

Walker Chandiok & Co LLP

Walker Chandiok & Co LLP

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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 2022, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Cash Flows, 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 ('the Act') in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards ('Ind AS') specified under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015 and other accounting principles generally accepted in India, of the state of affairs of the Company as at 31 March 2022, and its profit (including other comprehensive income), its cash flows and the changes in equity for the year ended on that date.

Basis for Opinion

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

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

4. The Company's Board of Directors are responsible for the other information. The other information comprises the information included in the Director's Report but does not include the financial statements and our auditor's report thereon. The Director's Report is expected to be made available to us after the date of this auditor's report.

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 identified above when it becomes available 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.

When we read the Directors Report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

5. The accompanying financial statements have been approved by the Company's Board of Directors. The Company's Board of Directors are responsible for the matters stated in section 134(5) of the Act with respect to the preparation and presentation 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 Ind AS specified under section 133 of the Act and other accounting principles generally accepted in India. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding 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.
6. In preparing the financial statements, the Board of Directors are 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 the Board of Directors either intend to liquidate the Company or to cease operations, or has no realistic alternative but to do so.
7. Those Board of Directors are also responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

8. 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.
9. As part of an audit in accordance with Standards on Auditing, specified under section 143(10) of the Act 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 Board of Directors' 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;
10. 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

11. 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.
12. As required by the Companies (Auditor's Report) Order, 2020 ('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, to the extent applicable.
13. 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 2022 from being appointed as a director in terms of section 164(2) of the Act;
 - f) With respect to the adequacy of the internal financial controls with reference to financial statements of the Company as on 31 March 2022 and the operating effectiveness of such controls, refer to our separate Report in Annexure B wherein we have expressed an unmodified opinion; and



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- 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 37 to the financial statements, has disclosed the impact of pending litigations on its financial position as at 31 March 2022;
 - 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 2022;
 - 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 2022;
 - iv.
 - a. The management has represented that, to the best of its knowledge and belief, as disclosed in note 42(i) to the financial statements, no funds have been advanced or loaned or invested (either from borrowed funds or securities premium or any other sources or kind of funds) by the Company to or in any person(s) or entity(ies), including foreign entities ('the intermediaries'), with the understanding, whether recorded in writing or otherwise, that the intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ('the Ultimate Beneficiaries') or provide any guarantee, security or the like on behalf the Ultimate Beneficiaries;
 - b. The management has represented that, to the best of its knowledge and belief, as disclosed in note 42(ii) to the financial statements, no funds have been received by the Company from any person(s) or entity(ies), including foreign entities ('the Funding Parties'), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ('Ultimate Beneficiaries') or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries; and
 - c. Based on such audit procedures performed as considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the management representations under sub-clauses (a) and (b) above contain any material misstatement.
 - v. The Company has not declared or paid any dividend during the year ended 31 March 2022.

For **Walker Chandiok & Co LLP**

Chartered Accountants

Firm's Registration No.: 001076N/N500013

Sanjay Kumar Jain

Partner

Membership No.: 207660

UDIN: 22207660AVDCZN9937



Place: Hyderabad

Date: 26 September 2022

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Annexure A referred to in Paragraph 12 of 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 2022

In terms of the information and explanations sought by us and given by the Company and the books of account and records examined by us in the normal course of audit and to the best of our knowledge and belief, we report that:

- (i) (a) (A) The Company has maintained proper records showing full particulars, including quantitative details and situation of property, plant and equipment and right of use assets except for certain Property Plant and Equipment, with Gross Block and Net Block aggregating to ₹4,878.71 million and ₹2,119.45 million respectively, as at 31 March 2022, for which the details relating to Situation of assets have not been properly maintained by the Company.
- (B) The Company has maintained proper records showing full particulars of intangible assets.
- (b) The property, plant and equipment and right of use assets have not been physically verified by the management during the year and we are therefore unable to comment on the discrepancies, if any, which could have arisen on such verification. Further, in our opinion, the frequency of verification of the property, plant and equipment is also not reasonable having regard to the size of the Company and nature of its assets.
- (c) The Company does not own any immovable property (other than properties where the Company is the lessee and the lease agreements are duly executed in favour of the lessee). Accordingly, reporting under clause 3(i)(c) of the Order is not applicable to the Company.
- (d) The Company has not revalued its Property, Plant and Equipment including Right of Use assets or intangible assets during the year.
- (e) No proceedings have been initiated or are pending against the Company for holding any benami property under the Prohibition of Benami Property Transactions Act, 1988 (as amended) and rules made thereunder.
- (ii) (a) The management has conducted physical verification of inventory at reasonable intervals during the year. In our opinion, the coverage and procedure of such verification by the management is appropriate and no discrepancies of 10% or more in the aggregate for each class of inventory were noticed as compared to book records.
- (b) The Company has not been sanctioned working capital limits by banks or financial institutions on the basis of security of current assets at any point of time during the year. Accordingly, reporting under clause 3(ii)(b) of the Order is not applicable to the Company.
- (iii) The Company has not made any investment in, provided any guarantee or security or granted any loans or advances in the nature of loans, secured or unsecured to companies, firms, Limited Liability Partnerships (LLPs) or any other parties during the year. Accordingly, reporting under clause 3(iii) of the Order is not applicable to the Company.
- (iv) In our opinion, and according to the information and explanations given to us, the Company has complied with the provisions of section 186 of the Act in respect of investments made, as applicable. Further, the Company has not entered into any transaction covered under sections 185 and 186 of the Act in respect of loans granted, guarantees and security provided by it.
- (v) In our opinion, and according to the information and explanations given to us, the Company has not accepted any deposits or there are no amounts which have been deemed to be deposits within the meaning of sections 73 to 76 of the Act and the Companies (Acceptance of Deposits) Rules, 2014 (as amended). Accordingly, reporting under clause 3(v) of the Order is not applicable to the Company.



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Annexure A referred to in Paragraph 12 of 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 2022

- (vi) The Central Government has specified maintenance of cost records under sub-section (1) of section 148 of the Act in respect of the products of the Company. 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 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) In our opinion, and according to the information and explanations given to us, undisputed statutory dues including goods and services tax, provident fund, employees' state insurance, income-tax, sales-tax, service tax, duty of customs, duty of excise, value added tax, cess and other material statutory dues, as applicable, have not been regularly deposited with 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:

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	8.96	2019-20	Various dates	Not Yet Paid	
The Employee's Provident Funds and Miscellaneous Provisions Act, 1952	Provident fund Contribution	0.01	2020-21	Various dates	Not Yet Paid	
The ESI Act, 1948	ESI Contribution	5.12	2019-20	Various dates	Not yet Paid	
Professional Tax governed by state governments	Professional tax	5.45	2019-20	Various dates	Not yet Paid	

- (b) According to the information and explanations given to us, there are no statutory dues referred in sub-clause (a) which have not been deposited with the appropriate authorities on account of any dispute except for the following:

Name of the statute	Nature of dues	Gross Amount (₹ in millions)	Amount paid under Protest (₹ in millions)	Period to which the amount relates	Forum where dispute is pending	Remarks, if any
Finance Act, 1994	Service Tax	23.44	Nil	2011-2012	Customs, Excise and Service Tax Appellate Tribunal ("CESTAT"), Bangalore	Nil
		45.92	3.44	2012-2013		Nil
		42.36	2.89	2013-2014		Nil
		65.16	2.01	2014-2015		Nil
		37.73	2.83	2011-2012 to 2015-2016	Customs, Excise and Service Tax Appellate Tribunal ("CESTAT"), Guntur	Nil
		23.02	1.73	2015-16 to 2016-17 (June)		Nil
CGST Act, 2017 and APGST Act, 2017	Goods and Service Tax	615.53	61.55	2018-19 to 2019-20	High Court of Telangana	Nil

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- (viii) According to the information and explanations given to us, no transactions were surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (43 of 1961) which have not been previously recorded in the books of account.
- (ix)(a) According to the information and explanations given to us, the Company has not defaulted in repayment of its loans or borrowings or in the payment of interest thereon to any lender.
- (b) According to the information and explanations given to us including representation received from the management of the Company, and on the basis of our audit procedures, we report that the Company has not been declared a willful defaulter by any bank or financial institution or government or any government authority.
- (c) In our opinion and according to the information and explanations given to us, money raised by way of term loans were applied for the purposes for which these were obtained.
- (d) In our opinion and according to the information and explanations given to us, the Company has not raised any funds on short term basis during the year. Accordingly, reporting under clause 3(ix)(d) of the Order is not applicable to the Company.
- (e) According to the information and explanations given to us, the Company does not have any subsidiaries, associates or joint ventures. Accordingly, reporting under clause 3(ix)(e) and clause 3(ix)(f) of the Order is not applicable to the Company.
- (x) (a) The Company has not raised any money by way of initial public offer or further public offer (including debt instruments), during the year. Accordingly, reporting under clause 3(x)(a) of the Order is not applicable to the Company.
- (b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or (fully, partially or optionally) convertible debentures during the year. Accordingly, reporting under clause 3(x)(b) of the Order is not applicable to the Company.
- (xi) (a) To the best of our knowledge and according to the information and explanations given to us, no fraud by the Company or no material fraud on the Company has been noticed or reported during the period covered by our audit.
- (b) According to the information and explanations given to us including the representation made to us by the management of the Company, no report under sub-section 12 of section 143 of the Act has been filed by the auditors in Form ADT-4 as prescribed under Rule 13 of Companies (Audit and Auditors) Rules, 2014, with the Central Government for the period covered by our audit.
- (c) According to the information and explanations given to us including the representation made to us by the management of the Company, there are no whistle-blower complaints received by the Company during the year.
- (xii) The Company is not a Nidhi Company and the Nidhi Rules, 2014 are not applicable to it. Accordingly, reporting under clause 3(xii) of the Order is not applicable to the Company.
- (xiii) In our opinion and according to the information and explanations given to us, all transactions entered into by the Company with the related parties are in compliance with sections 177 and 188 of the Act, where applicable. Further, the details of such related party transactions have been disclosed in the financial statements, as required under Indian Accounting Standard (Ind AS) 24, Related Party Disclosures specified in Companies (Indian Accounting Standards) Rules 2015 as prescribed under section 133 of the Act.



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Annexure A referred to in Paragraph 12 of 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 2022

- (xiv) (a) In our opinion and according to the information and explanations given to us, the Company has an internal audit system as per the provisions of section 138 of the Act which is commensurate with the size and nature of its business.
- (b) We were unable to obtain any of the Internal Audit Reports of the Company on timely basis, hence the Internal Audit Reports have not been considered by us.
- (xv) According to the information and explanation given to us, the Company has not entered into any non-cash transactions with its directors or persons connected with its directors and accordingly, reporting under clause 3(xv) of the Order with respect to compliance with the provisions of section 192 of the Act are not applicable to the Company.
- (xvi) The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, reporting under clauses 3(xvi)(a),(b),(c) and (d) of the Order are not applicable to the Company.
- (xvii) The Company has not incurred any cash losses in the current financial year as well as the immediately preceding financial year.
- (xviii) There has been no resignation of the statutory auditors during the year. Accordingly, reporting under clause 3(xviii) of the Order is not applicable to the Company.
- (xix) According to the information and explanations given to us and on the basis of the financial ratios, ageing and expected dates of realisation of financial assets and payment of financial liabilities, other information accompanying the financial statements, our knowledge of the plans of the Board of Directors and management and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report indicating that Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the company as and when they fall due.
- (xx) According to the information and explanations given to us, the Company does not have any unspent amounts towards Corporate Social Responsibility in respect of any ongoing or other than ongoing project as at the end of the financial year. Accordingly, reporting under clause 3(xx) of the Order is not applicable to the Company.
- (xxi) The reporting under clause 3(xxi) of the Order is not applicable in respect of audit of standalone financial statements of the Company. Accordingly, no comment has been included in respect of said clause under this report.

For **Walker Chandiok & Co LLP**

Chartered Accountants

Firm's Registration No.: 001076N/N500013


Sanjay Kumar Jain

Partner

Membership No.: 207660

UDIN: 22207660AVDCZN9937



Place: Hyderabad

Date: 26 September 2022

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 2022, we have audited the internal financial controls with reference to financial statements of the Company as at that date.

Responsibilities of Management and Those Charged with Governance 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 issued by the Institute of Chartered Accountants of India" (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.

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,



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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 2022

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 2022, 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 issued by the Institute of Chartered Accountants of India" (ICAI).

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


Sanjay Kumar Jain
Partner
Membership No.: 207660
UDIN: 22207660AVDCZN9937



Place: Hyderabad
Date: 26 September 2022

NSPIRA Management Services Private Limited
Balance Sheet as at 31 March 2022
(All amounts in ₹ in millions, unless otherwise stated)

	Notes	As at	
		31 March 2022	31 March 2021
ASSETS			
(1) Non-current assets			
(a) Property, plant and equipment	3	2,872.50	2,922.84
(b) Right-of-use assets	4(a)	5,073.81	5,913.84
(c) Other intangible assets	5	-	51.60
(d) Intangible assets under development	6	-	190.97
(e) Financial assets			
(i) Investments	7(a)	-	-
(ii) Loans	8	1,384.75	1,452.68
(iii) Other non-current financials assets	13	-	40.17
(f) Deferred tax assets (net)	31	736.91	589.41
(g) Other non-current assets	9	1,932.55	2,852.93
Total non-current assets		12,000.52	14,014.44
(2) Current assets			
(a) Inventories	11	228.33	132.10
(b) Financial assets			
(i) Investments	7(b)	2,530.15	1,455.52
(ii) Trade receivables	10	3,390.42	3,968.04
(iii) Cash and cash equivalents	12	442.38	726.08
(iv) Bank balances other than (iii) above	12	42.17	1.00
(v) Loans	8	1,330.52	323.28
(c) Other current assets	9	545.51	379.17
Total current assets		8,509.48	6,985.19
Total Assets		20,510.00	20,999.63
EQUITY AND LIABILITIES			
Equity			
(a) Equity Share Capital	14	3,501.20	3,501.20
(b) Instruments entirely equity in nature	15	1,516.69	1,516.69
(c) Other Equity	16	6,576.87	5,218.09
Total equity		11,594.76	10,235.98
LIABILITIES			
Non-current liabilities			
(a) Financial liabilities			
(i) Borrowings	17(a)	508.84	1,632.40
(ii) Lease liabilities	4(b)	5,295.27	5,799.73
(iii) Other non current financial liabilities	20	25.65	25.65
(b) Provisions	19	158.63	142.03
Total non-current liabilities		5,988.39	7,599.81



NSPIRA Management Services Private Limited
Balance Sheet as at 31 March 2022
(All amounts in ₹ in millions, unless otherwise stated)

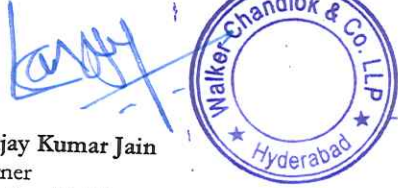
	Notes	As at	
		31 March 2022	31 March 2021
Current liabilities			
(a) Financial liabilities			
(i) Borrowings	17(b)	211.05	614.73
(ii) Lease liabilities	4(b)	1,209.02	1,011.45
(iii) Trade payables			
-total outstanding dues of micro enterprises and small enterprises	18		
-total outstanding dues of creditors other than micro enterprises and small enterprises			
(iv) Other financial liabilities		529.21	507.28
(b) Other current liabilities	20	573.75	620.62
(c) Provisions	21	364.29	249.45
(d) Current tax liabilities (net)	19	11.16	8.92
Total current liabilities		28.37	151.39
		2,926.85	3,163.84
Total Equity and Liabilities		20,510.00	20,999.63

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 Chandio & Co LLP**

Chartered Accountants

Firm's Registration No.: 00107627/201500013



Sanjay Kumar Jain

Partner

Membership No.: 207660

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

Puneet Kothapa
Managing Director
DIN: 06909621

Sindhura Ponguru
Director
DIN: 02755981

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

Rajani Panamgipalli
Company Secretary
Membership No.: A30933

Place: Hyderabad
Date: 26 September 2022

Place: Hyderabad
Date: 26 September 2022



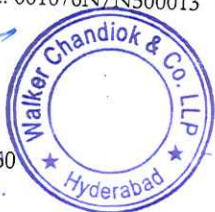
NSPIRA Management Services Private Limited
Statement of Profit and Loss for the year ended 31 March 2022
(All amounts in ₹ in millions, except earnings per equity share)

	Notes	For the year ended	
		31 March 2022	31 March 2021
Revenue from operations			
Other income	22	12,082.35	8,545.73
Total income	23	641.74	229.11
Expenses		12,724.09	8,774.84
Purchases of stock-in-trade			
Changes in inventories of stock-in-trade	24	1,680.75	853.67
Employee benefits expense	25	(96.23)	161.23
Finance costs	26	2,900.50	1,977.80
Depreciation and amortization expenses	27	818.76	967.92
Other expenses	28	1,775.27	1,859.02
Total expenses	29	3,536.54	2,184.43
Profit before exceptional items and tax		10,615.59	8,004.07
Exceptional Item (refer note 6)		2,108.50	770.77
Profit before tax		272.34	-
Tax expense:		1,836.16	770.77
(a) Current tax			
(b) Deferred tax benefit	30	635.54	397.05
Income tax expense, net		(147.50)	(168.53)
Profit for the year		488.04	228.52
Other comprehensive income		1,348.12	542.25
Items that will not be reclassified to profit or loss, including its income tax effects			
Other comprehensive loss, net of tax	26(b)	10.66	(4.27)
Total comprehensive income for the year		10.66	(4.27)
Earnings per equity share (EPES)		1,358.78	537.98
Basic EPES (In absolute ₹ terms)	32		
Diluted EPES (In absolute ₹ terms)		3.10	1.25
		3.10	1.25

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 Chandio & 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

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Company Secretary
Membership No.: A30933

Place: Hyderabad
Date: 26 September 2022

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Date: 26 September 2022



NSPIRA Management Services Private Limited
Statement of Cash Flows for the year ended 31 March 2022
(All amounts in ₹ in millions, unless otherwise stated)

	For the year ended	
	31 March 2022	31 March 2021
Cash flow from operating activities		
Profit before tax		
Adjustments to reconcile profit before tax to net cash flows:	1,836.16	770.77
- Depreciation and amortization expense		
- Provision for impairment	1,775.27	1,859.02
- Impairment of Property, plant and equipment	272.34	-
- Interest income from financial assets measured at amortised cost	18.52	17.66
- on fixed deposits with banks		
- on other financial assets	(1.70)	(2.05)
- Dividend income	(205.39)	(181.50)
- Interest expense on lease liabilities	-	(0.60)
- Interest expense on statutory dues	591.55	677.90
- Interest expense on borrowings	8.37	23.00
- Provision for doubtful advances	218.84	267.02
- Increase in fair value of investments	71.91	92.72
- Provision for employee benefits	(41.58)	(5.01)
- Liabilities no longer required written back	29.50	28.40
- Gain on sale of mutual funds	(199.54)	(33.83)
Adjustments for working capital :	(37.83)	-
Increase decrease in loans		
(Increase) / decrease in other assets	(808.66)	(86.90)
(Increase) / decrease in inventories	519.68	(361.28)
(Increase)/decrease in trade receivables	(96.23)	161.23
(Decrease) /increase in trade payables	577.62	(183.58)
Increase in other financial liabilities	53.76	(164.69)
(Decrease) /increase in other current liabilities	9.45	75.81
Cash generated from operations	106.47	(67.75)
Income taxes paid	4,698.51	2,886.34
Net cash flows generated from operating activities	(758.56)	(242.34)
	3,939.95	2,644.00
Cash flow from investing activities		
Purchase of property, plant and equipment and intangible assets		
Interest received	(727.23)	(312.24)
Movement in bank deposits with maturity more than 3 months	-	30.57
Adjustment towards right-of-use assets	0.70	11.32
Loans/advances given to related parties	(21.15)	(74.97)
Loans repaid by related parties	-	(5,469.60)
Investments in mutual funds	-	5,435.74
Redemption of mutual funds	(4,410.92)	(1,449.91)
Net cash used in investing activities	3,415.70	-
	(1,742.90)	(1,829.10)



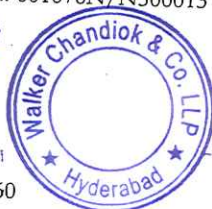
NSPIRA Management Services Private Limited
Statement of Cash Flows for the year ended 31 March 2022
(All amounts in ₹ in millions, unless otherwise stated)

	For the year ended	
	31 March 2022	31 March 2021
Cash flow from financing activities		
Proceeds from issue of Non- convertible debentures, net of transaction costs	-	1,365.18
Repayment of Non- convertible debentures	(1,400.00)	-
Repayment of long-term-borrowings	(163.50)	(1,226.78)
Proceeds from long-term-borrowings	36.26	3.80
Payment of lease liabilities	(140.50)	-
Interest paid	(813.01)	(856.27)
Net cash flows used in financing activities	(2,480.75)	(714.07)
Net (decrease)/increase in cash and cash equivalents	(283.70)	100.83
Cash and cash equivalents at the beginning of the year	726.08	625.25
Cash and cash equivalents at the end of the year	442.38	726.08
Cash and cash equivalents comprise of : (refer note 12)		
Balances with banks		
- On current accounts	413.59	671.48
Cash on hand	28.79	54.60
	442.38	726.08

This is the Cash Flow Statement 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

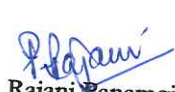


For and on behalf of the Board of Directors of
NSPIRA Management Services Private Limited


Puneet Kothapa
Managing Director
DIN: 06909621


Smadhura Ponguru
Director
DIN: 02755981


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


Rajani Panamgipalli
Company Secretary
Membership No.: A30933

Place: Hyderabad
Date: 26 September 2022

Place: Hyderabad
Date: 26 September 2022



NSPIRA Management Services Private Limited
Statement of Changes in Equity for the year ended 31 March 2022
 (All amounts in ₹ in millions, except number of shares and debentures)

(a) Equity share capital

Equity shares of ₹10 each issued, subscribed and fully paid up*	Number	Amount
As at 1 April 2020		
Issued during the year	35,01,20,011	3,501.20
As at 31 March 2021		
Issued during the year	35,01,20,011	3,501.20
As at 31 March 2022		
	35,01,20,011	3,501.20

*Including Series-B equity share of ₹10 each

(b) Instruments entirely equity in nature

	Compulsorily Convertible Debentures		Compulsorily Convertible Preference Shares		Total
	Number	Amount	Number	Amount	Amount
As at 1 April 2020	553	521.48	4,50,710	995.21	1,516.69
Issued during the year	-	-	-	-	-
As at 31 March 2021	553	521.48	4,50,710	995.21	1,516.69
Issued during the year	-	-	-	-	-
As at 31 March 2022	553	521.48	4,50,710	995.21	1,516.69

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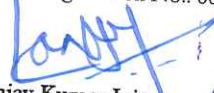
NSPIRA Management Services Private Limited
Statement of Changes in Equity for the year ended 31 March 2022
 (All amounts in ₹ in millions, except number of shares and debentures)

(c) Other Equity

	Reserves and Surplus				Other comprehensive Income	Total
	Retained earnings- Surplus in the statement of profit and loss	Business combination reserve	Debenture redemption reserve	General reserve	Actuarial gains / (losses) on measurement of employee benefits	
Balance as at 1 April 2020	3,841.01	2.47	-	884.02	(47.39)	4,680.11
Profit for the year	542.25	-	-	-	-	542.25
Transfers during the year (refer note 16)	-	-	140.00	(140.00)	-	-
Other Comprehensive loss for the year	-	-	-	-	(4.27)	(4.27)
Balance as at 31 March 2021	4,383.26	2.47	140.00	744.02	(51.66)	5,218.09
Profit for the year	1,348.12	-	-	-	-	1,348.12
Transfers during the year (refer note 16)	-	-	(140.00)	140.00	-	-
Other Comprehensive income for the year	-	-	-	-	-	-
Balance as at 31 March 2022	5,731.38	2.47	-	884.02	10.66	10.66
					(41.00)	6,576.87

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

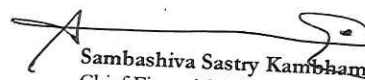

Sanjay Kumar Jain
 Partner
 Membership No.: 207660




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


Puneet Kothapa
 Managing Director
 DIN: 06909621


Sindhura Ponguru
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 and Whole time Director
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Rajani Panamgipalli
 Company Secretary
 Membership No.: A30933

Place: Hyderabad
 Date: 26 September 2022

Place: Hyderabad
 Date: 26 September 2022



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 the 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 26 September 2022.

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 (₹), up to two decimals which is also the functional currency of the Company.

The Ministry of Corporate Affairs ("MCA") through a notification dated 24 March 2021, amended Division II of Schedule III to the Companies Act, 2013, pursuant thereto, the amendments are applicable for the financial period beginning on or after 1 April 2021. Accordingly, and in consideration of the Guidance Note on Division II - Ind AS Schedule III to Companies Act, 2013 (revised January 2022) issued by the ICAI, management has provided relevant disclosures in these financial statements, to the extent applicable.

(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.

The Company classifies all other assets as non-current.



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)

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 considers 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 comprises 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.

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.



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)

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
Software	5 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 and 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 the 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

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.

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.



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)

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 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.

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.



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

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.

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.



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)

(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.

(j) Inventories

Study materials and stationery items 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 the realisable value.

(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.



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

(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.

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.



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)

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 coaching services

Revenue from student fee which comprise of coaching (tuition) fees, annual fees and admission 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.

Revenue from other 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.

Dividend

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

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.



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Summary of the significant accounting policies and other explanatory information
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2. Summary of significant accounting policies (continued)

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, as a lessee, recognises a right-of-use asset and a lease liability for its leasing arrangements, if the contract conveys the right to control the use of an identified asset.

The contract conveys the right to control the use of an identified asset, if it involves the use of an identified asset and the Company has substantially all of the economic benefits from use of the asset and has right to direct the use of the identified asset. The cost of the right-of-use asset shall comprise of the amount of the initial measurement of the lease liability adjusted for any lease payments made at or before the commencement date plus any initial direct costs incurred. The right-of-use assets is subsequently measured at cost less any accumulated depreciation, accumulated impairment losses, if any and adjusted for any remeasurement of the lease liability. The right-of-use assets is depreciated using the straight-line method from the commencement date over the shorter of lease term or useful life of right-of-use asset.

The Company measures the lease liability at the present value of the lease payments that are not paid at the commencement date of the lease. The lease payments are discounted using the interest rate implicit in the lease, if that rate can be readily determined. If that rate cannot be readily determined, the Company uses incremental borrowing rate.

(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 "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.



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Summary of the significant accounting policies and other explanatory information
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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(p).

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.



NSPIRA Management Services Private Limited
Summary of the significant accounting policies and other explanatory information
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2. Summary of significant accounting policies (continued)

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 details of assessment of realisability of trade receivables.

Contingent liabilities and pending litigations

Refer note 37 for details of assessment and impact of contingent liabilities and litigations on the Company.

2.1 Recent pronouncements

MCA vide its notification dated 23 March 2022 has notified Companies (Indian Accounting Standards) Amendment Rules, 2022 to further amend the Companies (Indian Accounting Standards) Rules, 2015, which are effective from 1 April 2022. The amendments are extensive and the Company will evaluate the same to give effect to them as required by law.



NSPIRA Management Services Private Limited
Summary of significant accounting policies and other explanatory information
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3 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 carrying amount (note (i))									
As at 1 April 2020	1,237.48	392.33	295.27	2,025.37	104.06	125.93	108.87	771.48	5,060.79
Additions during the year	42.51	35.77	26.05	154.19	6.23	4.55	1.46	160.59	431.35
Impairment during the year**	-	-	-	-	-	-	-	20.74	20.74
As at 31 March 2021	1,279.99	428.10	321.32	2,179.56	110.29	130.48	110.33	911.33	5,471.40
Additions during the year	90.69	81.71	53.61	313.70	19.74	12.63	32.67	103.53	708.28
Impairment during the year**	-	-	-	-	-	-	-	29.41	29.41
As at 31 March 2022	1,370.68	509.81	374.93	2,493.26	130.03	143.11	143.00	985.45	6,150.27
Accumulated depreciation									
Up to 1 April 2020	564.39	199.84	68.36	670.76	51.41	49.08	26.25	185.31	1,815.40
Charge for the year	225.27	89.69	29.47	240.76	19.25	32.95	13.45	85.38	736.22
Adjustments for Impairment**	-	-	-	-	-	-	-	3.06	3.06
Up to 31 March 2021	789.66	289.53	97.83	911.52	70.66	82.03	39.70	267.63	2,548.56
Charge for the year	205.13	75.65	32.47	270.19	16.62	29.51	14.12	96.41	740.10
Adjustments for Impairment**	-	-	-	-	-	-	-	10.89	10.89
Up to 31 March 2022	994.79	365.18	130.30	1,181.71	87.28	111.54	53.82	353.15	3,277.77
Net carrying amount									
As at 31 March 2022	375.89	144.63	244.63	1,311.55	42.75	31.57	89.18	632.30	2,872.50
As at 31 March 2021	490.33	138.57	223.49	1,268.04	39.63	48.45	70.63	643.70	2,922.84

Notes:

- (i) As on the date of transition to Ind-AS, the Company had availed one time transition exemption regarding the carrying cost of property, plant and equipment (PPE), pursuant thereto the carrying cost as at 1 April 2017 reported under the previous GAAP were considered as deemed cost for reporting under Ind-AS.
- (ii) During the year, physical verification of PPE could not be carried out by management in view of the mandatory lockdown and other restrictions imposed due to Covid19 Pandemic. However, basis nature of its PPE and internal controls relating to safeguarding of its assets including physical custody thereof, management is confident on the existence and measurement of the current carrying cost.

**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
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4 (a) Right-of-use assets

	Buildings	Total
Gross carrying amount		
As at 1 April 2020		
Additions during the year	7,421.01	7,421.01
Adjustment during the year*	401.61	401.61
As at 1 April 2021	(235.19)	(235.19)
Additions during the year	7,587.43	7,587.43
Adjustment during the year*	436.95	436.95
As at 31 March 2022	(830.70)	(830.70)
	7,193.68	7,193.68
Accumulated amortization		
Up to 1 April 2020		
Amortization charge for the year	856.02	856.02
Adjustments during the year*	856.86	856.86
Up to 1 April 2021	(39.29)	(39.29)
Amortization charge for the year	1,673.59	1,673.59
Adjustments during the year*	814.68	814.68
As at 31 March 2022	(368.40)	(368.40)
	2,119.87	2,119.87
Net carrying amount		
As at 31 March 2022	5,073.81	5,073.81
As at 31 March 2021	5,913.84	5,913.84

Notes :

- (i) Expenses relating to short-term leases and low-value assets for year ended 31 March 2022 is ₹13.55 (31 March 2021: ₹19.40).
(ii) The incremental borrowing rate applied to lease liabilities is 10.25% (31 March 2021: 10.25%).
* Represents adjustments in respect of leases terminated during the year.

4 (b) Lease liabilities

	As at	
	31 March 2022	31 March 2021
Balance at the beginning of year		
Additions during the year	6,811.18	6,573.19
Finance cost accrued during the year (refer note 27)	436.95	328.82
Adjustment during the year*	591.55	677.90
Payment of lease liabilities (including interest)	(603.34)	(197.69)
Balance at the end of year	(732.05)	(571.04)
	6,504.29	6,811.18
Current liabilities		
Non-current liabilities	1,209.02	1,011.45
	5,295.27	5,799.73

* Represents adjustments in respect of leases terminated during the year.

The table below provides details regarding the contractual maturities of lease liabilities on an undiscounted basis:

	As at	
	31 March 2022	31 March 2021
Less than one year	1,727.55	2,031.16
One to five years	3,539.70	5,081.97
More than five years	6,822.00	8,905.15
Total	12,089.25	16,018.28



NSPIRA Management Services Private Limited
Summary of significant accounting policies and other explanatory information
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5 Other intangible assets

	N-Learn application	Trademarks	Non compete fee	Software	Other intangibles	Total
Gross carrying amount						
As at 1 April 2020	225.93	14.01	11.44	-	29.28	280.66
Additions during the year	-	-	-	40.04	-	40.04
As at 1 April 2021	225.93	14.01	11.44	40.04	29.28	320.70
Additions during the year	-	-	-	-	-	-
Impaired during the period (refer note 6)	-	-	-	40.04	-	40.04
As at 31 March 2022	225.93	14.01	11.44	-	29.28	280.66
Accumulated amortization						
Up to 1 April 2020	131.79	12.44	10.15	-	26.04	180.42
Charge for the year	75.31	1.32	1.29	8.00	2.76	88.68
Up to 1 April 2021	207.10	13.76	11.44	8.00	28.80	269.10
Charge for the year	18.83	0.25	-	4.00	0.48	23.56
Impaired during the period (refer note 6)	-	-	-	12.00	-	12.00
As at 31 March 2022	225.93	14.01	11.44	-	29.28	280.66
Net carrying amount						
As at 31 March 2022	18.83	0.25	-	32.04	0.48	51.60
As at 31 March 2021	-	-	-	-	-	-

6 Intangible assets under development

Intangible assets under development comprises of consultancy charges incurred towards software applications developed 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 2020	160.18
Development cost incurred during the year	70.83
Less: Capitalised during the year	(40.04)
As at 1 April 2021	190.97
Development cost incurred during the year	53.33
Capitalized during the year	-
Impaired during the year*	(244.30)
As at 31 March 2022	-

*The Company has made a provision for potential impairment in the carrying value of intangible assets and intangible under development aggregating to ₹28.04 and ₹244.30. Given the size and the nature of event, the said provision for impairment has been classified as an exception item in the accompanying financial statements.



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, mutual funds units and face value)

6 Intangible assets under development (continued)

(a) Intangible assets under development (IAUD) ageing schedule

	Amount in IAUD for a period of				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Projects in progress					
31 March 2022	-	-	-	-	-
31 March 2021	70.83	69.67	43.48	6.99	190.97

(b) The Company has no IAUD whose completion is overdue or has exceeded its cost compared to its original plan as at 31 March 2022 and 31 March 2021.

(c) There are no projects temporarily suspended as at 31 March 2022 and 31 March 2021.

7 Investments

	As at	
	31 March 2022	31 March 2021
(a) Non-current		
<i>Unquoted - designated at FVTPL</i>		
Investment in other entities		
Investments in equity shares (fully paid-up)		
Monkeybox Food Tech Private Limited		
6,845 (31 March 2021: 6,845) equity shares of ₹10 each	7.53	7.53
Investment in preference shares (fully paid-up)	7.53	7.53
Monkeybox Food Tech Private Limited		
883 (31 March 2021: 883) of ₹1,000 each	1.00	1.00
4,771 (31 March 2021: 4,771) of ₹10 each	7.50	7.50
Total investments	8.50	8.50
Less: Provision for impairment	16.03	16.03
Net Investment	16.03	16.03
Aggregate amount of quoted investments	-	-
Aggregate amount of unquoted investments	-	-
Aggregate amount of impairment in value of investments	16.03	16.03
(b) Current		
<i>Unquoted - designated at FVTPL</i>		
Investments in mutual funds		
Nil (31 March 2021: 769,985) units in ICICI Prudential Mutual Fund	-	249.72
28,045,848 (31 March 2021: Nil) units in IDFC Arbitrage Fund Growth	740.12	-
15,248,673 (31 March 2021: 31,510,608) units in IDFC Money Manager Fund	501.50	1,005.25
57,099,761 (31 March 2021: Nil) units in Tata Arbitrage Fund-Regular Plan	667.47	-
28,707,372 (31 March 2021: Nil) units of Nippon India Arbitrage Fund	621.06	-
Nil (31 March 2021: 7,413,043) units in PGIM India Mutual Fund	-	200.55
	2,530.15	1,455.52
Aggregate amount of quoted investments	-	-
Aggregate amount of unquoted investments	2,530.15	1,455.52
Aggregate amount of impairment in value of investments	-	-



NSPIRA Management Services Private Limited

Summary of significant accounting policies and other explanatory information

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

8 Loans

	As at	
	31 March 2022	31 March 2021
Non-current		
Secured considered good		
Unsecured, considered good		
Security deposits (note (i) and (ii))		
-with related parties		
-with others	52.43	67.95
Rental and electricity deposits	922.97	939.42
-related parties		
-others	20.05	14.25
Advances to:	388.24	427.30
- related parties		
- others		2.70
Significant increase in credit risk	1.06	1.06
Credit impaired		
	1,384.75	1,452.68
Current		
Secured, considered good		
Unsecured, considered good		
Security deposit (note (i) and (ii))		
-with related parties		
-with others	260.87	
Rental deposits with others	915.86	169.26
Advances to related parties	64.55	39.21
Other loans to	34.32	33.87
- Employees and professionals		
- Others	54.92	17.57
Significant increase in credit risk		63.37
Credit impaired		
Loans to employees and professionals		
Advances to related party	13.86	13.14
Rental and electricity deposits	69.64	69.64
Less: Provision of doubtful loans	74.04	150.00
	(157.54)	(232.78)
	1,330.52	323.28

Notes:

- (i) Security deposits includes amounts of ₹1,233.86 (31 March 2021: ₹1,146.84), ₹14.62 (31 March 2021: ₹14.62), ₹13.09 (₹4.02 as at 31 March 2021), the realisability of which have been 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 were made with landlords of certain inactive and other buildings which are yet to be handed over to these underlying educational institutions. In related to these deposits, Subsequent to balance sheet, Company has received ₹1,031.13 from Narayana Education society, accordingly these deposits has been reclassified to current and recorded at gross value.
- (ii) Includes security deposits of ₹250.00 (31 March 2021: ₹250.00) repayment of which have been personally guaranteed by Mr. Puneet Kothapa and Mrs. Sindhura Ponguru respectively, in accordance with the deed of guarantee duly entered with them.



NSPIRA Management Services Private Limited
Summary of significant accounting policies and other explanatory information
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9 Other assets

	As at	
	31 March 2022	31 March 2021
Non-current		
Unsecured, considered good		
Capital advances	103.16	143.42
Payments made under protest*	76.21	73.49
Contract assets (note - (a))	1,753.18	2,636.02
	1,932.55	2,852.93
Current		
Unsecured, considered good		
Advances to vendors	215.35	26.48
Prepaid expenses	-	12.98
Contract assets (note - (a))	157.85	194.80
Balances with government authorities	80.12	131.74
Other advances	92.19	13.17
	545.51	379.17
Unsecured, considered doubtful	4.78	7.63
Less: Provision for doubtful advances	(4.78)	(7.63)
	545.51	379.17

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

Notes:

- (a) 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 ₹3,888.25 (31 March 2021: ₹4,010.82) 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 ₹1,992.40 (31 March 2021: ₹1,110.79) as at the aforesaid date have been considered as rental security deposits in these Financial Statements of the Company and the balance amount of ₹1,738.10 (31 March 2021: ₹2,754.90), 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 movements in the balances of contract assets is as follow:

	As at	
	31 March 2022	31 March 2021
Balance at the beginning of the year	2,830.82	2,786.00
Recognized during the year	149.70	440.24
Adjustments during the year*	(872.56)	(218.16)
Amortization during the year	(196.93)	(177.26)
Balance at the end of the year	1,911.03	2,830.82
-Current	157.85	194.80
-Non-current	1,753.18	2,636.02

*Represents adjustments to the balance of contract assets in respect of properties vacated and amounts realised during the year and or in respect of vacated properties which are expected to realise in the next 12 months.



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

10 Trade receivables

	As at	
	31 March 2022	31 March 2021
- Secured, considered good		
- Unsecured, considered good		
- from related parties (refer note (i) below)	3,249.14	3,234.07
- from others	141.28	733.97
- receivables with significant increase in credit risk	-	-
- Credit impaired		
- from related parties	-	51.42
- from others	41.28	41.28
	3,431.70	4,060.74
Less: allowance for trade receivables	(41.28)	(92.70)
	3,390.42	3,968.04

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 significant influence (refer note 40).

Trade receivables ageing schedule

As at 31 March 2022:

	Unbilled dues	Outstanding from the due date of payment					Total
		Less than 6 months	6 months to 1 year	1-2 years	2-3 years	More than 3 years	
Undisputed							
Trade receivables considered good	31.64	3,234.82	123.96	-	-	-	3,390.42
Trade Receivables credit impaired	-	-	-	-	21.45	19.83	41.28
Total	31.64	3,234.82	123.96	-	21.45	19.83	3,431.70
Less: Allowance for receivables impaired							(41.28)
							3,390.42

As at 31 March 2021:

	Unbilled dues	Outstanding from the due date of payment					Total
		Less than 6 months	6 months to 1 year	1-2 years	2-3 years	More than 3 years	
Undisputed							
Trade receivables considered good	-	3,967.40	0.64	-	-	-	3,968.04
Trade Receivables credit impaired	-	-	-	21.45	71.25	-	92.70
Total	-	3,967.40	0.64	21.45	71.25	-	4,060.74
Less: Allowance for receivables impaired							(92.70)
							3,968.04

- (ii) Trade receivables, which have significant increase in credit risk is ₹Nil as at 31 March 2022 (31 March 2021: ₹Nil).
- (iii) There are no disputed trade receivables outstanding as at 31 March 2022 and 31 March 2021.



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Summary of significant accounting policies and other explanatory information
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11 Inventories

	As at	
	31 March 2022	31 March 2021
Valued at the lower of cost and net realisable value		
Stock-in-trade	228.33	132.10
	<u>228.33</u>	<u>132.10</u>

12 Cash and bank balances

	As at	
	31 March 2022	31 March 2021
Cash and cash equivalents		
Balances with banks		
- On current accounts	413.59	671.48
Cash on hand	28.79	54.60
	<u>442.38</u>	<u>726.08</u>
Bank balances other than above		
- Deposits with banks with maturity period from 3 to 12 months*	42.17	1.00
	<u>42.17</u>	<u>1.00</u>

*Represents amount pledged with lenders in respect of loan arrangements with them.

13 Other financial assets

	As at	
	31 March 2022	31 March 2021
Non-current		
Unsecured, considered good		
Deposits with banks having maturity beyond 12 months*	-	40.17
	<u>-</u>	<u>40.17</u>

*Represents amount pledged with lenders in respect of loan arrangements with them.



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)

14 Equity share capital

	As at			
	31 March 2022		31 March 2021	
	Number	Amount	Number	Amount
Authorized				
Equity shares of ₹10 each	53,69,99,990	5,370.00	53,69,99,990	5,370.00
Series-B Equity shares of ₹10 each	10	0.00	10	0.00
Preference shares of ₹ 2,500 each	4,52,000	1,130.00	4,52,000	1,130.00
	53,74,52,000	6,500.00	53,74,52,000	6,500.00
Issued, subscribed and fully paid-up				
Equity shares of ₹10 each	35,01,20,010	3,501.20	35,01,20,010	3,501.20
Series B equity shares of ₹10 each	1	0.00	1	0.00
	35,01,20,011	3,501.20	35,01,20,011	3,501.20

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

	31 March 2022		31 March 2021	
	Number	Amount	Number	Amount
Balance at the beginning of the year	35,01,20,010	3,501.20	35,01,20,010	3,501.20
Issued during the year	-	-	-	-
Balance at the end of the year	35,01,20,010	3,501.20	35,01,20,010	3,501.20
Series-B:				
Balance at the beginning of the year	1	0.00	1	0.00
Issued during the year	-	-	-	-
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 to 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 to their shareholding.

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

	31 March 2022		31 March 2021	
	Number of shares	% of holding	Number of shares	% of holding
Equity share of ₹10 each				
Puneet Kothapa	8,75,12,500	25.00%	8,75,12,500	25.00%
Sindhura Ponguru	14,87,71,250	42.49%	14,87,71,250	42.49%
Ponguru Sharani	11,37,66,250	32.49%	11,37,66,250	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 debentures and preference share)

(e) Details of equity shares held by the promoters

Promoter name	No of shares	% of total share	% of change during the year
Puneet Kothapa	8,75,12,500	25.00%	Nil
Sindhura Ponguru	14,87,71,250	42.49%	Nil
Ponguru Sharani	11,37,66,250	32.49%	Nil

15 Instruments entirely equity in nature

(a) Compulsorily convertible debentures ('CCDs')

	31 March 2022		31 March 2021	
	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 2022		31 March 2021	
	Number	Amount	Number	Amount
Issued, Subscribed and fully paid up preference shares of ₹2,500 each				
Balance at the beginning of the year	4,50,710	995.21	4,50,710	995.21
Issued during the year	-	-	-	-
Balance at the end of the year	4,50,710	995.21	4,50,710	995.21

Terms and conditions for conversion of CCDs and CCPS:

- (c) 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 ₹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 Qualified IPO ('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 CCD's and CCPS holding more than 5% of the underlying securities

	31 March 2022		31 March 2021	
	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.	4,49,760	99.79%	4,49,760	99.79%



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

16 Other equity

	As at	
	31 March 2022	31 March 2021
Debenture redemption reserve		
Balance at the beginning of the year	140.00	-
Add: Additions during the year*	-	140.00
Less: Transfer during the year*	(140.00)	-
Balance at the end of the year	-	140.00
General reserve		
Balance at the beginning of the year	744.02	884.02
Less: Transfers during the year*	140.00	(140.00)
Balance at the end of the year	884.02	744.02
Capital reserve on account of business combination		
Balance at the beginning and end of the year	2.47	2.47
Retained earnings		
Balance at the beginning of the year	4,383.26	3,841.01
Add: Profit for the year	1,348.12	542.25
Balance at the end of the year	5,731.38	4,383.26
Other comprehensive income- Actuarial gain/(loss) on post employment benefits		
Balance at the beginning of the year	(51.66)	(47.39)
Income/(loss) for the year	10.66	(4.27)
Balance at the end of the year	(41.00)	(51.66)
Total other equity	6,576.87	5,218.09

Nature and purpose of reserves :

(a) 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.

(b) General reserve

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

(c) 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.

*Represents the reserve created on account of non-convertible debenture issued during the year ended 31 March 2021, which was transferred back to general reserve during current year, owing to the entire amount of NCD's being redeemed during the current year.



NSPIRA Management Services Private Limited

Summary of significant accounting policies and other explanatory information

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

17 Borrowings

	As at	
	31 March 2022	31 March 2021
(a) Secured		
Non convertible Debentures (NCD's)		
Nil (31 March 2021: 14,000 units) of ₹100,000 each (refer note a)	-	1,365.18
Term loans from		
- Banks (refer notes b(i) and b(ii))	667.05	842.61
Vehicle loans from		
- Banks (refer note c)	48.44	22.72
- Financial institutions (refer note c)	4.40	16.62
Total borrowings	719.89	2,247.13
Less: Current maturities of long-term borrowings	211.05	614.73
Non-current borrowings	508.84	1,632.40
(b) Current borrowings		
Secured		
Current maturities of long-term borrowings	211.05	614.73
	211.05	614.73

a) Terms and conditions of non-convertible debentures and nature of security

- The Company has issued Nil (31 March 2021: 14,000) units of non-convertible debentures (NCD) of face value of ₹100,000 each on 16th September 2020 to a consortium of investors which are secured, rated, redeemable and transferable.
- NCD's are secured by way of:
 - first and floating charge on the all present assets and future assets of the Company, Intellectual property rights, Escrow account, Debt service Reserve account and all receivables of the Company.
 - Pledge (on fully diluted basis) of 13% of the equity shares of the Company held by the P. Sindhura (Promoters).
 - Personal Guarantee of Puneet Kothapa and Sindhura Ponguru.
- The NCD's were redeemable in 8 unequal quarterly instalments beginning from 15 December 2021.
- NCDs have coupon rate of 10.95% per annum (31 March 2021: 10.95%) payable on a quarterly basis.
- The entire outstanding balance of NCD's has been repaid during the year.

b) Terms and conditions of secured term loans and nature of security:

- Term loan from Karur Vysya Bank Limited (KVB) is secured by way of:
 - demand promissory note;
 - 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
 - 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.
- This facility carries an interest at the floating rate of 0.90% above lenders prime lending rate range from 7.90% to 10.25% p.a. (31 March 2021: 10.25% p.a.) and is repayable in 14 equal half yearly instalments commencing from 30 June 2018.



NSPIRA Management Services Private Limited

Summary of significant accounting policies and other explanatory information

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

17 Borrowings (continued)

c) 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 7.65 % p.a. to 9.75 % p.a. (31 March 2021: 7.65 % p.a. to 9.75 % p.a.).

d) Maturity profile of long-term borrowings*:

	As at	
	31 March 2022	31 March 2021
Within 1 year		
2 - 5 years	211.05	614.73
More than 5 years	508.84	1,660.28
	719.89	2,275.01

* Represents gross liability presented without considering the effect of transaction cost adjustment on initial recording of the transaction

- e) 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.

f) 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 2020	6,573.19	2,104.93	-
Lease liabilities recognised during the year	328.82	-	-
Cash flows, net	-	142.20	-
Interest expenses	677.90	-	267.02
Interest paid	(571.04)	-	(262.23)
Adjustments*	(197.69)	-	-
Net debt as on 31 March 2021	6,811.18	2,247.13	4.79
Lease liabilities recognised during the year	436.95	-	-
Cash flows, net	(140.50)	(1,527.24)	-
Interest expenses	591.55	-	218.84
Interest paid	(591.55)	-	(221.46)
Adjustments*	(603.34)	-	-
Net debt as on 31 March 2022	6,504.29	719.89	2.17

* Represents adjustments in respect of leases terminated during the period.

18 Trade payables

	As at	
	31 March 2022	31 March 2021
Due to micro enterprises and small enterprises		
Due to others	529.21	507.28
	529.21	507.28



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

18 Trade payables (continued)

Trade payables ageing schedule

As at 31 March 2022:

Particulars	Outstanding for following periods from due date of payment				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Undisputed					
- MSME	-	-	-	-	-
- Others	-	-	-	-	-
Total	529.21	-	-	-	529.21
	529.21	-	-	-	529.21

As at 31 March 2021:

Particulars	Outstanding for following periods from due date of payment				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Undisputed					
- MSME	-	-	-	-	-
- Others	-	-	-	-	-
Total	470.78	31.31	5.20	-	507.28
	470.78	31.31	5.20	-	507.28

Note: There are no trade payables which are under any dispute as at 31 March 2022 and 31 March 2021.

19 Provisions

	As at	
	31 March 2022	31 March 2021
Non-current		
Provision for employee benefits, unfunded		
- Gratuity (refer note 26(b))	146.29	131.71
- Compensated absences	12.34	10.32
	158.63	142.03
Current		
Provision for employee benefits, unfunded		
- Gratuity, unfunded (refer note 26(b))	9.45	5.59
- Compensated absences	1.71	3.33
	11.16	8.92



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

20 Other financial liabilities

	As at	
	31 March 2022	31 March 2021
Non-Current		
Security deposits from others	25.65	25.65
	25.65	25.65
Current		
Creditors for capital expenditure	100.62	106.50
Creditors for expenses	150.63	237.22
Dues to employees	281.59	207.56
Dues to students	13.97	23.55
Interest accrued but not due	2.17	4.79
Payable to related parties	19.86	41.00
Bank overdraft	4.91	-
	573.75	620.62

21 Other current liabilities

	As at	
	31 March 2022	31 March 2021
Statutory liabilities	165.85	126.84
Unearned revenue -refer (a)	31.72	51.34
Advances from customers - refer (b)	166.72	71.27
	364.29	249.45

(a) Unearned revenue

	As at	
	31 March 2022	31 March 2021
Balance at the beginning of the year	51.34	43.34
Add : Accrued during the year	31.72	51.34
Less : Revenue recognized during the year from opening balances	(51.34)	(43.34)
Balance at the end of the year	31.72	51.34

(b) Advances from customers

	As at	
	31 March 2022	31 March 2021
Balance at the beginning of the year	71.27	157.61
Add : Collections made during the year	166.72	71.27
Less : Revenue recognized during the year from opening balances	(71.27)	(157.61)
Balance at the end of the year	166.72	71.27



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

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

22 Revenue from operations

	For the year ended	
	31 March 2022	31 March 2021
Revenue from contracts with customers:		
(a) Sale of services		
- Admission support services	2,173.38	2,202.88
- Infrastructure management services	1,078.77	286.30
- Housekeeping services	898.97	735.75
- Examination support services	702.73	711.39
- Administrative services	412.94	162.59
- Security services	319.78	287.05
- Catering services	928.52	453.63
- Hostel services	1,219.35	604.72
- Coaching fee	911.34	617.69
- Vehicle maintenance services	10.00	-
- Teacher assistance services	4.49	11.55
- Infrastructure provision services (refer note 38)	590.04	179.43
(b) Sale of goods		
Sale of stock-in-trade - others	2,832.04	2,292.75
	12,082.35	8,545.73

- (i) Amid the ongoing COVID-19 pandemic, customers of the Company had a significant impact on their operations and ability to honour the original terms and conditions of the service arrangements. In view of the above, revenue from contracts with customers for the year ended 31 March 2022 and corresponding periods has been accrued only to the extent it is probable that the economic benefits will flow to the Company.

(ii) Reconciliation of revenue recognized in the statement of profit and loss with contracted price

	For the year ended	
	31 March 2022	31 March 2021
Contracted price	12,082.35	8,545.73
Adjustment:-		
Reductions towards variable consideration components	-	-
Revenue recognised	12,082.35	8,545.73

(iii) 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 ₹28.19 (31 March 2021: ₹51.34), which is expected to be fully recognised as revenue in the next year. Further, amount of ₹43.34 (31 March 2021: ₹41.34), representing the value of the transaction price allocated to unsatisfied to performance obligations as at 31 March 2021 has been recognised as revenue 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)

22 Revenue from operations (continued)

(iv) Disaggregation of revenue

	For the year ended	
	31 March 2022	31 March 2021
Total revenue from contract with customers	12,082.35	8,545.73
Timing of revenue recognition		
-Services transferred at a point in time	1,055.24	426.60
-Services transferred over time	11,027.11	8,119.13

Refer note 39 for segment wise details of the Company's revenue.

23 Other income

	For the year ended	
	31 March 2022	31 March 2021
Interest income on financial assets measured at amortised cost	308.25	183.55
Other non-operating income		
-Dividend income	-	0.60
-Fair value gain on investment classified at FVTPL	41.58	5.01
-Miscellaneous income	54.54	6.12
-Liabilities no longer required written back	199.54	33.83
Gain on sale of mutual funds	37.83	-
	641.74	229.11

24 Purchases of stock-in-trade

	For the year ended	
	31 March 2022	31 March 2021
Purchases of stock-in-trade	1,680.75	853.67
	1,680.75	853.67

25 Changes in inventories of stock-in-trade

	For the year ended	
	31 March 2022	31 March 2021
Opening balance	132.10	293.33
Closing balance	228.33	132.10
	(96.23)	161.23

26 Employee benefits expense

	For the year ended	
	31 March 2022	31 March 2021
Salaries and wages	2,629.09	1,803.45
Contribution to provident and other funds	111.30	75.28
Staff welfare expenses	123.80	70.66
Gratuity and compensated absences	36.31	28.41
	2,900.50	1,977.80

Note: Due to the significant impact perceived on account of covid – 19 pandemic on the operations of the Company, the Management has taken various measures to conserve the cash flows such as reducing the amount of salaries paid to various employees and suspending the services of certain employees temporarily. The aforesaid amount of salaries not processed are in the nature of a permanent waiver in accordance with the communication with these employees. These measures have lead to a consequent decrease in the employee benefits expense for the year ended 31 March 2021.



NSPIRA Management Services Private Limited

Summary of significant accounting policies and other explanatory information

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

26 Employee benefits expense (continued)

(a) Defined contribution plan

During the year ended 31 March 2022, the Company has contributed ₹87.68 (31 March 2021: ₹61.01) towards provident fund and ₹23.62 (31 March 2021: ₹14.27) 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 2022	31 March 2021
Current service cost	27.45	23.10
Net interest cost	8.48	6.58
Total amount recognised in the statement of profit and loss	35.93	29.68

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

	For the year ended	
	31 March 2022	31 March 2021
Actuarial loss	10.66	(4.27)
Total amount recognised in the other comprehensive income	10.66	(4.27)

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

	As at	
	31 March 2022	31 March 2021
Present value of defined benefit obligation at beginning of the year	137.30	103.35
Current service cost	27.45	23.10
Interest cost	8.48	6.58
Benefits paid	(6.83)	-
Re-measurement loss on actuarial valuations	(10.66)	4.27
Present value of defined benefit obligation at end of the year	155.74	137.30

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

	As at	
	31 March 2022	31 March 2021
Discount rate	6.41%	6.30%
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)	IALM(2012-14) Ultimate	IALM(2012-14) Ultimate

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.



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Summary of significant accounting policies and other explanatory information
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26 Employee benefits expense (continued)

Increase or (decrease) in defined benefit obligation

	As at	
	31 March 2022	31 March 2021
Assumptions		
Sensitivity level		
- Discount rate : 1.00% increase	(10.88)	(15.94)
- Discount rate : 1.00% decrease	27.94	19.16
- Future salary : 1.00% increase	26.78	18.25
- Future salary : 1.00% decrease	(10.40)	(15.57)

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

	As at	
	31 March 2022	31 March 2021
Expected Future Cashflows		
Year 1	9.45	5.59
Year 2	5.14	4.61
Year 3	6.28	4.56
Year 4	7.43	6.03
Year 5	7.30	6.69
Year 6 to 10	59.94	47.97
Greater than 10 Years	310.50	281.72

- (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.

27 Finance costs

	For the year ended	
	31 March 2022	31 March 2021
Interest expense:		
-on lease liability	591.55	677.90
-on financial liabilities measured at amortized cost	218.84	267.02
-on statutory dues	8.37	23.00
	818.76	967.92

28 Depreciation and amortisation expense

	For the year ended	
	31 March 2022	31 March 2021
Depreciation on property, plant and equipment (refer note 3)	740.10	736.22
Amortisation of intangible assets (refer note 5)	23.56	88.68
Amortisation on right-of-use asset (refer note 4(a))	814.68	856.86
Amortisation on contract assets (refer note 9(b))	196.93	177.26
	1,775.27	1,859.02



NSPIRA Management Services Private Limited

Summary of significant accounting policies and other explanatory information

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

29 Other expenses

	For the year ended	
	31 March 2022	31 March 2021
Water charges	37.68	15.28
Security services	176.01	150.68
Power and fuel	148.53	93.59
Expenses for admission support services	1,051.32	737.45
Repairs and maintenance		
- Building	610.09	216.83
- Electrical equipment	112.22	39.43
- Vehicle	44.02	29.53
- Mess	39.83	24.64
- Others	108.35	74.42
Transportation charges	87.50	175.89
Rates and taxes	164.07	99.37
Corporate Social Responsibility (CSR) expenses (refer note (a) below)	46.60	56.00
Donations	23.03	29.70
Consultancy charges	57.41	42.87
Communication expenses	72.37	61.72
Functions and celebrations	23.57	13.37
Legal and professional fees	426.23	107.53
Rent expense	31.00	19.40
Printing and stationary	56.55	22.94
Provision for doubtful advances (refer note (b))	71.91	92.72
Insurance charges	43.08	26.16
Bank charges	16.17	5.10
Impairment - Property, plant and equipment (refer note 3(a))	18.52	17.66
Payments to auditor		
- As auditor	4.01	4.00
- Other services	-	-
Miscellaneous expenses	66.47	28.15
	3,536.54	2,184.43

a) Details of CSR expenditure

	For the year ended	
	31 March 2022	31 March 2021
a) Gross amount required to be spent by the company during the year	21.68	38.36
b) Amount spent during the year on:		
- Education	46.60	41.00
- Rural transformation	-	15.00
Excess	(24.92)	(17.64)

Reasons for Short fall: Not applicable

Nature of CSR Activities: Activities as mentioned under Schedule VII of Companies Act 2013

Details of Related Party Transactions in CSR activities: Nil

Where a provision is made with respect to a liability incurred by entering into a contractual obligation: Not applicable



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Summary of significant accounting policies and other explanatory information
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29 Other expenses (continued)

b) Movements of provision for doubtful advances:

	As at	
	31 March 2022	31 March 2021
Balance at the beginning of year	240.41	349.81
Add: Additions during the year	71.91	92.72
Less: Amounts written off during the year	-	(202.12)
Balance at the end of year	312.32	240.41

30 Income taxes

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

	For the year ended	
	31 March 2022	31 March 2021
Statement of profit and loss	635.54	397.05
Current taxes	(147.50)	(168.53)
Deferred tax benefit	488.04	228.52

(b) Reconciliation of tax expense and the accounting profit multiplied by India's domestic tax rate for 31 March 2022:

	For the year ended	
	31 March 2022	31 March 2021
Accounting profit before tax	1,836.16	770.77
At statutory income tax rate of 25.17 % (31 March 2021: 25.17%)	462.16	194.00
Permanent disallowances	23.74	35.74
Tax impact of reduction in tax rate	-	-
Taxes of earlier years	2.14	(1.22)
Other adjustments	488.04	228.52
At the effective income tax rates of 25.17% (31 March 2021: 25.17%)	488.04	228.52
Income tax expense reported in the statement of profit and loss	488.04	228.52

31 Deferred tax assets / (liabilities), net

	As at	
	31 March 2022	31 March 2021
The tax effects of significant temporary differences that resulted in deferred tax assets and liabilities are as follows:		
Property, plant and equipment	247.77	186.90
Fair valuation of security deposits	161.54	162.09
Right-of-use assets	(1,277.08)	(1,488.52)
Lease liabilities	1,450.42	1,575.95
Employee benefits	42.73	37.99
Provision for doubtful advances	101.94	83.84
Others	9.59	31.16
	736.91	589.41

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.



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Summary of significant accounting policies and other explanatory information

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

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

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 carry forward period are reduced.

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

	(Charged)/credited			(Charged)/credited		
	As at 1 April 2020	Statement of profit and loss	Other comprehensi ve income	As at 31 March 2021	Statement of profit and loss	Other comprehensi ve income
Property plant and equipment	120.73	66.17	-	186.90	60.87	-
Fair valuation of security deposits	142.02	20.07	-	162.09	(0.55)	-
Provision for doubtful advances	109.52	(25.68)	-	83.84	18.10	-
Employee benefits	29.77	8.22	-	37.99	4.74	-
Others	16.78	14.38	-	31.16	(21.57)	-
Right-of-use assets	(1,652.41)	163.89	-	(1,488.52)	211.44	-
Lease liabilities	1,654.47	(78.52)	-	1,575.95	(125.53)	-
	420.88	168.53	-	589.41	147.50	-
						736.91

32 Earnings per equity share ('EPES')

	For the year ended	
	31 March 2022	31 March 2021
Profit attributable to equity holders	1,348.12	542.25
Weighted average number of equity shares considered for computation of basic and diluted EPES *	43,52,99,839	43,52,99,839
Earnings per equity share (EPES)		
Basic EPES (In absolute ₹ terms)	3.10	1.25
Diluted EPES (In absolute ₹ terms)	3.10	1.25

*including equity shares to be issued on conversion of instruments considered as equity in nature.

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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)

33 Fair value hierarchy of financial assets and financial liabilities

	FVTPL	Amortised cost
As at 31 March 2022		
Financial assets		
Investments	2,530.15	-
Loans	-	2,715.27
Trade receivables	-	3,390.42
Cash and cash equivalents	-	442.38
Bank balances other than above	-	42.17
Financial liabilities		
Borrowings	-	719.89
Trade payables	-	529.21
Lease liabilities	-	6,504.29
Other financial liabilities	-	599.40
As at 31 March 2021		
Financial assets		
Investments	1,455.52	-
Loans	-	1,775.96
Trade receivables	-	3,968.04
Cash and cash equivalents	-	726.08
Bank balances other than above	-	1.00
Other financial assets	-	40.17
Financial liabilities		
Non-current borrowings	-	2,247.13
Trade payables	-	507.28
Lease liabilities	-	6,811.18
Other financial liabilities	-	646.27

(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) Valuation technique used to determine fair value

The fair value of the financials assets and liabilities is reported at the amount at which the instrument could be exchanged in a current transaction between willing parties other than in a forced or liquidation sale. The following methods and assumptions were used to estimate the fair values

a. The use of directly observable unquoted prices received from the respective mutual funds.

(iv) Fair value hierarchy:

Financial assets and financial liabilities measured at fair value in the balance sheet are grouped into three levels of a fair value hierarchy. The three Levels are defined based in the observability of significant inputs to the measurement, as follows:

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

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

Level 3: Unobservable inputs for the asset or liability.



NSPIRA Management Services Private Limited

Summary of significant accounting policies and other explanatory information

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

33 Fair value hierarchy of financial assets and financial liabilities (continued)

The following table shows the Levels within the hierarchy of financial assets and liabilities measured at fair value on a recurring basis at 31 March 2022 and 31 March 2021:

Quantitative disclosures of fair value measurement hierarchy for assets as at 31 March 2022:

Particulars	Level 1	Level 2	Level 3	Total
Financial assets measured at FVTPL				
Investments in unquoted mutual funds	-	2,530.15	-	2,530.15

Quantitative disclosures of fair value measurement hierarchy for assets as at 31 March 2021:

Particulars	Level 1	Level 2	Level 3	Total
Financial assets measured at FVTPL				
Investments in unquoted mutual funds	-	1,455.62	-	1,455.62

34 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.

(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, investments, loans and borrowings. The sensitivity analysis in the following sections relate to the position as at 31 March 2022 and 31 March 2021.

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 2022 and 31 March 2021.

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 2022	31 March 2021
Borrowings	Variable rate instruments	667.05	881.95
	Fixed rate instrument	52.84	1,365.18
Fixed deposits	Fixed rate instrument	42.17	41.17

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*	For the year ended	
	31 March 2022	31 March 2021
Interest rates increase by 100 basis points	6.67	8.82
Interest rates decrease by 100 basis points	(6.67)	(8.82)

* Holding all other variables constant



NSPIRA Management Services Private Limited

Summary of significant accounting policies and other explanatory information

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34 Financial risk management objectives and policies (continued)

Other price risk

Other price risk is the risk that the fair value or future cash flows of the Company's financial instruments will fluctuate because of changes in market prices (other than those arising from interest rate risk), whether those changes are caused by factors specific to the individual financial instrument or its issuer or by factors affecting all similar financial instruments traded in the market.

The following table demonstrates the sensitivity of the Company's un-quoted investments on the profit for the period. The analysis is based on the assumption that net asset values has increased or decrease by 10%, with all other variables held constant.

Particulars	For the year ended	
	31 March 2022	31 March 2021
Net asset value sensitivity		
-Increase by 10%	253.02	145.55
-Decrease by 10%	(253.02)	(145.55)

(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 of 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 Profit or loss.

(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 2022	31 March 2021
Less than 1 year		
- Borrowings	211.05	614.73
- Trade payables	529.21	507.28
- Other financial liabilities	599.40	646.27
- Lease liabilities	1,727.55	2,031.16
2 to 5 years		
- Borrowings	508.84	-
- Lease liabilities	3,539.70	5,081.97
- Other financial liabilities	25.65	25.65
More than 5 years		
- Lease liabilities	6,822.00	8,905.15



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

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

35 Capital management

Capital includes equity capital, instruments entirely equity in nature 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 2022	31 March 2021
Borrowings including current maturities	719.89	2,247.13
Less: Cash and bank balances including bank deposits presented as non-current financial assets	(484.55)	(767.25)
Net debt	235.34	1,479.88
Equity	11,594.76	10,235.98
Total capital	11,594.76	10,235.98
Capital and net debt	11,830.10	11,715.86
Gearing ratio	1.99%	12.63%

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 uncured breaches in the financial covenants of any interest-bearing loans and borrowing in the current year.

No changes were made in the objectives, policies or processes for managing capital during the years ended 31 March 2022 and 31 March 2021.



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Summary of significant accounting policies and other explanatory information
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36 Commitments

	As at	
	31 March 2022	31 March 2021
Estimated amount of contracts amounting to be executed on capital account and not provided for (net of advances)	50.20	278.78

37 Contingent liabilities and pending litigations

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

Financial year	As at	
	31 March 2022	31 March 2021
Service tax matters (refer note (i))		
-2011-2012	23.44	23.44
-2012-2013	45.92	45.92
-2013-2014	42.36	42.36
-2014-2015	65.16	65.16
-2011-2012 to 2014-2015	37.73	37.73
-2015-16 to 2016-17	23.02	23.02
Other legal matters	47.69	45.95

Notes:

- (i) The Company had received various demands from service tax authorities, in respect of its coaching business which it acquired from Narayana Learning Private Limited, for sums aggregating to ₹237.63 (31 March 2021: ₹237.63) 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 2021: ₹176.88) and ₹60.75 (31 March 2021: ₹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.
- (ii) The Company had received certain demands for sums aggregating to ₹615.53 (31 March 2021: ₹615.53) from goods and services tax (GST) authorities of the state of Andhra Pradesh in connection with the levy of GST, including interest and penalties, on certain services rendered by it during the period June 2018 to August 2019. Management has made necessary representations with the GST authorities challenging the levy along with seeking a stay order from the Honourable High Court of the state of Andhra Pradesh on the execution of the demands. Pending receipt of further communication from the authorities, on the basis of an independent advise sought, its internal assessment of the nature of demands and the underlying provisions of the GST regulations, the management is confident of these demands being settled in favour of the Company and accordingly do not foresee any adjustments to these financial statements in this regard.
- (iii) The Company has received a demand from the income tax authorities for an amount of ₹699.60, including interest, in connection with the income tax assessment for the financial year ended 31 March 2018. These demands were primarily owing to disallowance of certain business expenditure claimed by the Company in its income tax return for the aforementioned period. Management has filed a necessary appeals in relation to the said demand with the income tax authorities. However, on the basis of its internal assessment of the nature of demands, the availability of underlying information evidencing the expenditure incurred and an independent advise, the management is confident that said demand would not be tenable in accordance with the income tax regulations.



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

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38 Infrastructure provision services

Pursuant to the terms of the Master Service Agreement (MSA), the Company provides infrastructure services to its related parties. The income from infrastructure services recognised in the Statement of Profit and Loss during the year ended 31 March 2022 is ₹590.04 (31 March 2021: ₹179.43). The income recognised is in accordance with the terms of the MSA.

39 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 2022, the Company has one customer with revenue of ₹7,029.48 (31 March 2021: ₹4,810.79) representing 58.18% (31 March 2021: 56.29%) of the total revenue of the Company.

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

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

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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)

40 Related party disclosures (continued)

(b) Transactions with related parties

	For the year ended	
	31 March 2022	31 March 2021
Narayana Educational Society		
Sale of services	6,759.69	4,384.03
Sale of goods	269.79	426.76
Interest earned on loan extended	-	28.52
Short term loans*	-	5,424.60
Reimbursement of security deposits on behalf of NES	-	335.70
Collections made on behalf of Nspira	2,329.81	1,763.50
Expense incurred on behalf of NES	135.52	-
Reimbursement of expenditure	171.44	97.38
Guarantees for security deposit given	-	256.85
Rental advance transferred during the year	20.26	-
Security deposits recovered	72.30	-
Security deposits transferred during the year	188.39	324.49
Narayana Education Trust		
Sale of services	177.14	137.36
Sale of goods	3.97	0.80
Loan given	2.56	-
Collections made on behalf of Nspira	47.01	72.65
Expenditure incurred on behalf of the Company	-	2.51
Security deposits recovered	9.35	-
Reimbursement of expenditure	6.38	-
Narayana Educational Trust		
Sale of services	178.30	118.86
Sale of goods	3.04	1.24
Reimbursement of expenditure	14.95	-
Expenditure incurred on behalf of the Company	0.14	1.05
Collections made on behalf of Nspira	16.56	(0.04)
Green Ivy Ventures Private Limited		
Rent	82.18	76.45
Advances given	-	45.00
Fixed deposit transferred to GIVPL	1.01	-
Greatest Common Factor Private Limited		
Provision for doubtful advances	-	38.00

*Loans to related parties during previous year represents the unsecured, demand loans of ₹5,424.60 to Narayana Educational Society (NES) at an interest rate of 4% per annum, 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.



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40 Related party disclosures (continued)

	For the year ended	
	31 March 2022	31 March 2021
Puneet Kothapa		
Remuneration	8.13	6.90
Advances given	2.50	1.50
Personal Guarantee against NCD's	-	1,400.00
Personal Guarantee against Security deposits	-	250.00
Sindhura Ponguru		
Remuneration	8.13	4.58
Rent	7.93	7.37
Personal Guarantee against NCD's	-	1,400.00
Personal Guarantee against Security deposits	-	250.00
Ponguru Sharani		
Advances given	8.55	0.80
Remuneration	1.95	5.53
Rent	2.80	1.81
Ravi Teja Ganta		
Remuneration	3.98	3.79
Advances given	-	0.51
Sambashiva Sastry Kambhampati		
Remuneration	6.26	5.08
Ponguru Narayana		
Rent	30.11	28.01
Ponguru Ramadevi		
Rent	36.82	25.08
Ponguru Indira		
Rent	3.56	3.31

(c) Balances receivable/(payable)

	As at	
	31 March 2022	31 March 2021
Narayana Educational Society	2,802.47	3,217.69
Narayana Education Trust	212.79	(33.81)
Rama Narayana Education Trust	(13.69)	(0.63)
Narayana Educational Trust	233.89	16.38
Narayana Learning Private Limited	299.93	302.91
Puneet Kothapa	10.47	8.38
Ponguru Sindhura	4.77	2.50
Ponguru Sharani	5.38	2.49
Ravi Teja Ganta	0.14	0.03
Ponguru Ramadevi	270.26	258.43
Ponguru Narayana	236.30	236.58
Ponguru Indira	162.68	159.96
Sambashiva Sastry Kambhampati	(0.53)	(0.36)



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

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

40 Related party disclosures (continued)**(d) Guarantees outstanding**

	As at	
	31 March 2022	31 March 2021
Narayana Educational Society	1,233.86	1,146.84
Narayana Education Trust	14.62	14.62
Narayana Educational Trust	13.09	4.02

- (e) As stated in note 17(b)(i) and 17(b)(ii), the term loans of the Company outstanding to the tune of ₹667.05 (31 March 2021: ₹842.61) 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.
- (g) Sindhura Ponguru have pledged 13% of the issued, subscribed and fully paid up-equity shares of the Company held by her in favour of debenture trustee in respect of NCD's. The Pledged share has been released on account of repayment of outstanding balance during the year.
- (h) Outstanding balance of NCD's and certain security deposits aggregating to ₹Nil (31 March 2021: ₹1,400.00) and ₹250.00 (31 March 2021: ₹250.00), respectively, have been personally guaranteed by Puneet Kothapaa and Ponguru Sindhura.



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

41 Ratios as per Schedule III requirements

Particulars	31 March 2022	31 March 2021	Change in %
(a) Current ratio = Current assets / Current liabilities	2.91	2.21	31.69%
(b) Debt Equity ratio = Total borrowings / Total equity	0.06	0.22	-71.72%
(c) Debt service coverage ratio = (Profit after tax + Finance cost + Depreciation) / (Finance cost + Total Current borrowings) @	3.85	2.15	79.50%
(d) Return on equity ratio / return on investment ratio = Net Profit after tax divided by average equity	0.12	0.05	127.01%
(e) Inventory turnover ratio = Cost of goods sold divided by Average Inventory*	8.79	4.77	84.28%
(f) Trade receivables turnover ratio = Revenue from operations divided by average Trade receivables	3.28	2.20	49.33%
(g) Trade payables turnover ratio = Purchases divided by Average Trade payables	3.24	1.45	124.00%
(h) Net capital turnover ratio = Revenue from operations divided by (Current Assets less Current Liabilities)	2.16	2.24	3.22%
(i) Net profit ratio = Net profit after tax divided by Revenue from operations	11.16%	6.35%	75.84%
(j) Return on Capital employed = (Earnings before Finance cost, other income and income taxes) divided by average Capital employed #	0.16	0.12	35.18%

@ Excludes interest and depreciation on right-of-use assets and related liabilities.

* Cost of goods sold includes cost of materials consumed and changes in inventories of finished goods and work-in-progress.

capital employed = Net worth + Total debt.

Note: Movement in the ratios above is mainly due to impact of Covid-19 Pandemic, which had affected the revenues and operations of Company during previous year, therefore the ratio's are not comparable with previous year.

42 Disclosure pursuant to requirements of Rule 11(e) (i) & (ii) of the Companies (Audit and Auditors) Rules, 2014:

- No funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other persons or entities, including foreign entities ("Intermediaries") with the understanding, whether recorded in writing or otherwise, that the Intermediary shall lend or invest in party identified by or on behalf of the Company (Ultimate Beneficiaries).
- The Company has not received any fund from any party (Funding Party) with the understanding that the Company shall whether, directly or indirectly lend or invest in other persons or entities identified by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

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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)

43 Registration of charges or satisfaction with Registrar of Companies (ROC)

Nature of default	Description of charges/satisfaction	Location	Amount charged	Delay (no of months)
Delay in registration of satisfaction of charges with ROC	Motor Vehicle was hypothecated in respect to various vehicle taken by the company	Hyderabad	31.43	2-4 months
	Escrow account in respect of Non-convertible debenture issued	Hyderabad	1,400.00	2 months

The company is in the process of registration of satisfaction of charges with ROC.

44 Previous year comparatives have been regrouped/rearranged to conform to the current year classification.

This is the summary of significant accounting policies and other explanatory information 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



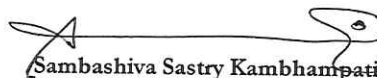
For and on behalf of the Board of Directors of
NSPIRA Management Services Private Limited



Puneet Kothapa
Managing Director
DIN: 06909621



Sindhura Ponguru
Director
DIN: 02755981



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



Rajani Panamgipalli
Company Secretary
Membership No.: A30933

Place: Hyderabad
Date: 26 September 2022

Place: Hyderabad
Date: 26 September 2022

