.
- (v) In our opinion, the Company has not accepted any deposits within the meaning of Sections 73 to 76 of the Act and the Companies (Acceptance of Deposits) Rules, 2014 (as amended). Accordingly, the provisions of clause 3(v) of the Order are not applicable.
- (vi) We have broadly reviewed the books of account maintained by the Company pursuant to the Rules made by the Central Government for the maintenance of cost records under sub-section (1) of Section 148 of the Act in respect of Company's products/services and are of the opinion that, prima facie, the prescribed accounts and records have been made and maintained. However, we have not made a detailed examination of the cost records with a view to determine whether they are accurate or complete.
- (vii)(a) Undisputed statutory dues including provident fund, employees' state insurance, income-tax, Goods and services tax, cess and other material statutory dues, as applicable, have not been regularly deposited to the appropriate authorities and there have been significant delays in a large number of cases. Undisputed amounts payable in respect thereof, which were outstanding at the year-end for a period of more than six months from the date they became payable are as follows:



Annexure A to the Independent Auditor's Report of even date to the members of NSPIRA Management Services Private Limited, on the financial statements for the year ended 31 March 2020

Statement of arrears of statutory dues outstanding for more than six months

Name of the statute	Nature of the dues	Amount (₹ in millions)	Period to which the amount relates	Due Date	Date of Payment	Remarks, if any
The Employee's Provident funds and miscellaneous provisions Act, 1952	Provident fund contribution	40.34	2019-20	Various dates	Not yet paid	Nil
Professional tax governed by state governments	Professional Tax	4.28	2019-20	Various dates	Not yet paid	Nil

- (b) The dues outstanding in respect of income-tax, sales-tax, service-tax, duty of customs, duty of excise and value added tax on account of any dispute, are as follows:

Statement of Disputed Dues

Name of the statute	Nature of dues	Amount (₹ in million)	Amount paid under Protest (₹ in million)	Period to which the amount relates	Forum where dispute is pending	Remarks, if any
Finance Act, 1994	Service Tax	23.44	-	2011-12	Customs, Excise and Service tax Appellate Tribunal (CESTAT), Bangalore	Nil
		45.92	3.44	2012-13		Nil
		42.36	2.89	2013-14		Nil
		65.16	2.01	2014-15		Nil
		37.73	2.83	2011-12 to 2014-15	Customs, Excise and Service tax Appellate Tribunal (CESTAT), Guntur	Nil
		23.02	1.73	2015-16 to 2016-17		Nil

- (viii) There are no loans or borrowings payable to government and no dues payable to debenture-holders. The Company has defaulted in repayment of loans/borrowings to the following banks and financial institutions: -



Annexure A to the Independent Auditor's Report of even date to the members of NSPIRA Management Services Private Limited, on the financial statements for the year ended 31 March 2020

Particulars	Amount of default (₹ in million)	Period of default	Remarks
(a) ICICI Bank	0.68	July 2019 to January 2020	1-6 days
(b) Bank of Baroda	0.37	July 2019 to October 2019; January 2020 to February 2020	1-8 days
(c) HDFC bank	1.72	April 2019 to February 2020	1-16 days
(d) Kotak Mahindra Prime Limited	0.31	April 2019	1-4 days

- (ix) The Company did not raise moneys by way of initial public offer or further public offer (including debt instruments). In our opinion, the term loans were applied for the purposes for which the loans were obtained, though idle/surplus funds which were not required for immediate utilisation have been invested in liquid investments, payable on demand.
- (x) No fraud by the Company or on the company by its officers or employees has been noticed or reported during the period covered by our audit.
- (xi) The provisions of Section 197 of the Act read with Schedule V to the Act are not applicable to the Company since the Company is not a public Company as defined under Section 2(71) of the Act. Accordingly, provisions of clause 3(xi) of the Order are not applicable.
- (xii) In our opinion, the Company is not a Nidhi Company. Accordingly, provisions of clause 3(xii) of the Order are not applicable.
- (xiii) In our opinion all transactions with the related parties are in compliance with Sections 177 and 188 of Act, where applicable, and the requisite details have been disclosed in the financial statements etc., as required by the applicable Ind AS.
- (xiv) During the year, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures.
- (xv) In our opinion, the Company has not entered into any non-cash transactions with the directors or persons connected with them covered under Section 192 of the Act.
- (xvi) The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934.

For Walker Chandiook & Co LLP

Chartered Accountants

Firm's Registration No.: 001076N/N500013


Sanjay Kumar Jain
Partner

Membership No.: 207660

UDIN: 20207660AAAADN6106



Place: Hyderabad

Date: 15 October 2020

Annexure B to the Independent Auditor's Report of even date to the members of NSPIRA Management Services Private Limited on the financial statements for the year ended 31 March 2020

Annexure B

Independent Auditor's Report on the internal financial controls with reference to the financial statements under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ('the Act')

1. In conjunction with our audit of the financial statements of NSPIRA Management Services Private Limited ('the Company') as at and for the year ended 31 March 2020, we have audited the internal financial controls with reference to financial statements of the Company as at that date.

Responsibilities of Management for Internal Financial Controls

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

Auditor's Responsibility for the Audit of the Internal Financial Controls with Reference to Financial Statements

3. Our responsibility is to express an opinion on the Company's internal financial controls with reference to financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India ('ICAI') prescribed under Section 143(10) of the Act, to the extent applicable to an audit of internal financial controls with reference to financial statements, and the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting ('the Guidance Note') issued by the ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to financial statements were established and maintained and if such controls operated effectively in all material respects.
4. Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls with reference to financial statements and their operating effectiveness. Our audit of internal financial controls with reference to financial statements includes obtaining an understanding of such internal financial controls, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.
5. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls with reference to financial statements.



Annexure B to the Independent Auditor's Report of even date to the members of NSPIRA Management Services Private Limited on the financial statements for the year ended 31 March 2020

Meaning of Internal Financial Controls with Reference to Financial Statements

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

Inherent Limitations of Internal Financial Controls with Reference to Financial Statements

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

Opinion

8. In our opinion, the Company has, in all material respects, adequate internal financial controls with reference to financial statements and such controls were operating effectively as at 31 March 2020, based on the internal control over financial reporting criteria established by the company considering the essential components of internal control stated in the Guidance Note issued by the ICAI.

For Walker Chandiok & Co LLP

Chartered Accountants

Firm's Registration No.: 001076N/N500013


Sanjay Kumar Jain

Partner

Membership No.: 207660

UDIN: 20207660AAAADN6106



Place: Hyderabad

Date: 15 October 2020

NSPIRA Management Services Private Limited
 Balance Sheet as at 31 March 2020
 (All amounts in ₹ in millions, unless otherwise stated)

	Notes	As at	
		31 March 2020	31 March 2019
ASSETS			
(1) Non-current assets			
(a) Property, plant and equipment	3(a)	3,245.39	2,856.76
(b) Right-of-use assets	3(b)	6,564.99	-
(c) Other intangible assets	4 (a)	100.24	187.79
(d) Intangible assets under development	4 (b)	160.18	90.51
(e) Financial assets			
(i) Investments	5	-	16.03
(ii) Loans	6	1,725.82	3,785.99
(f) Deferred tax assets (net)	27	420.88	159.09
(g) Other non-current assets	7	2,653.20	394.95
(h) Non-current tax assets (net)		3.32	-
Total non-current assets		14,874.02	7,491.12
(2) Current assets			
(a) Inventories	8	293.33	395.62
(b) Financial assets			
(i) Trade receivables	9	3,803.91	4,620.32
(ii) Cash and cash equivalents	10	625.25	57.89
(iii) Bank balances other than (ii) above	10	52.49	51.94
(iv) Loans	6	70.85	459.38
(v) Other financial assets	11	-	0.65
(c) Other current assets	7	317.54	271.82
Total current assets		5,163.37	5,857.62
Total Assets		20,037.39	13,348.74
EQUITY AND LIABILITIES			
Equity			
(a) Equity Share Capital	12	3,501.20	3,501.20
(b) Instruments entirely equity in nature	13	1,516.69	1,516.69
(c) Other Equity	14	4,680.11	3,482.79
Total equity		9,698.00	8,500.68
LIABILITIES			
Non-current liabilities			
(a) Financial liabilities			
(i) Borrowings	15	1,671.18	2,083.18
(ii) Lease liabilities	3(b)	6,076.39	-
(b) Provisions	16	107.94	52.90
(c) Other financial liabilities	17	17.47	11.22
Total non-current liabilities		7,872.98	2,147.30

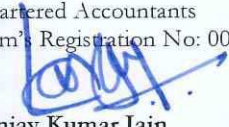


NSPIRA Management Services Private Limited
 Balance Sheet as at 31 March 2020
 (All amounts in ₹ in millions, unless otherwise stated)

	Notes	As at	
		31 March 2020	31 March 2019
Current liabilities			
(a) Financial liabilities			
(i) Trade payables			
-total outstanding dues of micro enterprises and small enterprises		-	-
-total outstanding dues of creditors other than micro enterprises and small enterprises		671.97	933.36
(ii) Other financial liabilities	17	1,466.90	1,395.22
(b) Other current liabilities	18	317.20	300.18
(c) Provisions	16	10.34	2.86
(d) Current tax liabilities (net)		-	69.14
Total current liabilities		2,466.41	2,700.76
Total Equity and Liabilities		20,037.39	13,348.74

The accompanying notes form an integral part of these financial statements.
 This is the Balance Sheet referred to in our report of even date.

For **Walker Chandiok & Co LLP**
 Chartered Accountants
 Firm's Registration No: 001076N/N500013

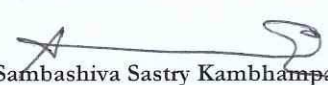

Sanjay Kumar Jain
 Partner
 Membership No.: 207660

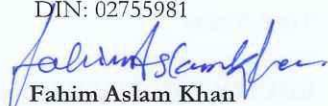


For and on behalf of the Board of Directors of
NSPIRA Management Services Private Limited


Punnet Kothapa
 Managing Director
 DIN: 06909621


Sindhura Ponguru
 Director
 DIN: 02755981


Sambashiva Sastry Kambhampati
 Chief Financial Officer
 and Whole time Director
 DIN:03642199


Fahim Aslam Khan
 Company Secretary
 Membership No. 20663

Place: Hyderabad
 Date: 15 October 2020

Place: Hyderabad
 Date: 15 October 2020



NSPIRA Management Services Private Limited
Statement of Profit and Loss for the year ended 31 March 2020
(All amounts in ₹ in millions, except earnings per equity share)

	Notes	For the year ended	
		31 March 2020	31 March 2019
Revenue from operations	19	13,997.19	13,083.57
Other income	20	309.64	184.05
Total income		14,306.83	13,267.62
Expenses			
Purchases of stock-in-trade	21	2,274.55	2,181.93
Changes in inventories of stock-in-trade	22	102.29	21.82
Employee benefits expense	23	3,377.37	3,168.25
Finance costs	24	960.21	878.36
Depreciation and amortization expense	3, 4,7(a)	1,812.21	631.07
Other expenses	25	4,074.79	4,521.26
Total expense		12,601.42	11,402.69
Profit before tax		1,705.41	1,864.93
Tax expense:			
(a) Current tax	26	735.75	677.35
(b) Deferred tax benefit	27	(261.79)	(22.45)
Income tax expense, net		473.96	654.90
Profit for the year		1,231.45	1,210.03
Other comprehensive income			
Items that will not be reclassified subsequently to profit or loss, including its income tax effects		(34.13)	(15.76)
Other comprehensive loss, net of tax		(34.13)	(15.76)
Total comprehensive income for the year		1,197.32	1,194.27
Earnings per equity share (EPES)	28		
Basic EPES (In absolute ₹ terms)		2.83	2.91
Diluted EPES (In absolute ₹ terms)		2.83	2.91

The accompanying notes form an integral part of these financial statements.

This is the Statement of Profit and Loss referred to in our report of even date.

For **Walker Chandiook & Co LLP**
Chartered Accountants
Firm's Registration No: 001076N/N500013

Sanjay Kumar Jain
Partner
Membership No.: 207660



For and on behalf of the Board of Directors of
NSPIRA Management Services Private Limited

Punnet Kothapa
Managing Director
DIN: 06909621

Sindhura Ponguru
Director
DIN: 02755981

Sambashiva Sastry Kambhampati
Chief Financial Officer
and Whole time Director
DIN:03642199

Fahim Aslam Khan
Company Secretary
Membership No. A20663

Place: Hyderabad
Date: 15 October 2020

Place: Hyderabad
Date: 15 October 2020



NSPIRA Management Services Private Limited
Statement of Changes in Equity for the year ended 31 March 2020
(All amounts in ₹ in millions, except number of shares and debentures)

(a) Equity share capital

	Number	Amount
Equity shares of ₹10 each issued, subscribed and fully paid up		
As at 1 April 2018	50,005	0.50
Issued during the year	350,070,006	3,500.70
As at 31 March 2019	350,120,011	3,501.20
Issued during the year	-	-
As at 31 March 2020	350,120,011	3,501.20

(b) Instruments entirely equity in nature

	Compulsorily Convertible Debentures		Compulsorily Convertible Preference Shares		Total
	Number	Amount	Number	Amount	
As at 1 April 2018	553	521.48	-	-	521.48
Issued during the year	-	-	450,710	1,126.78	1,126.78
Less:- Adjustment*	-	-	-	(131.57)	(131.57)
As at 31 March 2019	553	521.48	450,710	995.21	1,516.69
Balance as at 1 April 2019	553	521.48	450,710	995.21	1,516.69
Issued during the year	-	-	-	-	-
As at 31 March 2020	553	521.48	450,710	995.21	1,516.69

*Represents adjustment of transaction cost in accordance with the relevant and applicable accounting principles.



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NSPIRA Management Services Private Limited
Statement of Changes in Equity for the year ended 31 March 2020
 (All amounts in ₹ in millions, except number of equity shares and debentures)

(c) Other Equity

	Reserves and Surplus				Other comprehensive reserve	Total
	Retained earnings- Surplus in the statement of profit and loss	Securities premium	Business combination reserve	Debt redemption reserve		
Balance as at 1 April 2019	1,399.53	2.00	2.47	890.00	110.00	2,406.50
Profit for the year	1,210.03	-	-	-	-	1,210.03
Other Comprehensive loss for the year	-	-	-	-	(15.76)	(15.76)
Issue of preference shares	-	3,382.72	-	-	-	3,382.72
Transfers during the year	-	-	-	(890.00)	890.00	-
Issue of bonus shares (Refer note no: 12(e))	-	(3,384.72)	-	-	(115.98)	(3,500.70)
Balance as at 31 March 2019	2,609.56	-	2.47	-	884.02	3,482.79
Profit for the year	1,231.45	-	-	-	-	1,231.45
Other Comprehensive loss for the year	-	-	-	-	(34.13)	(34.13)
Balance as at 31 March 2020	3,841.01	-	2.47	-	884.02	4,680.11

The accompanying notes form an integral part of these financial statements.
 This is the Statement of Changes in Equity referred to in our report of even date.

For **Walker Chandiook & Co LLP**
 Chartered Accountants
 Firm's Registration No: 001076N/N500013



Sanjay Kumar Jain
 Partner
 Membership No.: 207660

For and on behalf of the Board of Directors of
NSPIRA Management Services Private Limited

Sindhura Ponguru
 Director
 DIN: 02755981

Fahim Aslam Khan
 Company Secretary
 Membership No: 20663



Sambashiva Sastry Kambhampati
 Chief Financial Officer
 and Whole time Director
 DIN: 03642199

Place: Hyderabad
 Date: 15 October 2020

Place: Hyderabad
 Date: 15 October 2020

NSPIRA Management Services Private Limited
Statement of Cash Flows for the year ended 31 March 2020
(All amounts in ₹ in millions, unless otherwise stated)

	For the year ended	
	31 March 2020	31 March 2019
Cash flow from operating activities		
Profit before tax	1,705.41	1,864.93
Adjustments to reconcile profit before tax to net cash flows:		
- Depreciation and amortization expense	1,812.22	631.07
- Impairment of Property, plant and equipment	73.18	17.84
- Interest income on deposits with related parties	-	(312.37)
- Interest income from financial assets measured at amortised cost		
- on fixed deposits with banks	(4.30)	(40.63)
- on other financial assets	(122.90)	-
- Dividend income	(39.82)	(113.25)
- Interest expense on lease liability	649.72	-
- Interest expense on borrowings	291.10	859.11
- Baddebts written off	60.95	-
- Provision for doubtful advances	320.42	94.30
- Provision for employee benefits	28.39	4.18
- Loss on sale of Property, plant and equipment	-	0.93
- Impairment of Investments	16.03	-
- Liabilities no longer required written back	(108.00)	-
Adjustments for working capital :		
Decrease in loans	1,943.00	808.43
Increase in other assets	(2,308.86)	(228.68)
Decrease in inventories	102.29	21.82
(Increase)/decrease in trade receivables	658.98	(2,918.01)
Increase / (decrease)in trade payables	(261.39)	2.40
Increase/(decrease) in financial liabilities	69.40	(167.56)
(Decrease) /increase in other current liabilities	17.02	(32.26)
Cash generated from operations	4,902.84	492.25
Income taxes paid	(800.13)	(769.01)
Net cash flows generated from/(used in) operating activities	4,102.71	(276.76)
Cash flow from investing activities		
Purchase of property, plant and equipment and intangible assets	(1,583.80)	(1,275.84)
Proceeds from sale of property, plant and equipment	-	2.20
Redemption in bank deposits for more than 3 months but less than 12 months	-	207.56
Loans to related parties	-	-
Interest income	4.30	19.14
Investment in mutual funds	(7,759.11)	(8,831.10)
Redemption of mutual funds	7,798.92	8,944.35
Net cash used in investing activities	(1,539.69)	(933.69)



NSPIRA Management Services Private Limited
Statement of Cash Flows for the year ended 31 March 2020
(All amounts in ₹ in millions, unless otherwise stated)

	For the year ended	
	31 March 2020	31 March 2019
Cash flow from financing activities		
Proceeds from issue of equity shares	-	2.40
Proceeds from issue of instruments entirely equity in nature, net of transaction cost	-	4,375.53
Proceeds from long-term borrowings	24.87	1,743.94
Repayment of long-term borrowings	(707.32)	(240.72)
Repayment of Lease liability	(372.39)	-
Interest paid	(940.82)	(1,089.47)
Redemption of debentures	-	(3,560.00)
Net cash flows generated (used in)/from financing activities	(1,995.66)	1,231.68
Net increase in cash and cash equivalents	567.36	21.23
Cash and cash equivalents at the beginning of the year	57.89	36.66
Cash and cash equivalents at the end of the year (refer note 1)	625.25	57.89

	As at	
	31 March 2020	31 March 2019

Note 1:

Cash and cash equivalents comprise of: (refer note 10)

Balances with banks		
- On current accounts	579.14	25.72
Cash on hand	46.11	32.17
	625.25	57.89

This is the Cash Flow Statement referred to in our report of even date.

For **Walker Chandiook & Co LLP**
Chartered Accountants
Firm's Registration No: 001076N/N500013

Sanjay Kumar Jain
Partner
Membership No.: 207660



Place: Hyderabad
Date: 15 October 2020

For and on behalf of the Board of Directors of
NSPIRA Management Services Private Limited

Punnet Kothapa
Managing Director
DIN: 06909621

Sambashiva Sastry Kambhampati
Chief Financial Officer
and Whole time Director
DIN:03642199

Place: Hyderabad
Date: 15 October 2020

Sindhura Ponguru
Director
DIN:02755981

Fahim Aslam Khan
Company Secretary
Membership No. 20663



NSPIRA Management Services Private Limited
Summary of the significant accounting policies and other explanatory information
(All amounts in ₹ in millions, unless otherwise stated)

1. Company Overview

NSPIRA Management Services Private Limited ('the Company') was incorporated in 2013 as a private limited company, in accordance with the provisions of the then applicable Companies Act, 1956. The Company is primarily engaged in the business of providing management services to educational institutions and to the students, which inter-alia include services such as hostel management, sale of educational material and allied services. The company is also engaged in providing private coaching services, to students pursuing professional courses.

The Company has its registered office at 10th Floor, Melange Tower, Patrika Nagar, Madhapur Hyderabad – 500 081.

These financial statements were approved by the Board of Directors and authorized for issue on 15 October 2020.

2. Summary of significant accounting policies

(a) Basis of preparation of financial statements

The financial statements have been prepared in accordance with Indian Accounting Standards (Ind AS) as per the Companies (Indian Accounting Standards) Rules, 2015 notified under Section 133 of Companies Act, 2013, (the 'Act'), as amended from time to time and other relevant provisions of the Act.

The financial statements have been prepared on a historical cost basis except for certain material financial instruments and plan assets of defined benefit plans, which are measured at fair value. The accounting policies applied by the Company are consistent with those used in the prior periods, unless otherwise stated elsewhere in these financial statements. These financial statements have been presented in millions of Indian rupees (₹) which is also the functional currency of the Company.

(b) Use of estimate

The preparation of financial statements requires the management of the company to make estimates and assumptions to be made that affect the reported amounts of assets and liabilities on the date of financial statements, disclosure of contingent liabilities as at the date of the financial statements, and the reported amounts of income and expenses during the reported period. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised.

(c) Operating cycle and current and non-current classification

The operating cycle is the time between the acquisition of assets for processing and their realisation in cash and cash equivalents. The Company has ascertained its operating cycle as twelve months for the purpose of current/ non-current classification of assets and liabilities.

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



NSPIRA Management Services Private Limited
Summary of the significant accounting policies and other explanatory information
(All amounts in ₹ in millions, unless otherwise stated)

2. Summary of significant accounting policies (continued)

The Company classifies all other assets 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.

The Company classifies all other liabilities as non-current.

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

(d) Fair value measurement:

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

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.

In estimating the fair value of an asset or liability, the Company takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date.

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

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2: inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
- Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

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

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

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.

(e) Property, plant and equipment

Property, plant and equipment are stated at cost less accumulated depreciation and impairment losses, if any. Cost comprise of purchase price, freight, non-refundable taxes and duties, and any other cost attributable to bring the asset to its working condition for its intended use. Expenditure directly relating to construction activity is capitalized if the recognition criteria are met. Indirect expenditure is capitalized to the extent those relate to the construction activity or is incidental thereto. Such cost includes the cost of replacing part of the plant and equipment and borrowing costs for long-term construction projects if the recognition criteria are met. All other repair and maintenance costs are recognised in profit or loss as incurred.



NSPIRA Management Services Private Limited
Summary of the significant accounting policies and other explanatory information
(All amounts in ₹ in millions, unless otherwise stated)

2. Summary of significant accounting policies (continued)

Gain or losses arising from derecognition of an item 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.

Depreciable amount for assets is the cost of an asset, or other amount substituted for cost, less its estimated residual value. Depreciation on property, plant and equipment is provided on straight-line method over their estimated useful lives as estimated by the management which coincides with the requirements of Schedule II to the Act.

Leasehold improvements are depreciated on straight-line method over the lease period or the useful lives as determined by management, whichever is lower.

Capital work-in-progress includes cost of property, plant and equipment that are not ready for their intended use. Capital work-in-progress are not depreciated as these assets are not yet available for use.

(f) Intangible assets

Intangible assets are measured on initial recognition at cost. Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and accumulated impairment losses. 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.

Research and development cost

Research costs are expensed as incurred. Development expenditures on an individual project are recognized as an intangible asset when the Company can demonstrate:

- The technical feasibility of completing the intangible asset so that the asset will be available for use or sale
- Its intention to complete and use or sell the asset
- How the asset will generate future economic benefits
- The availability of resources to complete the asset
- The ability to measure reliably the expenditure during development

Amortization of intangible assets

Intangible assets are amortized on a straight-line basis over the estimated useful economic life. The estimated useful lives of intangible assets are as follows:

Particulars	Useful life
Trade mark, non-compete fees and other intangible assets	10 Years
N-Learn Application	3 Years

Following initial recognition of the development expenditure as an asset, the asset is carried at cost less any accumulated amortization and accumulated impairment losses. Amortization of the asset begins when the development is complete and the asset is available for use. It is amortized over the period of future economic benefit. Amortization expense is recognized in the statement of profit or loss unless such expenditure forms part of carrying value of another asset.



NSPIRA Management Services Private Limited
Summary of the significant accounting policies and other explanatory information
(All amounts in ₹ in millions, unless otherwise stated)

2. Summary of significant accounting policies (continued)

(g) Impairment of non-financial assets

At each reporting date, the Company assesses whether there is any indication that an asset may be impaired, based on internal or external factors. If any such indication exists, the Company estimates the recoverable amount of the asset or the cash generating unit. If such recoverable amount of the asset or cash generating unit to which the asset belongs is less than its carrying amount, the carrying amount is reduced to its recoverable amount. The reduction is treated as an impairment loss and is recognized in the Statement of Profit and Loss. If, at the reporting date there is an indication that a previously assessed impairment loss no longer exists, the recoverable amount is reassessed and the asset is reflected at the recoverable amount. Impairment losses previously recognized are accordingly reversed in the Statement of Profit and Loss.

(h) Financial instruments

Financial instruments

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

Financial assets

Initial recognition and measurement

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

Subsequent measurement

For purposes of subsequent measurement, financial assets of the Company are classified in two categories:

- Debt instruments at amortised cost
- Equity instruments measured at FVTPL

Debt instruments at amortised cost

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

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

After initial measurement, 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 profit or loss. The losses arising from impairment are recognised in the Statement of Profit and Loss.



NSPIRA Management Services Private Limited
Summary of the significant accounting policies and other explanatory information
(All amounts in ₹ in millions, unless otherwise stated)

2. Summary of significant accounting policies (continued)

Equity instruments measured at FVTPL

All equity investments in scope of Ind-AS 109 are measured at fair value. Equity instruments which are held for trading are classified as at FVTPL. For all other equity instruments, the Company decides to classify the same either as at FVTOCI or FVTPL. 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 as at FVTOCI, then all fair value changes on the instrument, excluding dividends, are recognized in the OCI. There is no recycling of the amounts from OCI to Statement of Profit and Loss, even on sale of investment. However, the Company may transfer the cumulative gain or loss within equity.

Equity instruments included within the FVTPL category are measured at fair value with all changes recognized in the Statement of Profit and Loss.

Cash and cash equivalents

Cash and cash equivalents represent cash and bank balances and fixed deposits with banks with original maturity of less than three months. Cash and cash equivalent are readily convertible into known amounts of cash and are subject to an insignificant risk of changes in value.

Trade receivables

Trade receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less provision for impairment.

De-recognition

The Company de-recognises a financial asset only when the contractual rights to the cash flows from the asset expires or it transfers the financial asset and substantially all the risks and rewards of ownership 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 for following financial assets and credit risk exposures:

- a) Financial assets that are debt instruments, and are measured at amortised cost e.g., loans, deposits, and bank balance
- b) Trade receivables

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



NSPIRA Management Services Private Limited
Summary of the significant accounting policies and other explanatory information
(All amounts in ₹ in millions, unless otherwise stated)

2. Summary of significant accounting policies (continued)

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

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

ECL is the difference between all contractual cash flows that are due to the Company in accordance with the contract and all the cash flows that the Company expects to receive. When estimating the cash flows, the Company is required to consider –

- All contractual terms of the financial assets (including prepayment and extension) over the expected life of the assets.
- Cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

Financial Liabilities

Initial recognition and measurement

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, loans and borrowings.

Subsequent measurement

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

Loans and borrowings

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the EIR amortisation process.

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 amortisation is included as finance costs in the Statement of Profit and Loss.

This category generally applies to interest-bearing loans and borrowings.

Trade and other payables

These amounts represent liabilities for goods and services provided to the Company prior to the end of financial year which are unpaid. The amounts are unsecured and are usually paid as per agreed terms. Trade and other payables are presented as current liabilities unless payment is not due within 12 months after the reporting period. They are recognised initially at their fair value and subsequently measured at amortised cost using the effective interest method.



NSPIRA Management Services Private Limited
Summary of the significant accounting policies and other explanatory information
(All amounts in ₹ in millions, unless otherwise stated)

2. Summary of significant accounting policies (continued)

De-recognition

A financial liability is de-recognised 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 derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the Statement of Profit and Loss.

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) Taxes

Tax expense comprises of current and deferred tax.

i) *Current income tax*

Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date. Current taxes are recognised in Profit or Loss, except when they relate to items that are recognised in Other Comprehensive Income or directly in equity in which case, the income taxes are recognised in Other Comprehensive Income or directly in equity respectively.

The Company recognises interest levied related to income tax assessments in interest expenses.

ii) *Deferred tax*

Deferred tax is provided using the Balance Sheet method on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date. Deferred tax liabilities are recognised for all taxable temporary differences.

Deferred tax assets are recognised for all deductible temporary differences, the carry forward of unused tax credits and any unused tax losses. Deferred tax assets are recognised to the extent that it is probable that future taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilized.

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 future taxable profit will be available to allow all or part of the deferred tax asset to be utilized. Unrecognized deferred tax assets are re-assessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered. Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realized or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

Deferred tax relating to items recognised outside profit or loss is recognised outside profit or loss (either in other comprehensive income or in equity). Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.



NSPIRA Management Services Private Limited
Summary of the significant accounting policies and other explanatory information
(All amounts in ₹ in millions, unless otherwise stated)

2. Summary of significant accounting policies (continued)

(j) Inventories

Study materials, stationery items, groceries and stores and spares are carried at cost. Cost includes purchase price, duties and taxes (other than those subsequently recoverable by the Company from the concerned revenue authorities), freight inwards and other expenditure incurred in bringing such inventories to their present location and condition. In determining the cost, first in first out (FIFO) method is used. The carrying cost of inventories are appropriately written down when there is a decline in replacement cost of such materials.

(k) Borrowing costs

Borrowing costs consists of interest, ancillary costs and other costs in connection with the borrowing of funds.

Borrowing costs attributable to acquisition and/or construction of qualifying assets are capitalised as a part of the cost of such assets, up to the date such assets are ready for their intended use. Other borrowing costs are charged to the Statement of Profit and Loss.

(l) Provisions and contingencies

Provisions

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

Contingencies

Contingent liability is disclosed for:

- Possible obligations which will be confirmed only by future events not wholly within the control of the Company; or
- Present obligations arising from past events where it is not probable that an outflow of resources will be required to settle the obligation or a reliable estimate of the amount of the obligation cannot be made.

Contingent liabilities and assets are not recognised in financial statements. A disclosure of the contingent liability is made when there is a possible or a present obligation that may, but probably will not, require an outflow of resources.

(m) 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, regardless of when the payment is being made. Revenue is measured at the fair value of the consideration received or receivable, taking into account contractually defined terms of payment and excluding taxes or duties collected on behalf of the government. The Company has concluded that it is the principal in all of its revenue arrangements since it is the primary obligor in all the revenue arrangements as it has pricing latitude and is also exposed to inventory and credit risks.



NSPIRA Management Services Private Limited
Summary of the significant accounting policies and other explanatory information
(All amounts in ₹ in millions, unless otherwise stated)

2. Summary of significant accounting policies (continued)

Revenue is recognized on satisfaction of performance obligation upon transfer of control of promised products or services to customers in an amount that reflects the consideration the Company expects to receive in exchange for those products or services.

The Company does not expect to have any contracts where the period between the transfer of the promised goods or services to the customer and payment by the customer exceeds one year. As a consequence, it does not adjust any of the transaction prices for the time value of money.

The Company satisfies a performance obligation and recognises revenue over time, if one of the following criteria is met:

- i. the customer simultaneously receives and consumes the benefits provided by the Company's performance as the Company performs; or
- ii. the Company's performance creates or enhances an asset that the customer controls as the asset is created or enhanced; or
- iii. the Company's performance does not create an asset with an alternative use to the Company and an entity has an enforceable right to payment for performance completed to date.

For performance obligations where one of the above conditions are not met, revenue is recognised at the point in time at which the performance obligation is satisfied.

Revenue in excess of invoicing are classified as contract assets while collections in excess of revenues are classified as contract liabilities.

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

Sale of stock-in-trade

Revenue from sale of materials comprises the sale of mess items, sale of study materials, and other items. Revenue from sale of mess items, and other items is recognized when the Company has transferred to the buyer the significant risks and rewards of ownership in the goods supplied. Significant risks and rewards are generally considered to be transferred to the buyer when the goods are handed over to the buyer. Revenue from sale of study material, where the performance obligations are satisfied over time and where there is no uncertainty as to measurement or collectability of consideration, is recognized as per the percentage-of-completion method. Efforts or costs expended have been used to measure the percentage completion.

Revenue from services other than coaching and hostel services

Revenue is recognized on rendering of services and is recognized when there are no significant uncertainties as to its measurability or collectability on accrual basis over the period of instructions.

Revenue from coaching services

Revenue from student fee which comprise of coaching (tuition) fees, annual fees, admission fees and transport fees is recognized on accrual basis over the period of instructions.

Revenue from hostel services

Revenue from hostel services is recognized on accrual basis over the period of provision of services.

Dividend

Dividend from investment in shares and in liquid mutual funds is recognized when the right to receive the payment is established.



NSPIRA Management Services Private Limited
Summary of the significant accounting policies and other explanatory information
(All amounts in ₹ in millions, unless otherwise stated)

2. Summary of significant accounting policies (continued)

Interest

Interest is recognized on time proportion basis taking into account the amount outstanding and the rates applicable.

(n) Earnings per equity share

Basic earnings per equity share is calculated by dividing the net profit or loss for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period. The weighted average number of equity shares shall include the equity shares that would be issued on conversion of instruments entirely equity in nature.

For the purpose of calculating diluted earnings per equity share, the net profit or loss for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares. In computing the dilutive earnings per share, only potential equity shares that are dilutive and that either reduces the earnings per share or increases loss per share are included.

(o) Retirement and other employee benefits

Provident fund and employee state insurance fund are defined contribution schemes and the contribution is charged to the Statement of Profit and Loss of the year when the contributions to the respective funds are due. There are no other obligations other than the contribution payable to the respective authorities.

Gratuity is a defined benefit obligation and is provided for on the basis of an actuarial valuation as per the projected unit credit method made at the end of each financial year.

Compensated absences are provided for based on actuarial valuation. The actuarial valuation is done as per projected unit credit method.

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

(p) Lease

The Company has adopted Ind AS 116 with effect from 1 April 2019. The aforesaid Ind AS has been adopted pursuant to supersession of Ind AS 17 by the Ministry of Corporate Affairs.

The Company assesses at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Company assesses whether: (i) the contract involves the use of an identified asset (ii) the Company has substantially all of the economic benefits from use of the asset through the period of the lease and (iii) the Company has the right to direct the use of the asset.

Company as a lessee

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



NSPIRA Management Services Private Limited
Summary of the significant accounting policies and other explanatory information
(All amounts in ₹ in millions, unless otherwise stated)

2. Summary of significant accounting policies (continued)

Right-of-use assets

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

The right-of-use assets are also subject to impairment. Refer to the accounting policies in Impairment of non-financial assets.

Lease Liabilities

At the commencement date of the lease, the Company recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including insubstance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Company and payments of penalties for terminating the lease, if the lease term reflects the Company exercising the option to terminate

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

Short-term leases and leases of low-value assets

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

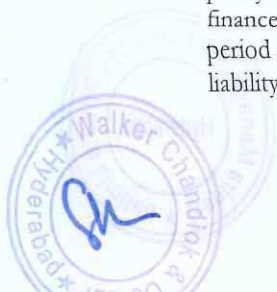
Accounting policies relating to leases for periods ending on or prior to 31 March 2019

The Company's accounting policies relating to leases for periods ending on or prior to 31 March 2019 are as follows:

At the inception of each lease, the lease arrangement is classified as either a finance lease or an operating lease, based on the substance of the lease arrangement.

Finance leases

A finance lease is recognised as an asset and a liability at the commencement of the lease, at the lower of the fair value of the asset and the present value of the minimum lease payments. Initial direct costs, if any, are also capitalised and, subsequent to initial recognition, the asset is accounted for in accordance with the accounting policy applicable to that asset. Minimum lease payments made under finance leases are apportioned between the finance expense and the reduction of the outstanding lease liability. The finance expense is allocated to each period during the lease term so as to produce a constant periodic rate of interest on the remaining balance of the liability.



NSPIRA Management Services Private Limited
Summary of the significant accounting policies and other explanatory information
(All amounts in ₹ in millions, unless otherwise stated)

2. Summary of significant accounting policies (continued)

Operating leases

Other leases are operating leases, and the leased assets are not recognised on the Company's balance sheet. Payments made under operating leases are recognised in the statement of profit and loss on a straight-line basis over the term of the lease.

A leased asset is depreciated over the useful life of the asset. However, if there is no reasonable certainty that the Company will obtain ownership by the end of the lease term, the asset is depreciated over the shorter of the estimated useful life of the asset and the lease term.

Operating lease payments are recognised as an expense in the Statement of Profit and Loss on a straight-line basis over the lease term.

Company as a lessor

Leases in which the Company does not transfer substantially all the risks and rewards of ownership of an asset are classified as operating leases. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised over the lease term on the same basis as rental income.

Leases are classified as finance leases when substantially all of the risks and rewards of ownership transfer from the Company to the lessee. Amounts due from lessees under finance leases are recorded as receivables at the Company's net investment in the leases. Finance lease income is allocated to accounting periods so as to reflect a constant periodic rate of return on the net investment outstanding in respect of the lease.

(q) Cash flow statement

Cash flows are reported using the indirect method, whereby profit before tax is adjusted for the effects of transactions of a non-cash nature, any deferrals or accruals of past or future operating cash receipts or payment and items 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.

(r) Segment reporting

The management has assessed the identification of reportable segments in accordance with the requirements of Ind AS 108 'Operating Segments' and believes that the Company has only one reportable segment namely "the provision of education and education support services". Further, the Board of directors have designated the Managing Director as Chief Operating Decision Maker ("CODM").

(s) Significant accounting judgements, estimates and assumptions

The preparation of the Company's financial statements requires the 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. 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:

Judgements, estimates and assumptions

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



NSPIRA Management Services Private Limited
Summary of the significant accounting policies and other explanatory information
(All amounts in ₹ in millions, unless otherwise stated)

2. Summary of significant accounting policies (continued)

Leases

The Company has reached its decisions on the basis of the principles laid down in Ind AS 116 “Leases” for the said classification as explained in note 2(m).

Deferred income taxes

The assessment of the probability of future taxable profit in which deferred tax assets can be utilized is based on the Company’s latest approved forecast, which is adjusted for significant non-taxable profit and expenses and Specific limits to the use of any unused tax loss or credit. The tax rules in the jurisdiction in which the Company operates are also carefully taken into consideration. If a positive forecast of taxable profit indicates the probable use of a deferred tax asset, especially when it can be utilized without a time limit, that deferred tax asset is usually recognized in full.

Research and development costs

Management monitors progress of internal research and development projects by using a project management system. Significant judgement is required in distinguishing research from the development phase. Development costs are recognised as an asset when all the criteria are met, whereas research costs are expensed as incurred. Management also monitors whether the recognition requirements for development costs continue to be met. This is necessary due to inherent uncertainty in the economic success of any product development.

Useful lives of various assets

Management reviews the useful lives of depreciable assets at each reporting date, based on the expected utility of the assets to the Company.

Current income taxes

Significant judgments are involved in determining the provision for income taxes including judgment on whether tax positions are probable of being sustained in tax assessments. A tax assessment can involve complex issues, which can only be resolved over extended time periods. The recognition of taxes that are subject to certain legal or economic limits or uncertainties is assessed individually by management based on the specific facts and circumstances.

Accounting for defined benefit plans

In accounting for post-retirement benefits, several statistical and other factors that attempt to anticipate future events are used to calculate plan expenses and liabilities. These factors include expected return on plan assets, discount rate assumptions and rate of future compensation increases. To estimate these factors, actuarial consultants also use estimates such as withdrawal, turnover, and mortality rates which require significant judgment. The actuarial assumptions used by the Company may differ materially from actual results in future periods due to changing market and economic conditions, regulatory events, judicial rulings, higher or lower withdrawal rates, or longer or shorter participant life spans.

Impairment

An impairment loss is recognised for the amount by which an asset’s or cash-generating unit’s carrying amount exceeds its recoverable amount to determine the recoverable amount, management estimates expected future cash flows from each asset or cash generating unit and determines a suitable interest rate in order to calculate the present value of those cash flows. In the process of measuring expected future cash flows, management makes assumptions about future operating results. These assumptions relate to future events and circumstances. The actual results may vary, and may cause significant adjustments to the Company’s assets.

In most cases, determining the applicable discount rate involves estimating the appropriate adjustment to market risk and the appropriate adjustment to asset-specific risk factors.

Trade receivables

Refer note 2(h) for realisability of Trade receivables.

Impact of COVID-19

Refer note 38 for details of assessment and impact of COVID-19 on the operations of the Company.



NSPIRA Management Services Private Limited
Summary of significant accounting policies and other explanatory information
(All amounts in ₹ in millions, unless otherwise stated)

3 (a) Property, plant and equipment

	Office equipment	Computers and data processing units	Electrical installations and equipment	Furniture and fixtures	Kitchen equipment	Teaching aid and equipment	Vehicles	Leasehold improvements	Total
Gross block (Refer note-(i))									
As at 1 April 2018	630.55	162.96	156.45	1,110.87	58.04	37.04	51.16	516.80	2,723.87
Additions during the year	354.78	130.01	78.94	438.21	26.13	28.03	39.62	215.63	1,311.35
Less: Disposals	-	-	-	-	-	-	4.03	-	4.03
Less: Impairment during the year*	-	-	-	-	-	-	-	21.77	21.77
As at 31 March 2019	985.33	292.97	235.39	1,549.08	84.17	65.07	86.75	710.66	4,009.42
Additions during the year	252.15	99.36	59.88	476.29	19.89	60.86	22.12	150.40	1,140.95
Less: Impairment during the year*	-	-	-	-	-	-	-	89.58	89.58
As at 31 March 2020	1,237.48	392.33	295.27	2,025.37	104.06	125.93	108.87	771.48	5,060.79
Accumulated depreciation									
Up to 1 April 2018	168.78	52.61	20.03	247.16	17.79	12.38	9.72	66.67	595.14
Charge for the year	174.43	61.04	21.76	210.14	14.67	13.85	6.19	60.27	562.35
Less: Disposals	-	-	-	-	-	-	0.90	-	0.90
Less: Adjustments for Impairment*	-	-	-	-	-	-	-	3.93	3.93
Up to 31 March 2019	343.21	113.65	41.79	457.30	32.46	26.23	15.01	123.01	1,152.66
Charge for the year	221.18	86.19	26.57	213.46	18.95	22.85	11.24	78.70	679.14
Less: Adjustments for Impairment*	-	-	-	-	-	-	-	16.40	16.40
Up to 31 March 2020	564.39	199.84	68.36	670.76	51.41	49.08	26.25	185.31	1,815.40
Net block									
As at 31 March 2020	673.09	192.49	226.91	1,354.61	52.65	76.85	82.62	586.17	3,245.39
As at 31 March 2019	642.12	179.00	193.60	1,091.78	51.71	38.84	71.74	587.65	2,856.76

Notes:

- (i) The Company had applied for the one-time transition exemption of considering the previous GAAP carrying cost on the transition date as the deemed cost under IND AS. Hence regarded thereafter as historical cost
- (ii) The Company has a policy of undertaking the physical verification of its property, plant and equipment on a yearly basis which has been carried out during the year ended 31 March 2020. However, due to the mandatory lockdowns and restriction imposed due to the COVID-19 pandemic, management could not complete the reconciliation of the assets physically verified with its books of account. On the basis of its assessment of the nature of operations of the Company, the internal control system in place over the physical access and custody of assets, management does not foresee this pending exercise to have any significant impact on the financial statements.

*Represents adjustments towards derecognition of leasehold improvements in respect of branches which have been vacated during the year.



NSPIRA Management Services Private Limited
 Summary of significant accounting policies and other explanatory information
 (All amounts in ₹ in millions, unless otherwise stated)

3 (b) Right-of-use assets

	Buildings	Total
Gross block		
As at 1 April 2019	-	-
Impact of adoption of Ind AS 116	6,645.01	6,645.01
Additions during the year	776.00	776.00
As at 31 March 2020	7,421.01	7,421.01
Accumulated amortization		
Up to 1 April 2019	-	-
For the year	856.02	856.02
As at 31 March 2020	856.02	856.02
Net block		
As at 31 March 2020	6,564.99	6,564.99

The aggregate depreciation expense on Right-of-use assets is included under depreciation and amortization expense in the statement of Profit and Loss.

The incremental borrowing rate applied to lease liabilities as at 1 April 2019 is 10.25%.

Effective 1 April 2019, the Company has adopted Ind AS 116 "Leases", and applied to all lease contracts existing on 1 April 2019 using the modified retrospective method. Accordingly, the Company has recognised a lease liability measured at the present value of the remaining lease payments, and right-of-use (ROU) asset at an amount equal to lease liability (adjusted for any related prepayments). Management has exercised judgement in determining whether extension and termination options are reasonably certain to be exercised. Expenses relating to short-term leases and low-value assets for year ended 31 March 2020 is ₹79.31 Million.

The following is the break-up of current and non-current lease liabilities as at 31 March 2020:

	As at 31 March 2020
Current lease liabilities	496.80
Non-current lease liabilities	6,076.39
Total	6,573.19

The following is the movement in lease liabilities during the year ended 31 March 2020:

	As at 31 March 2020
Balance at the beginning	-
Lease liability accounted on transition to Ind AS 116	6,228.22
Additions	717.35
Finance cost accrued during the year	649.72
Payment of lease liabilities	(1,022.11)
Total	6,573.19

The table below provides details regarding the contractual maturities of lease liabilities as at 31 March 2020 on an undiscounted basis:

	As at 31 March 2020
Less than one year	1,369.72
One to five years	4,960.26
More than five years	9,398.28
Total	15,728.26



NSPIRA Management Services Private Limited

Summary of significant accounting policies and other explanatory information

(All amounts in ₹ in millions, except number of equity shares, preference shares and face value)

4 (a) Intangible assets

	N-Learn application	Trademarks	Non compete fee	Other intangibles	Total
Gross block					
As at 1 April 2018	-	14.01	11.44	29.28	54.73
Additions during the year	225.93	-	-	-	225.93
As at 31 March 2019	225.93	14.01	11.44	29.28	280.66
Additions during the year	-	-	-	-	-
As at 31 March 2020	225.93	14.01	11.44	29.28	280.66
Accumulated amortization					
Up to 1 April 2018	-	6.22	4.91	13.02	24.15
Charge for the year	56.48	3.11	2.62	6.51	68.72
Up to 31 March 2019	56.48	9.33	7.53	19.53	92.87
Charge for the year	75.31	3.11	2.62	6.51	87.55
Up to 31 March 2020	131.79	12.44	10.15	26.04	180.42
Net block					
As at 31 March 2020	94.14	1.57	1.29	3.24	100.24
As at 31 March 2019	169.45	4.68	3.91	9.75	187.79

(b) Intangible assets under development

Intangible assets under development comprises of employee benefit expense and consultancy charges incurred towards software applications developed internally by the Company. Such cost is capitalized on the basis of management's assessment regarding the technical feasibility of the underlying assets, future economic benefits and when the cost to complete is measured reliably.

	Amount
As at 1 April 2018	259.12
Development cost incurred during the year	57.32
Less:- Capitalised during the year	(225.93)
As at 31 March 2019	90.51
Development cost incurred during the year	69.67
As at 31 March 2020	160.18



NSPIRA Management Services Private Limited

Summary of significant accounting policies and other explanatory information

(All amounts in ₹ in millions, except number of equity shares, preference shares and face value)

5 Investments

	Face value	As at	
		31 March 2020	31 March 2019
Unquoted - designated at FVTPL			
Investment in other entities			
Investments in equity shares (fully paid-up)			
Monkeybox Food Tech Private Limited 6,845 (31 March 2019: 6,845) equity shares	₹ 10	7.53	7.53
		7.53	7.53
-Investment in preference shares (fully paid-up)			
Monkeybox Food Tech Private Limited 883 (31 March 2019: 883)	₹ 1000	1.00	1.00
4,771 (31 March 2019: 4,771)	₹ 10	7.50	7.50
		8.50	8.50
		16.03	16.03
Total investments		16.03	-
Less: Provision for impairment		-	16.03
Net Investment		-	-
Current		-	-
Non-current		-	16.03
Aggregate amount of quoted investments and market value		-	-
Aggregate amount of unquoted investments		16.03	16.03
Aggregate amount of impairment in value of investments		16.03	-

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NSPIRA Management Services Private Limited
 Summary of significant accounting policies and other explanatory information
 (All amounts in ₹ in millions, unless otherwise stated)

6 Loans

	As at	
	31 March 2020	31 March 2019
Non-current		
Secured considered good	-	-
Unsecured, considered good		
Security deposits:		
-with related parties (refer note (i))	55.12	3,439.22
-with others (refer note (iii))	1,274.91	-
Rental and electricity deposits		
-related parties (note (ii))	5.19	7.13
-others	387.90	337.62
Advances to:		
- related parties	2.70	2.02
Significant increase in credit risk		
Credit impaired		
Rental and electricity deposits	33.55	33.55
Less: Provision of doubtful deposits	(33.55)	(33.55)
	<u>1,725.82</u>	<u>3,785.99</u>
Current		
Secured, considered good	-	-
Unsecured, considered good		
Rental deposits		
-with related parties	-	4.33
-with others	20.41	25.30
Advances to related parties	38.00	64.55
Interest accrued on deposits from related parties	-	340.55
Other loans to		
- Employees and professionals	12.44	24.65
Significant increase in credit risk	-	-
Credit impaired		
Loans to employees and professionals	64.39	64.39
Advances to related party	31.64	-
Less: Provision of doubtful loans	(96.03)	(64.39)
	<u>70.85</u>	<u>459.38</u>

Notes:

- (i) Security deposits as at 31 March 2019 were paid to related parties pursuant to the Master Service Agreement ('MSA') for services rendered by the Company and are repayable after the completion of MSA at an interest rate of Nil (31 March 2019: 9.00% p.a).
- (ii) Rental deposits paid are on account of the premises taken on lease and the same are repayable after the expiry of the lease period as per the agreement.
- (iii) Includes security deposits of ₹889.99 million (fair value of ₹52.43 million as at 31 March 2020), ₹14.62 million (fair value of ₹0.86 million as at 31 March 2020), ₹4.02 million (fair value of ₹0.21 million as at 31 March 2020) duly guaranteed by Narayana Educational Society, Narayana Education Trust and Narayana Educational Trust (collectively referred to as educational institutions), respectively, in accordance with the deed of guarantee duly entered with them. These deposits pertain to certain inactive and other buildings which are yet to be handed over to these educational institutions. These deposits have been recognised at their fair values in accordance with the provisions of Ind AS 109 – Financial Instruments.



NSPIRA Management Services Private Limited

Summary of significant accounting policies and other explanatory information

(All amounts in ₹ in millions, unless otherwise stated)

7 Other assets

	As at	
	31 March 2020	31 March 2019
Non-current		
Unsecured, considered good		
Capital advances	287.66	29.39
Payments made under protest*	11.82	19.90
Prepaid asset	-	345.66
Contract assets (Refer note - (a))	2,353.72	-
	2,653.20	394.95
Current		
Unsecured, considered good		
Advances to vendors	13.72	99.41
Prepaid asset	23.35	58.52
Contract assets (Refer note - (a))	183.38	-
Balances with government authorities	81.64	109.16
Other advances	15.45	4.73
	317.54	271.82
Unsecured, considered doubtful	45.81	45.81
Less: Provision of doubtful loans	(45.81)	(45.81)
	317.54	271.82

*Payments made under protest includes payments made to service tax authorities in relation to certain litigations which are pending for disposal.

(a) Note

Pursuant to the terms of the restated Master Services Agreement and the Security Deposits Agreement entered individually between the Company and Narayana Educational Society (NES), Narayana Education Trust (NET), Narayana Educational Trust (NETL) (Individually referred to as 'Institutions'), the aggregate amount of security deposit furnished by the Company to these institutions in the previous years and outstanding to the tune of ₹3,945.82 million has been converted from the performance security deposits to rental security deposits. These institutions have assigned the rental security deposits paid by it to the various landlords, including related parties, from whom it has taken properties under lease to the Company along with the transfer of the underlying credit risk of these landlords. Consequently, the fair value of the rental deposits, considered in accordance with the provisions of Ind AS, aggregating to ₹1,230.37 million as at the aforesaid date have been considered as rental security deposits in these financial statements of the Company and the balance amount of ₹2,715.46 million, considered as a contract asset in accordance with the provisions of Ind AS 115. Further the contract asset are amortized over the tenure of the underlying rental agreements between these institutions and the landlord or the contract period as per the restated MSA, as the case may be.

(b) The details of movement in the balance of contract assets is as follows:

	As at	
	31 March 2020	31 March 2019
Contract asset recognised during the year	2,726.61	-
Less: Amortization for the year	(189.51)	-
Balance at the end of the year	2,537.10	-
- Current	2,353.72	-
- Non-current	183.38	-



NSPIRA Management Services Private Limited
 Summary of significant accounting policies and other explanatory information
 (All amounts in ₹ in millions, unless otherwise stated)

8 Inventories

	As at	
	31 March 2020	31 March 2019
Valued at the lower of cost and net realisable value		
Stock-in-trade	293.33	395.62
	<u>293.33</u>	<u>395.62</u>

9 Trade receivables

	As at	
	31 March 2020	31 March 2019
- Secured, considered good	-	-
- Unsecured, receivables considered good		
- from related parties (refer note (i) below)	3,759.71	4,520.91
- from other	44.20	99.41
- receivables with significant increase in credit risk	-	-
-Credit impaired		
- from related parties	51.43	-
- from others	-	19.83
	<u>3,855.34</u>	<u>4,640.15</u>
Less: allowance for trade receivables	(51.43)	(19.83)
	<u>3,803.91</u>	<u>4,620.32</u>

Trade receivables

- (i) No trade or other receivables are due from directors or other officers of the Company either severally or jointly with any other person. Trade receivables from related parties represent dues from entities in which a director is a member or where Director has control or significant influence (refer note 36).
- (ii) Trade receivables are non-interest bearing and are generally on terms of 30 to 180 days.

10 Cash and bank balances

	As at	
	31 March 2020	31 March 2019
Cash and cash equivalents		
Balances with banks		
- On current accounts*	579.14	25.72
Cash on hand	46.11	32.17
	<u>625.25</u>	<u>57.89</u>
Bank balances other than above		
- Deposits with banks with maturity period from 3 to 12 months	52.49	51.94
	<u>52.49</u>	<u>51.94</u>

*There are no repatriation restrictions with regard to cash and cash equivalents.

11 Other financial assets

	As at	
	31 March 2020	31 March 2019
Unsecured, considered good		
Current		
Interest accrued *	-	0.65
	<u>-</u>	<u>0.65</u>

* Financial assets are carried at amortized cost.



12 Equity share capital

	As at			
	31 March 2020		31 March 2019	
	Number	Amount	Number	Amount
Authorized				
Equity shares of ₹10 each	536,999,990	5,370.00	536,999,990	5,370.00
Series-B Equity shares of ₹10 each	10	0.00	10	0.00
Preference shares of ₹ 2,500 each	452,000	1,130.00	452,000	1,130.00
	537,452,000	6,500.00	537,452,000	6,500.00
Issued, subscribed and fully paid-up				
Equity shares of ₹10 each	350,120,010	3,501.20	350,120,010	3,501.20
Series B equity shares of ₹10 each	1	0.00	1	0.00
	350,120,011	3,501.20	350,120,011	3,501.20

(a) Reconciliation of equity shares outstanding at the beginning and end of the reporting period

	31 March 2020		31 March 2019	
	Number	Amount	Number	Amount
Balance at the beginning of the year	350,120,010	3,501.20	50,005	0.50
Issued during the year	-	-	5	0.00
Issue of bonus shares	-	-	350,070,000	3,500.70
Balance at the end of the year	350,120,010	3,501.20	350,120,010	3,501.20
Series-B				
Balance at the beginning of the year	1	0.00	-	-
Issued during the year	-	-	1	0.00
Balance at the end of the year	1	0.00	1	0.00

(b) Terms/rights attached to equity shares

The Company has equity shares having a par value of ₹10 per share. Each holder of equity shares is entitled to one vote per share. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing general meeting. In the event of liquidation of the Company, the holders of equity shares will be entitled to receive the remaining assets of the Company, after distribution of all preferential amounts in proportion of their shareholding.

(c) The Company has series-B equity shares having a par value of ₹10 per share. Each holder of series-B equity shares is not entitled to vote and dividend distributions. In the event of liquidation of the Company, the holders of series-B equity shares will be entitled to receive the remaining assets of the Company, after distribution of all preferential amounts in proportion of their shareholding.

(d) Details of shareholders holding more than 5% shares in the Company

	31 March 2020		31 March 2019	
	Number of shares	% of holding	Number of shares	% of holding
Equity share of ₹10 each				
Puneet Kothapa	87,512,500	25.00%	87,512,500	25.00%
Sindhura Ponguru	148,771,250	42.49%	148,771,250	42.49%
Ponguru Sharani	113,766,250	32.49%	113,766,250	32.49%
Series B				
NHPEA Minerva Holdings B.V.	1	100%	1	100%

As per records of the Company, including its register of shareholders/members and other declarations received from shareholders regarding beneficial interest, the above shareholding represents both legal and beneficial ownership of shares.



NSPIRA Management Services Private Limited

Summary of significant accounting policies and other explanatory information

(All amounts in ₹ in millions, except number of shares and debentures)

- (e) In compliance with the relevant provisions of the act, the Company in 2019, had issued 350,070,000 bonus equity shares of ₹10 each to its existing equity shareholders in the ratio of 7,000 (Seven thousand) equity shares of ₹10 each for every 1 (one) fully paid-up equity share of ₹10 each held by them. The bonus shares were issued by way of capitalisation of the balances of securities premium and General reserve.

13 Instruments entirely equity in nature

(a) Compulsorily convertible debentures ('CCDs')

	31 March 2020		31 March 2019	
	Number	Amount	Number	Amount
Balance at the beginning of the year	553	521.48	553	521.48
Issued during the year	-	-	-	-
Balance at the end of the year	553	521.48	553	521.48

(b) Compulsorily convertible preference shares ('CCPS')

	31 March 2020		31 March 2019	
	Number	Amount	Number	Amount
Issued, Subscribed and fully paid up preference shares of ₹2,500 each				
Balance at the beginning of the year	450,710	995.21	-	-
Issued during the year	-	-	450,710	1,126.78
Less: Adjustment of transaction cost	-	-	-	(131.57)
Balance at the end of the year	450,710	995.21	450,710	995.21

(c) Terms and conditions for conversion of CCDs and CCPS

During the year ended 31 March 2018, the Company had allotted 553 CCDs of ₹1,000,000 each fully paid-up to certain investors pursuant to the terms of the underlying shareholder's agreement, duly modified on the 26 May 2018. These instruments do not carry any coupon rate.

All of the above CCDs shall be compulsorily convertible into equity shares at the earlier of - (a) the option of the Investor; or (b) Initial Public Offering ('IPO') Conversion Date; (c) prior to the Investor offering to sell its CCDs through offer for sale ('OFS'); or (d) Final Maturity Date. Further, the CCDs shall convert into equity shares in accordance with the terms mentioned in the shareholders' agreement.

- (d) The Company has allotted 450,710 CCPS of Rs. 2,500 each fully paid - up. Per the terms and conditions of the shareholders' agreement each holder of Series A CCPS shall be entitled to receive a dividend on each preference share at preferential rate of 0.01% p.a on the rate at which the dividends are declared by the board.

All the CCPS shall be compulsorily convertible into equity shares at the earlier of - (a) the option of the Investor; or (b) upon the expiry of last date of convertible Securities in relation with a QIPO or an Initial Public Offering ('IPO') Conversion Date; (c) CCPS Final Maturity Date. Further, the CCPS shall convert into equity shares in accordance with the terms mentioned in the shareholders' agreement.

(e) Details of holders of CCDs and CCPS holding more than 5% of the underlying securities

	31 March 2020		31 March 2019	
	Number	% of holding	Number	% of holding
CCDs of ₹1,000,000 each				
BanyanTree Growth Capital II, LLC	550	99.46%	550	99.46%
CCPS of ₹2,500 each				
NHPEA Minerva Holdings B.V.	449,760	99.79%	449,760	99.79%



NSPIRA Management Services Private Limited
 Summary of significant accounting policies and other explanatory information
 (All amounts in ₹ in millions, unless otherwise stated)

14 Other equity

	As at	
	31 March 2020	31 March 2019
Debenture redemption reserve		
Balance at the beginning of the year	-	890.00
Less: Transferred to retained earnings	-	(890.00)
Balance at the end of the year	-	-
General reserve		
Balance at the beginning of the year	884.02	110.00
Add: Additions during the year	-	890.00
Add: Utilised for issue of bonus shares	-	(115.98)
Balance at the end of the year	884.02	884.02
Securities premium		
Balance at the beginning of the year	-	2.00
Add: Additions during the year	-	3,382.72
Add: Utilised for issue bonus shares	-	(3,384.72)
Balance at the end of the year	-	-
Business combination reserve		
Balance at the beginning and end of the year	2.47	2.47
Retained earnings-Surplus in the statement of profit and loss		
Balance at the beginning of the year	2,609.56	1,399.53
Add: Profit for the year	1,231.45	1,210.03
Balance at the end of the year	3,841.01	2,609.56
Other comprehensive income		
Actuarial gain/(loss) on post employment benefits		
At the beginning of the year	(13.26)	2.50
for the year	(34.13)	(15.76)
At the end of the year	(47.39)	(13.26)
Total other equity	4,680.11	3,482.79

Debenture redemption reserve

Represents the reserve created out of the profits of the company in accordance with the provision of the Companies (Share capital and Debentures) Rules, 2014 (as amended) in relation to the redemption value of the outstanding debentures.

Securities premium

The amount received in excess of face value of the equity shares and Compulsorily convertible preference shares is recognised in securities premium reserve. This reserve is utilised in accordance with the provisions of the Act.

General reserve

General reserve is used from time to time to transfer profits from retained earnings for appropriation purposes.

Retained earnings

Retained earnings are the profits that the Company has earned till date, less any transfers to general reserve, dividends or other distribution to shareholders.

Business combination reserve

The reserve represents the consideration paid in excess of the net assets acquired from Narayana Learning Private Limited (NLPL) on account of slump sale.



14 Other equity (continued)**Actuarial gain/(loss) on employment benefits**

The reserve represents the remeasurement gains/(losses) arising from the actuarial valuation of the defined benefit obligations of the Company. The remeasurement gains/(losses) are recognized in other comprehensive income and accumulated under this reserve within equity. The amounts recognized under this reserve are not reclassified to statement of profit and loss.

15 Borrowings

	As at	
	31 March 2020	31 March 2019
Non-current borrowings		
Secured		
Term loans from		
- Banks (refer note a(1))	892.86	1,071.43
- Financial Institutions (refer note a(2))	1,157.64	1,659.49
Vehicle loans from		
- Banks (refer note b)	23.85	6.72
- Financial institutions (refer note b)	30.58	49.74
Total non-current borrowings	2,104.93	2,787.38
Less: Current maturities of long-term borrowings (refer note 17)	433.75	704.20
	1,671.18	2,083.18

a) Terms and conditions of secured term loans and nature of security

- 1 (i) Term loan from Karur Vysya Bank (KVB) outstanding to the tune of ₹892.86 million (31 March 2019: ₹1,071.43 million,) is secured by way of:
 - (a) demand promissory note;
 - (b) security cover over the following immovable properties:
 - land and engineering college building at Nellore which is in the name of Narayana Educational Society ('NES');
 - land and buildings at Nellore which is in the name of Mrs. P. Ramadevi;
 - vacant land beside Narayana Hospital Nellore which is in the name of NES;
 - existing properties of Mrs. P. Indira, Dr. P. Narayana, Dr. P. Sindhura, and Mrs. P. Ramadevi which are also mortgaged against loans availed by NES; and
 - (c) corporate guarantee of NES, and personal guarantee of Dr. P. Narayana, Mrs. P. Ramadevi, Mrs. P. Indira, Dr. P.Sindhura, Mr. Puneet Kothapa, and Mrs. P. Sharani.
 - (ii) This facility carries an interest at the floating rate of 0.90% above lenders prime lending rate i.e. 10.30% p.a. (31 March 2019: 10.25% p.a.) and is repayable in 14 equal half yearly installments commencing from 30 June 2018.
- 2 (i) Term loan from Hero fincorp limited ('HFCL') outstanding to the tune of ₹1,157.64 million (31 March 2019: 1,659.49 million) is secured by way of:
 - (a) First exclusive charge on the entire fixed assets, non-current and current assets of the Company (both present and future, including lien on security deposits, immovable and movable assets excluding equipment's funded by equipment lenders)
 - (b) Exclusive first charge on overall intangible assets/ Education Infrastructure (including brand & copyrighted content)/ Intellectual Property Rights ('IPR') of the company
 - (c) Pledge (on fully diluted basis) of 16% of the equity shares of the company held by the promoters along with a non-disposal undertaking ('NDU') (with HFCL as beneficiary) for additional 10% of equity shares held by Puneet Kothapa, Sindhura Ponguru and Sharani Ponguru (collectively referred to as the Promoters) thereby granting a right to HFCL to create a pledge on an aggregate of 26% equity shares of the company held by the promoters in the event of a default
 - (d) Personal Guarantee of Puneet Kothapa and Sindhura Ponguru
 - (e) Corporate Guarantee of Narayana Educational Society.
 - (ii) The loan carries an interest at the rate of 0.90% above lenders prime lending rate i.e. 12.60% p.a. (31 March 2019: 12.60%) and is repayable in 36 equal monthly installments commencing from 15 March 2019.



NSPIRA Management Services Private Limited

Summary of significant accounting policies and other explanatory information

(All amounts in ₹ in millions, unless otherwise stated)

15 Borrowings (continued)

b) Terms and conditions of secured vehicle loans and nature of security

Vehicle loans availed from banks and financial institutions are fully secured by way of hypothecation of specific vehicles against which the loan is availed. These loans carry an annual interest rate in the range of 8.00 % p.a. to 9.75 % p.a. (31 March 2019: 8.00% to 10.15% p.a.).

c) Maturity profile of long-term borrowings:

	As at	
	31 March 2020	31 March 2019
Within 1 year	433.75	704.20
2 - 5 years	1,671.18	1,904.58
More than 5 years	-	178.60
	2,104.93	2,787.38

(d) In accordance with the directives of the Reserve Bank of India dated 27 March 2020, the Company has availed the moratorium of five months in respect of payment of the underlying instalments of its outstanding balance of borrowings from the period beginning 1 April 2020 and until the 31 August 2020. The balance of current maturities has been accordingly adjusted to this effect.

(e) Changes in liabilities arising from financing activities

The following table sets out an analysis of the movements in net debt for the year:

	Lease liabilities	Non-current borrowings	Interest accrued
Net debt as on 1 April 2018	-	5,063.66	10.88
Cash flows, net	-	1,503.22	-
Redemption of debentures	-	(3,560.00)	-
Interest expenses	-	-	859.11
Interest paid	-	-	(1,089.47)
Adjustments*	-	(219.50)	219.50
Net debt as on 31 March 2019	-	2,787.38	-
Lease liabilities recognised during the year	6,945.57	-	-
Cash flows	(372.39)	(682.45)	-
Interest expenses	649.72	-	291.10
Interest paid	(649.72)	-	(291.10)
Net debt as on 31 March 2020	6,573.18	2,104.93	-

*Represents gain on modification of terms of the redemption of the debentures

16 Provisions

	As at	
	31 March 2020	31 March 2019
Non-current		
Provision for employee benefits, unfunded		
- Gratuity (refer note 23(b))	100.36	50.52
- Compensated absences	7.58	2.38
	107.94	52.90
Current		
Provision for employee benefits, unfunded		
- Gratuity, unfunded (refer note 23(b))	2.99	1.13
- Compensated absences	7.35	1.73
	10.34	2.86



NSPIRA Management Services Private Limited

Summary of significant accounting policies and other explanatory information

(All amounts in ₹ in millions, unless otherwise stated)

17 Other financial liabilities

	As at	
	31 March 2020	31 March 2019
Non-Current		
Security deposits from others	17.47	11.22
	17.47	11.22
Current		
Current maturities of long-term borrowings (refer note 15)	433.75	704.20
Current maturities of lease liabilities (refer note 3(b))	496.80	-
Creditors for capital expenditure	60.82	170.64
Creditors for expenses	149.42	138.54
Dues to employees	291.80	347.85
Dues to students	19.28	15.93
Payable to related parties	11.76	13.27
Book overdraft	3.27	4.79
	1,466.90	1,395.22

18 Other current liabilities

	As at	
	31 March 2020	31 March 2019
Statutory liabilities	116.25	77.20
Unearned revenue (refer note (a))	43.34	59.75
Advances from customers (refer note (b))	157.61	163.23
	317.20	300.18

(a) Unearned revenue

	As at	
	31 March 2020	31 March 2019
Balance at the beginning of the year	59.75	70.42
Add : Accrued during the year	43.34	59.75
Less : Revenue recognized during the year from opening balances	(59.75)	(70.42)
Balance at the end of the year	43.34	59.75

(b) Advances from customers

	As at	
	31 March 2020	31 March 2019
Balance at the beginning of the year	163.23	177.11
Add : Collections made during the year	157.61	163.23
Less : Revenue recognized during the year from opening balances	(163.23)	(177.11)
Balance at the end of the year	157.61	163.23



NSPIRA Management Services Private Limited
 Summary of significant accounting policies and other explanatory information
 (All amounts in ₹, in millions unless otherwise stated)

19 Revenue from operations

	For the year ended	
	31 March 2020	31 March 2019
Revenue from contracts with customers:		
(a) Sale of services		
- Admission support services	2,245.91	1,919.68
- Infrastructure management services	899.31	863.33
- Housekeeping services	809.72	723.22
- Examination support services	747.78	652.95
- Administrative services	424.60	403.48
- Security services	319.08	283.91
- Catering services	1,436.82	1,392.67
- Hostel services	2,113.66	2,074.93
- Coaching fee	1,335.36	1,393.88
- Vehicle maintenance services	64.50	127.20
- Teacher assistance services	7.84	4.66
- Printing services	-	125.46
- Infrastructure provision services (refer note 34)	575.43	297.88
- Academic event management services	-	38.16
- Subscription fee	246.47	139.06
(b) Sale of goods		
Sale of stock-in-trade - others	2,770.73	2,330.73
(c) Other operating revenues		
Interest income on deposits with related parties	-	312.37
	13,997.19	13,083.57

The Company has not recognised revenues from the aforementioned services rendered to Narayana Educational Society, Narayana Education Trust and Narayana Educational Trust (collectively referred to as 'Educational Institutions') during March 2020 in accordance with the terms of the communication dated 27 March 2020 between the Company and these educational institutions. The consideration for the services rendered were not recognised solely on account of the impact of Covid-19 pandemic on the operations and financial position of these educational institutions.

	For the year ended	
	31 March 2020	31 March 2019
Contracted price	13,997.19	13,083.57
Adjustment:-		
Reductions towards variable consideration components	-	-
Revenue recognised	13,997.19	13,083.57

Unsatisfied Performance Obligations in Coaching revenue

Revenue is recognised upon transfer of control of products or services to customer.

The aggregate value of transaction price allocated to unsatisfied (or partially satisfied) performance obligations in case of contracts for which revenues are recorded over a period of time is ₹ 43.34 million, which is expected to be fully recognised as revenue in the next year. Further, amount of ₹ 59.75 million, representing the value of the transaction price allocated to unsatisfied to performance obligations as at 31 March 2019 has been recognised as revenue during the year.

Disaggregation of revenue

	For the year ended	
	31 March 2020	31 March 2019
Total revenue from contract with customers	13,997.19	13,083.57
Timing of revenue recognition		
-Services transferred at a point in time	1,589.82	1,442.82
-Services transferred over time	12,407.37	11,640.75

Refer note 35 for segment wise details of the Company's revenue.



NSPIRA Management Services Private Limited
 Summary of significant accounting policies and other explanatory information
 (All amounts in ₹, in millions unless otherwise stated)

20 Other income

	For the year ended	
	31 March 2020	31 March 2019
Interest income on financial assets measured at amortised cost	127.20	40.63
Other non-operating income		
-Dividend income	39.82	113.25
-Miscellaneous income	34.62	30.17
-Liabilities no longer required written back	108.00	-
	309.64	184.05

21 Purchases of stock-in-trade

	For the year ended	
	31 March 2020	31 March 2019
Purchases of stock-in-trade	2,274.55	2,181.93
	2,274.55	2,181.93

22 Changes in inventories of stock-in-trade

	For the year ended	
	31 March 2020	31 March 2019
Opening balance	395.62	417.44
Closing balance	293.33	395.62
	102.29	21.82

23 Employee benefits expense

	For the year ended	
	31 March 2020	31 March 2019
Salaries and wages	3,132.14	3,028.13
Contribution to provident and other funds	207.31	134.56
Staff welfare expenses	9.51	1.38
Gratuity and leave encashment expense	28.41	4.18
	3,377.37	3,168.25

(a) Defined contribution plan

During the year ended 31 March 2020, the Company has contributed ₹ 163.01 million (31 March 2019: ₹ 89.30 million) towards provident fund and ₹44.30 million (31 March 2019: ₹ 45.26 million) towards Employees' State Insurance.

(b) Defined benefit plan

- (i) The Company has an unfunded defined plan, viz. gratuity for its employees. Every employee who has completed five years or more of services gets a gratuity on departure at 15 days salary (last drawn monthly basic salary) for each completed year of service subject to a limit prescribed under the Gratuity Act, 1972.

The amounts recognized in the statement of profit and loss are as follows:

	For the year ended	
	31 March 2020	31 March 2019
Current service cost	13.96	7.27
Net interest cost	3.63	1.85
Total amount recognised in the statement of profit and loss	17.59	9.12

The amounts recognized in the other comprehensive income are as follows:

	For the year ended	
	31 March 2020	31 March 2019
Actuarial loss	(34.13)	(15.76)
Total amount recognised in the other comprehensive income	(34.13)	(15.76)



NSPIRA Management Services Private Limited

Summary of significant accounting policies and other explanatory information

(All amounts in ₹, in millions unless otherwise stated)

23 Employee benefits expense (continued)

Changes in present value of defined benefit obligation representing reconciliation of opening and closing balances thereof are as follows:

	As at	
	31 March 2020	31 March 2019
Present value of defined benefit obligation at beginning of the year	51.65	26.75
Current service cost	13.96	7.27
Interest cost	3.61	1.87
Benefits paid	-	-
Re-measurement of actuarial gain on obligation	34.13	15.76
Present value of defined benefit obligation at end of the year	103.35	51.65

The assumptions used in accounting for gratuity plan are set out as below:

	As at	
	31 March 2020	31 March 2019
Discount rate	6.50%	7.10%
Retirement age	60 years	60 years
Salary escalation	5.00%	5.00%
Attrition rate	80% for service less than 4 years and 2% for others	80% for service less than 4 years and 2% for others
Mortality rate (% of IALM 06-08)	100%	100%

The estimates of future salary increase, considered in actuarial valuation, take account of inflation, seniority, promotions and other relevant factors such as supply and demand in the employment market. The Company evaluates these assumptions annually based on its long-term plans of growth and industry standards.

Increase or (decrease) in defined benefit obligation

Assumptions	As at	
	31 March 2020	31 March 2019
Sensitivity level		
- Discount rate : 1.00% increase	(12.34)	(6.07)
- Discount rate : 1.00% decrease	15.56	7.28
- Future salary : 1.00% increase	15.87	7.08
- Future salary : 1.00% decrease	(12.37)	(6.02)

The sensitivity analyses above have been determined based on a method that extrapolates the impact on defined benefit obligation as a result of reasonable changes in key assumptions occurring at the end of the reporting period.

Maturity Profile of Defined Benefit Obligation

Expected Future Cashflows	As at	
	31 March 2020	31 March 2019
Year 1	4.12	1.13
Year 2	3.26	2.21
Year 3	3.87	1.91
Year 4	3.84	2.34
Year 5	5.00	2.36
Year 6 to 10	35.84	16.51
Greater than 10 Years	131.82	86.65

- (ii) The Company provides for accumulation of compensated absences by certain categories of its employees. These employees can carry forward a portion of the unutilised compensated absences and utilise it in future periods or receive cash in lieu thereof as per the Company's policy. The Company records a liability for compensated absences in the period in which the employee renders the services that increases this entitlement.



NSPIRA Management Services Private Limited

Summary of significant accounting policies and other explanatory information

(All amounts in ₹, in millions unless otherwise stated)

24 Finance costs

	For the year ended	
	31 March 2020	31 March 2019
Interest expense:		
-on lease liability	649.72	-
-on financial liabilities measured at amortized cost*	291.10	859.11
-on statutory dues	19.39	19.25
	<u>960.21</u>	<u>878.36</u>

*Duly adjusted for gain on modification of terms of the redemption of the debentures to the tune of Nil (31 March 2019: ₹ 219.50 millions)

25 Other expenses

	For the year ended	
	31 March 2020	31 March 2019
Water charges	127.42	136.87
Security services	226.63	202.24
Power and fuel	282.43	222.40
Expenses for admission support services	763.04	823.58
Impairment of investments	16.03	-
Repairs and maintenance		
- Building	869.84	788.81
- Electrical equipment	93.01	77.55
- Vehicle	34.18	77.47
- Mess	85.62	77.98
- Others	102.34	106.25
Transportation charges	177.14	151.55
Rates and taxes	179.53	39.87
Corporate Social Responsibility (CSR) expenses (refer note (a) below)	-	31.37
Donations	0.10	-
Consultancy charges	136.15	117.10
Communication expenses	54.19	57.39
Functions and celebrations	107.89	103.03
Legal and professional fees	138.62	98.77
Rent expense	79.31	1,143.56
Printing and stationary	75.98	76.10
Baddebts written off	60.95	-
Provision for doubtful advances	320.41	94.30
Insurance charges	27.46	25.31
Bank charges	4.60	10.64
Impairment - Property, plant and equipment (refer note 3(a))	73.18	17.84
Payments to auditor		
- As auditor	4.73	3.52
- Other services	-	-
Miscellaneous expenses	34.01	37.76
	<u>4,074.79</u>	<u>4,521.26</u>

a) Details of CSR expenditure

	For the year ended	
	31 March 2020	31 March 2019
Total amount to be spent for the financial year	32.04	23.30
Amount spent during the year	-	31.37
Amount unspent	32.04	-



NSPIRA Management Services Private Limited
 Summary of significant accounting policies and other explanatory information
 (All amounts in ₹ in millions, unless otherwise stated)

26 Income taxes

(a) Income tax expense recognised in the statement of profit or loss

	For the year ended	
	31 March 2020	31 March 2019
Statement of profit and loss		
Current taxes	735.75	677.35
Deferred tax benefit	(261.79)	(22.45)
	473.96	654.90

(b) Reconciliation of tax expense and the accounting profit multiplied by India's domestic tax rate for 31 March 2020

	For the year ended	
	31 March 2020	31 March 2019
Accounting profit before tax	1,705.41	1,864.93
At India's statutory income tax rate of 25.17% (31 March 2019: 34.61%)	429.25	645.41
Permanent disallowances	5.09	10.86
Tax impact of reduction in tax rate	44.49	-
Taxes of earlier years	5.04	-
Other adjustments	(9.91)	(1.37)
At the effective income tax rates of 25.17% (31 March 2019: 34.94%)	473.96	654.90
Income tax expense reported in the statement of profit and loss	473.96	654.90

27 Deferred tax assets / (liabilities), net

	As at	
	31 March 2020	31 March 2019
The tax effects of significant temporary differences that resulted in deferred tax assets and liabilities are as follows:		
Property, plant and equipment	120.72	80.31
Impact on adoption of Ind As 116		
- Fair valuation of security deposits	142.02	7.44
- Lease liability	1,654.47	-
- Right of use asset	(1,652.41)	-
Employee benefits	29.77	19.49
Provision for doubtful advances	109.52	40.09
Others	16.78	11.76
	420.88	159.09

Deferred tax assets and deferred tax liabilities have been offset wherever the Company has a legally enforceable right to set-off current tax assets against current tax liabilities and where the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same taxation authority.

In assessing the realisability of deferred income tax assets, management considers whether some portion or all of the deferred income tax assets will not be realized. The ultimate realization of deferred income tax assets is dependent upon the generation of future taxable income during the periods in which the temporary differences become deductible. Management considers the scheduled reversals of deferred income tax liabilities, projected future taxable income, and tax planning strategies in making this assessment. Based on the level of historical taxable income and projections for future taxable income over the periods in which the deferred income tax assets are deductible, management believes that the Company will realize the benefits of those deductible differences. The amount of the deferred income tax assets considered realizable, however, could be reduced in the near term if estimates of future taxable income during the future period are reduced.



NSPIRA Management Services Private Limited

Summary of significant accounting policies and other explanatory information

(All amounts in ₹ in millions, except number of equity shares and EPES)

27 Deferred tax assets / (liabilities), net (continued)

Reconciliation of deferred tax assets at the beginning and end of the year:

	(Charged)/credited			(Charged)/credited			
	As at 1 April 2018	Statement of profit and loss	Other comprehen sive income	As at 31 March 2019	Statement of profit and loss	Other comprehensive income	As at 31 March 2020
Property plant and equipment	26.25	54.06	-	80.31	40.41	-	120.72
Borrowings	75.96	(75.96)	-	-	-	-	-
Fair valuation of security deposits	2.88	4.56	-	7.44	134.58	-	142.02
Provision for doubtful advances	7.07	33.02	-	40.09	69.43	-	109.52
Employee benefits	12.40	7.09	-	19.49	10.28	-	29.77
Others	12.08	(0.32)	-	11.76	5.02	-	16.78
Right of use asset	-	-	-	-	(1,652.41)	-	(1,652.41)
Lease liability	-	-	-	-	1,654.47	-	1,654.47
	136.64	22.45	-	159.09	261.78	-	420.87

28 Earnings per equity share ('EPES')

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

	For the year ended	
	31 March 2020	31 March 2019
Profit attributable to equity holders	1,231.45	1,210.03
Weighted average number of equity shares in calculating basic EPES	435,299,839	415,274,255
Nominal value per equity share (in absolute ₹)	10	10
Earnings per equity share (EPES)		
Basic EPES (In absolute ₹ terms)	2.83	2.91
Diluted EPES (In absolute ₹ terms)	2.83	2.91



NSPIRA Management Services Private Limited

Summary of significant accounting policies and other explanatory information

(All amounts in ₹ in millions, unless otherwise stated)

29 Fair value hierarchy of financial assets and financial liabilities

	FVTPL	Amortised cost
As at 31 March 2020		
Financial assets		
Loans	-	1,796.67
Trade receivables	-	3,803.91
Cash and cash equivalents	-	625.25
Bank balances other than above	-	52.49
Financial liabilities		
Borrowings	-	2,104.93
Trade payables	-	671.97
Lease liability	-	6,573.19
Other financial liabilities	-	553.83
As at 31 March 2019		
Financial assets		
Investments	16.03	-
Loans	-	4,245.37
Trade receivables	-	4,620.32
Cash and cash equivalents	-	57.89
Bank balances other than above	-	51.94
Other financial assets	-	0.65
Financial liabilities		
Non-current borrowings	-	2,787.38
Trade payables	-	933.36
Other financial liabilities	-	713.46

Fair value of the above financial instruments classified as FVTPL is categorised into Level 3 in a fair value hierarchy based on the inputs used in valuation techniques.

- (i) The management assessed that the balance of cash and cash equivalents, bank balances, trade and other receivables, trade and other payables, and other current financial assets and other current financial liabilities approximate their fair values largely due to the short-term maturities of these instruments, and
- (ii) In respect of the balance of non-current financial assets and liabilities in the nature of loans and borrowings, the management has assessed the carrying value of these assets and liabilities approximates to the fair value mainly due to the interest rates which are at the market rate or linked to the market rate, as the case maybe.
- (iii) In respect of the fair valuation of the long term investments, the management has assessed that the carrying value does approximate the fair value. The management uses a discounted cash flow method method to arrive at the fair value.

30 Financial risk management objectives and policies

The Company's activities expose it to a variety of financial risks, including market risk, credit risk and liquidity risk. The Company's primary risk management focus is to minimize potential adverse effects of market risk on its financial performance. The Company's risk management assessment and policies and processes are established to identify and analyse the risks faced by the Company, to set appropriate risk limits and controls, and to monitor such risks and compliance with the same. Risk assessment and management policies and processes are reviewed regularly to reflect changes in market conditions and the Company's activities. The Board of Directors and the Audit Committee is responsible for overseeing the Company's risk assessment and management policies and processes. It is the Company's policy that no trading in derivatives for speculative purposes may be undertaken.



NSPIRA Management Services Private Limited

Summary of significant accounting policies and other explanatory information

(All amounts in ₹ in millions, unless otherwise stated)

30 Financial risk management objectives and policies (Continued)

(a) Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk for the Company comprises primarily of interest risk. Financial instruments affected by market risk include deposits with banks, loans and borrowings. The sensitivity analysis in the following sections relate to the position as at 31 March 2020 and 31 March 2019.

The following assumptions have been made in calculating the sensitivity analysis:

(1) The sensitivity of the relevant profit or loss item is the effect of the assumed changes in respective market risks. This is based on the financial assets and financial liabilities held at 31 March 2020 and 31 March 2019.

Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company's fixed rate borrowings are carried at amortised cost. They are therefore not subject to interest rate risk as defined in Ind AS 107, since neither the carrying amount nor the future cash flows will fluctuate because of a change in market interest rates. Further, the Company is not exposed to significant interest rate risk on loans and investments in deposits with banks as these are at fixed rates. The Company's variable rate borrowing is subject to interest rate risk. Below is the details of exposure to variable rate instruments:

Particulars	As at	
	31 March 2020	31 March 2019
Variable rate instruments		
Financial liabilities	2,050.50	2,730.92

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

Particulars*	As at	
	31 March 2020	31 March 2019
Interest rates increase by 100 basis points	20.51	27.31
Interest rates decrease by 100 basis points	(20.51)	(27.31)

* Holding all other variables constant

(b) Credit risk

Credit risk arises from the possibility that counter party may not be able to settle their obligation as agreed. Credit risk primarily arises from financial assets such as trade receivables, other balance with banks, loans and other receivables.

Trade Receivables: - The maximum exposure to credit risk is primarily from trade receivable. The company periodically assesses the credit quality of counter parties, taking into account the financial condition, current economic trends, past experiences and other factors.

The company has a well-defined sale policy to minimize its risk or credit defaults. Outstanding receivables are regularly monitored and assessed. Impairment analysis is performed based on historical data at each reporting date on an individual basis. Financial assets are written off when there is no reasonable expectation of recovery, such as customer failing to engage in a repayment plan with the company.

Where financial assets have been written off, the company continues to engage in enforcement activity to attempt to recover the receivable due. Where recoveries are made, these are recognized in statement of Profit or loss.

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NSPIRA Management Services Private Limited
 Summary of significant accounting policies and other explanatory information
 (All amounts in ₹ in millions, unless otherwise stated)

30 Financial risk management objectives and policies (continued)

(c) Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they become due. The Company manages its liquidity risk by ensuring, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risk to the Company's reputation.

Management monitors rolling forecasts of the Company's liquidity position (comprising the undrawn borrowing facilities) and cash and cash equivalents on the basis of expected cash flows.

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

	As at	
	31 March 2020	31 March 2019
Less than 1 year		
- Borrowings	433.75	704.20
- Trade payables	671.97	933.36
- Other financial liabilities	536.35	691.02
- Lease liability	1,369.72	-
2 to 5 years		
- Borrowings	1,671.18	1,904.58
- Lease liability	4,960.26	-
- Other financial liabilities	17.47	11.22
More than 5 years		
- Borrowings	-	178.60
- Lease liability	9,398.28	-

31 Capital management

Capital includes equity capital and all other reserves attributable to the equity holders of the parent. The primary objective of the capital management is to ensure that it maintain an efficient capital structure and healthy capital ratios in order to support its business and maximise shareholder's value. The company manages its capital structure and make adjustments to it, in light of changes in economic conditions or its business requirements. To maintain or adjust the capital structure, company may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares.

The Company monitors capital using a debt to capital employed ratio which is debt divided by total capital plus debt. The Company's policy is to keep this ratio at an optimal level to ensure that the debt related covenants are complied with.

	As at	
	31 March 2020	31 March 2019
Non-current borrowings (note 15)	2,104.93	2,787.38
Less: Cash and bank balances (note 10)	(677.74)	(109.83)
Net debt	1,427.19	2,677.55
Equity	9,698.00	8,500.68
Total capital	9,698.00	8,500.68
Capital and net debt	11,125.19	11,178.23
Gearing ratio	12.83%	23.95%

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

No changes were made in the objectives, policies or processes for managing capital during the years ended 31 March 2020 and 31 March 2019.

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NSPIRA Management Services Private Limited
 Summary of significant accounting policies and other explanatory information
 (All amounts in ₹ in millions, unless otherwise stated)

32 Commitments

	As at	
	31 March 2020	31 March 2019
Estimated amount of contracts amounting to be executed on capital account and not provided for (net of advances)	345.09	566.64

33 Contingent liabilities and pending litigations

Claims against the Company not acknowledged as debts in respect of :

Financial year	As at	
	31 March 2020	31 March 2019
service tax matters		
-2011-2012 (refer note-1)	23.44	23.44
-2012-2013 (refer note-1)	45.92	45.92
-2013-2014 (refer note-1)	42.36	42.36
-2014-2015 (refer note-1)	65.16	65.16
-2011-2012 to 2014-2015 (refer note-1)	37.73	37.73
-2015-16 to 2016-17 (refer note-1)	23.02	23.02
-2015-16	-	7.45
Income tax matters		
2015-16	-	49.79
Other legal matters	45.95	3.44
Compliance with the Employees provident fund act and miscellaneous Act, 1952 (refer note-2)	-	Not ascertainable

Notes:

1. The Company had received various demands from service tax authorities, in respect of its coaching business which is acquired from NLPL, for sums aggregating to ₹237.63 million (31 March 2019: ₹245.07 million) for the above mentioned financial years. Management has filed necessary appeals against the demands with the Customs, Excise and Service Tax Appellate Tribunal ("CESTAT"), Bangalore and Guntur, aggregating to ₹176.88 (31 March 2019: ₹176.88) and ₹60.75 million (31 March 2019: ₹60.75) respectively, which are pending for disposal as at balance sheet date. However, on the basis of its internal assessment, the management is confident of these cases being settled in favour of the Company and accordingly do not foresee any adjustments to these financial statements in this regard.

2. The Hon'ble Supreme Court (SC) has clarified in the case of Vivekananda Vidyamandir and Others Vs The Regional Provident Fund Commissioner (II) West Bengal that various allowances like conveyance allowance, special allowance, education allowance, medical allowance etc., paid uniformly and universally by an employer to its employees shall form part of basic wages for computation of the provident fund contribution. On the basis of internal evaluation, management has determined that the aforesaid ruling is applicable prospectively 1 April 2019 and has amended the pay structure and made the consequent payment of provident fund on a prospective basis in accordance with the SC Order.



NSPIRA Management Services Private Limited**Summary of significant accounting policies and other explanatory information**

(All amounts in ₹ in millions, unless otherwise stated)

34 Infrastructure provision services

Pursuant to the terms of the Master Service Agreement (MSA), the Company has leased certain assets to its related parties. The lease income recognised in the Statement of Profit and Loss during the year ended 31 March 2020 is ₹575.43 million (31 March 2019: ₹297.88 million).

35 Segment reporting

Management has assessed its reportable segments in accordance with the requirements of Ind AS 108 'Operating Segments' and has assessed that the Company has presently only one reportable segment namely "provision of education and education support services". The Company provides all of its services within India and all the non current assets are located in India. The Company has considered all entities under common control as a single customer in accordance with Ind AS 108. During the year ended 31 March 2020, the Company has one customer with revenue of ₹7,636.13 million (31 March 2019: ₹7,291.96 million) representing 55% (31 March 2019: 57%) of the total revenue of the Company.

36 Related party disclosures**(a) Names of the related parties and nature of relationship**

Names of related parties	Nature of relationship
Puncet Kothapa	Key Managerial Personnel ('KMP')
Sindhura Ponguru	
Sambashiva Sastry Kambhampati	
Ponguru Sharani	Shareholder with significant influence
Ravi Teja Ganta	Relative of the above shareholder
Ponguru Indira	Relative of the KMP
Ponguru Narayana	
Ponguru Ramadevi	
Narayana Educational Society	Entities in which KMP's have significant influence
Narayana Learning Private Limited	
Rama Narayana Education Trust	
Narayana Educational Trust	
Narayana Education Trust	
Greatest Common Factor Private Limited	



NSPIRA Management Services Private Limited
 Summary of significant accounting policies and other explanatory information
 (All amounts in ₹ in millions, unless otherwise stated)

36 Related party disclosures (continued)
 (b) Transactions with related parties

	For the year ended	
	31 March 2020	31 March 2019
Narayana Educational Society		
Sale of services	5,935.29	5,370.66
Sale of stock-in-trade	1,314.59	1,613.39
Interest earned on security deposit	-	278.03
Loans given*	1,137.06	-
Reimbursement of security deposits	67.29	111.38
Collections made on behalf of Nspira	3,522.56	4,309.84
Reimbursement of expenditure	170.95	196.32
Conversion of Security deposit into rental deposits (Refer Note-(f))	3,409.23	-
Narayana Education Trust		
Sale of services	201.98	186.86
Sale of stock-in-trade	35.10	26.42
Interest earned on security deposit	-	22.50
Loans given*	20.00	-
Collections made on behalf of Nspira	109.02	76.64
Reimbursement of expenditure	7.24	7.51
Reimbursement of security deposits	-	1.65
Conversion of Security deposit into rental deposits (Refer Note-(g))	257.92	-
Rama Narayana Education Trust		
Sale of services	-	126.68
Interest earned on security deposit	-	2.25
Collections made on behalf of Nspira	18.77	-
Provision for doubtful receivables	83.07	-
Narayana Educational Trust		
Sale of services	144.98	83.69
Sale of stock-in-trade	4.18	10.94
Interest earned on security deposit	-	9.00
Reimbursement of expenditure	14.51	16.50
Collections made on behalf of Nspira	55.21	54.19
Collections made by Npsira on behalf of	-	1.77
Conversion of Security deposit into rental deposits (Refer Note-(g))	278.67	-
Narayana Learning Private Limited		
Rent	86.89	65.19
Greatest Common Factor Private Limited		
Advances given	-	37.50
Revenue share	-	41.15
Puncet Kothapa		
Remuneration	7.50	7.50
Advances given	3.00	-
Sindhura Ponguru		
Remuneration	7.50	7.50
Rent	7.16	6.50

*Loans to related parties as at 31 March 2020 represents the interest free, unsecured, demand loans of ₹1,137.06 and ₹20.00 granted to Narayana Educational Society (NES) and Narayana Education Trust, respectively, as a financial support to meet their short-term working capital requirements. These amounts were granted pursuant to an approval from the management and were subsequently ratified by the Audit Committee and the Board of Directors at their meetings.



NSPIRA Management Services Private Limited
 Summary of significant accounting policies and other explanatory information
 (All amounts in ₹ in millions, unless otherwise stated)

36 Related party disclosures (continued)

	For the year ended	
	31 March 2020	31 March 2019
Ponguru Sharani		
Advances given	1.50	-
Remuneration	7.50	7.50
Rent	1.74	1.51
Ravi Teja Ganta		
Remuneration	7.50	7.50
Sambashiva Sastry Kambhampati		
Remuneration	5.74	4.88
Issue of CCPS	-	2.00
Ponguru Narayana		
Rent	31.61	23.14
Ponguru Ramadevi		
Rent	27.81	21.38
Ponguru Indira		
Rent	3.28	2.90

(c) Balances receivable/(payable)

	As at	
	31 March 2020	31 March 2019
Narayana Educational Society		
- Trade receivables	3,662.41	4,245.67
- Security Deposits	-	3,089.22
- Interest accrued on Security deposits	-	320.01
Narayana Education Trust		
- Trade receivables	37.86	180.63
- Security Deposits	-	250.00
- Interest accrued on Security deposits	-	7.92
Rama Narayana Education Trust		
- Trade receivables	32.01	85.91
- Security Deposits	-	25.00
- Interest accrued on Security deposits	-	6.64
Narayana Educational Trust		
- Trade receivables	27.42	8.70
- Security Deposits	-	100.00
- Interest accrued on Security deposits	-	5.97
Narayana Learning Private Limited	15.84	(4.78)
Greatest Common Factor Private Limited	38.00	36.85
Puncet Kothapa	2.59	0.67
Ponguru Sindhura	2.01	1.89
Ponguru Sharani	2.00	0.20
Ravi Teja Ganta	(0.42)	(0.44)
Ponguru Ramadevi	248.94	(0.82)
Ponguru Narayana	223.73	(2.71)
Ponguru Indira	160.59	1.36
Sambashiva Sastry Kambhampati	(0.41)	(0.34)



NSPIRA Management Services Private Limited

Summary of significant accounting policies and other explanatory information

(All amounts in ₹ in millions, unless otherwise stated)

36 Related party disclosures (continued)

(d) Guarantees outstanding

	As at	
	31 March 2020	31 March 2019
Narayana Educational Society		
Narayana Education Trust	889.99	-
Narayana Educational Trust	14.62	-
	4.02	-

(e) As stated in note 15(a)(1) and 15(a)(2), the term loans of the Company outstanding to the tune of ₹ 2,050.50 million (31 March 2019: ₹ 2,730.92 million) have been secured by certain immovable properties of NES, Dr. Narayana, Mrs. P Ramadevi, Mrs. P Indira, Dr. Sindhura Ponguru and by personal guarantees of Dr. Narayana, Mrs. P Ramadevi, Mrs. P Indira, Dr. Sindhura Ponguru, Mr. Puneet Kothapa and Mrs. Sharani Ponguru and a corporate guarantee of NES.

(f) Puneet Kothapa, Sindhura Ponguru and Sharani Ponguru have pledged 16% of the issued, subscribed and fully paid up-equity shares of the company held by them with HFCL in respect of loans taken from it, along with a non-disposal undertaking ('NDU') (with HFCL as beneficiary) for additional 10% of equity shares held by them. In the event of any default in repayment of the aforesaid loan, HFCL will have a right to create pledge on the aggregate of 26% equity shares of the company held by the aforesaid shareholders.

(g) Pursuant to the terms of the restated Master Services Agreement and the Security Deposits Agreement entered individually between the Company and Narayana Educational Society (NES), Narayana Education Trust (NET), Narayana Educational Trust (NETL) (Individually referred to as 'Institutions'), the aggregate amount of security deposit furnished by the Company to these institutions in the previous years and outstanding to the tune of ₹3,945.82 million has been converted from the performance security deposits to rental security deposits. These institutions have assigned the rental security deposits paid by it to the various landlords, including related parties, from whom it has taken properties under lease to the Company along with the transfer of the underlying credit risk of these landlords. Consequently, the fair value of the rental deposits, considered in accordance with the provisions of Ind AS, aggregating to ₹1,230.37 million as at the aforesaid date have been considered as rental security deposits in these financial statements of the Company and the balance amount of ₹2,715.45 million, considered as a contract asset in accordance with the provisions of Ind AS 115. Further the contract asset are amortized over the tenure of the underlying rental agreements between these institutions and the landlord or the contract period as per the restated MSA, as the case may be.

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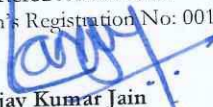


NSPIRA Management Services Private Limited
Summary of significant accounting policies and other explanatory information
(All amounts in ₹ in millions, unless otherwise stated)

- 37 Based on the information available with the Company, as at 31 March 2020, there are no suppliers who are registered as micro and small enterprises under the provisions of the Micro, Small and Medium Enterprises Development Act, 2006.
- 38 The outbreak of COVID-19 has impacted businesses around the world. In many countries, including India, there has been a widespread disruption caused to various businesses operating across various sectors, including the education sector, mainly due to imposition of lockdown, certain restrictions with respect to movement of people and gatherings and other emergency measures imposed by the Government of India and various state governments. Management has made a detailed assessment of its liquidity position, including assessment of the impact of the pandemic on the its operation and the operations of its customers, including recoverability/carrying values of its tangible and intangible assets and other advances, trade receivables as at balance sheet date. However, the actual impact of COVID-19 pandemic on the Company's operations remains uncertain and dependent on steps taken by the Government to mitigate the economic impact and may differ from that estimated as at the date of approval of these financial statements.
- 39 During September 2020, the Company has allotted 14,000 non-convertible and redeemable debentures of ₹100,000 each to certain select investors on a private placement basis in accordance with the terms of the agreements entered into with them. These debentures carry an agreed coupon rate and are redeemable in accordance with the provisions of the underlying agreement.

This is the summary of significant accounting policies and other explanatory information referred to in our report of even date.

For **Walker Chandiook & Co LLP**
Chartered Accountants
Firm's Registration No: 001076N/N500013

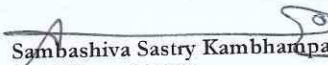

Sanjay Kumar Jain
Partner
Membership No.: 207660



Place: Hyderabad
Date: 15 October 2020

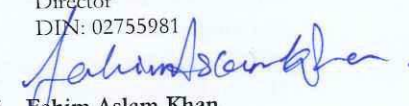
For and on behalf of the Board of Directors of
NSPIRA Management Services Private Limited


Punnet Kothapa
Managing Director
DIN: 06909621


Sambashiva Sastry Kambhampati
Chief Financial Officer
and Whole time Director
DIN:03642199

Place: Hyderabad
Date: 15 October 2020


Sindhura Ponguru
Director
DIN: 02755981


Fahim Aslam Khan
Company Secretary
Membership No. A20663

