

Financial Statements and Independent Auditor's Report

Nspira Management Services Private Limited

31 March 2017

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Walker Chandiook & Co LLP

Walker Chandiook & Co LLP
(Formerly Walker, Chandiook & Co)
7th Floor, Block III, White House
Kundan Bagh, Begumpet
Hyderabad 500016
India

T +91 40 6630 8200
F +91 40 6630 8230

Independent Auditor's Report

To the Members of NSPIRA Management Services Private Limited

Report on the Financial Statements

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 2017, the Statement of Profit and Loss and the Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

2. The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ('the Act') with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards prescribed under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014 (as amended). This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.



Auditor's Responsibility

3. Our responsibility is to express an opinion on these financial statements based on our audit.
4. We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.
5. We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether these financial statements are free from material misstatement.
6. An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial controls relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the financial statements.
7. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on these financial statements.

Opinion

8. 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 Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31 March 2017, and its profit and its cash flows for the year ended on that date.

Report on Other Legal and Regulatory Requirements

9. As required by the Companies (Auditor's Report) Order, 2016 ('the Order') issued by the Central Government of India in terms of Section 143(11) of the Act, we give in the Annexure A, a statement on the matters specified in paragraphs 3 and 4 of the Order.
10. Further to our comments in Annexure A, as required by Section 143(3) of the Act, we report that:
 - a. we have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
 - 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;



Walker Chandiok & Co LLP

- d. in our opinion, the aforesaid financial statements comply with the Accounting Standards prescribed under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014 (as amended);
- 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 2017 from being appointed as a director in terms of Section 164(2) of the Act;
- f. we have also audited the internal financial controls over financial reporting (IFCoFR) of the Company as on 31 March 2017 in conjunction with our audit of the financial statements of the Company for the year ended on that date and our report dated 29 May 2017 as per Annexure B expressed an unmodified opinion; and
- 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 does not have any pending litigation which would impact its financial position;
 - ii. the Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses;
 - iii. there were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company; and
 - iv. the Company has provided disclosures in note 24 to the financial statements regarding holdings as well as dealings in Specified Bank Notes during the period from 8 November 2016 to 30 December 2016. However, we are unable to obtain sufficient and appropriate audit evidence to report on whether the disclosures are in accordance with books of account maintained by the Company and as produced to us by the Management.

Walker Chandiok & Co LLP

For Walker Chandiok & Co LLP

Chartered Accountants

Firm's Registration No.: 001076N/N500013

Sanjay Kumar Jain

per Sanjay Kumar Jain

Partner

Membership No.: 207660



Place: Hyderabad

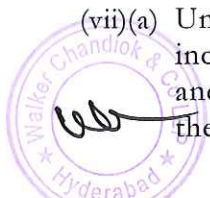
Date: 29 May 2017

Walker Chandiook & Co LLP

Annexure A to the Independent Auditor's Report of even date to the members of NSPIRA Management Services Private Limited, on the financial statements for the year ended 31 March 2017

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

- (i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
- (b) The Company has a regular program of physical verification of its fixed assets under which fixed assets are verified in a phased manner over a period of 3 years, which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. In accordance with this program, certain fixed assets were verified during the year and no material discrepancies were noticed on such verification.
- (c) The Company does not hold any immovable property (in the nature of 'fixed assets'). Accordingly, the provisions of clause 3(i)(c) of the Order are not applicable.
- (ii) In our opinion, the management has conducted physical verification of inventory at reasonable intervals during the year and no material discrepancies between physical inventory and book records were noticed on physical verification.
- (iii) The Company has not granted any loan, secured or unsecured to companies, firms, Limited Liability Partnerships (LLPs) or other parties covered in the register maintained under Section 189 of the Act. Accordingly, the provisions of clauses 3(iii)(a), 3(iii)(b) and 3(iii)(c) of the Order are not applicable.
- (iv) In our opinion, the Company has not entered into any transaction covered under Sections 185 and 186 of the Act. Accordingly, the provisions of clause 3(iv) of the Order are not applicable.
- (v) In our opinion, the Company has not accepted any deposits within the meaning of Sections 73 to 76 of the Act and the Companies (Acceptance of Deposits) Rules, 2014 (as amended). Accordingly, the provisions of clause 3(v) of the Order are not applicable.
- (vi) We have broadly reviewed the books of account maintained by the Company pursuant to the Rules made by the Central Government for the maintenance of cost records under sub-section (1) of Section 148 of the Act in respect of Company's products/services and are of the opinion that, prima facie, the prescribed accounts and records have been made and maintained. However, we have not made a detailed examination of the cost records with a view to determine whether they are accurate or complete.
- (vii)(a) Undisputed statutory dues including provident fund, employees' state insurance, income-tax, sales-tax, service tax, duty of custom, duty of excise, value added tax, cess and other material statutory dues, as applicable, have not been regularly deposited to the appropriate authorities and there have been significant delays in a large number of



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Annexure A to the Independent Auditor's Report of even date to the members of NSPIRA Management Services Private Limited, on the financial statements for the year ended 31 March 2017

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 (₹)	Period to which the amount relates	Due Date	Date of Payment	Remarks, if any
Finance Act, 1994	Service tax	9,425,923	2016-17	Various dates	18 April and 20 April 2017	Nil
Finance Act, 1994	Interest on Service tax	5,849,710	2016-17	Various dates	Not yet paid	Nil
Employee's State Insurance Act, 1948	ESI contributions	1,378,272	2016-17	Various dates	Not yet paid	Nil

- (b) There are no dues in respect of income-tax, sales-tax, service tax, duty of customs, duty of excise and value added tax that have not been deposited with the appropriate authorities on account of any dispute.
- (viii) In our opinion, the Company has not defaulted in repayment of loans or borrowings to any financial institution or a bank or any dues to debenture-holders during the year. The Company has no loans or borrowings payable to any government during the year.
- (ix) In our opinion, the Company has applied moneys raised by way of debt instruments and term loans for the purposes for which these were raised, though idle funds which were not required for immediate utilisation have been invested in liquid investments, payable on demand.
- (x) No fraud by the Company or on the Company by its officers or employees has been noticed or reported during the period covered by our audit.
- (xi) The provisions of Section 197 of the Act read with Schedule V to the Act are not applicable to the company since the company is not a public company as defined under Section 2(71) of the Act. Accordingly, provisions of clause 3(xi) of the Order are not applicable.
- (xii) In our opinion, the Company is not a Nidhi Company. Accordingly, provisions of clause 3(xii) of the Order are not applicable.
- (xiii) The provisions of section 177 of the Act are applicable by virtue of the Company's securities being listed with a recognized stock exchange. As the company is in the process of setting up an audit committee in accordance with the provisions of section 177 of the Act, in our


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Annexure A to the Independent Auditor's Report of even date to the members of NSPIRA Management Services Private Limited, on the financial statements for the year ended 31 March 2017

opinion, the transactions with the related parties are not in compliance with the provisions of section 177 and 188 of the Act. However, the requisite details have been disclosed in the financial statements, as required by the applicable accounting standards.

- (xiv) During the year, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures.
- (xv) In our opinion, the Company has not entered into any non-cash transactions with the directors or persons connected with them covered under Section 192 of the Act.
- (xvi) The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934.


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


per Sanjay Kumar Jain
Partner
Membership No.: 207660



Place: Hyderabad
Date: 29 May 2017

Walker Chandiook & Co LLP

Annexure B to the Independent Auditor's Report of even date to the members NSPIRA Management Services Private Limited, on the financial statements for the year ended 31 March 2017

Independent Auditor's report on the Internal Financial Controls 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 of and for the year ended 31 March 2017, we have audited the internal financial controls over financial reporting (IFCoFR) of the company of as of that date.

Management's Responsibility for Internal Financial Controls

2. The Company's Board of Directors is responsible for establishing and maintaining internal financial controls based on the internal controls over financial reporting criteria established by the Company considering the essential components of internal controls stated in the Guidance note on Audit of Internal Financial Controls over Financial Reporting ("the Guidance Note) issued by the Institute of Chartered Accountants of India ("the ICAI"). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of the company's business, including adherence to 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.

Auditors' Responsibility

3. Our responsibility is to express an opinion on the Company's IFCoFR based on our audit. We conducted our audit in accordance with the Standards on Auditing, issued by the ICAI and deemed to be prescribed under section 143(10) of the Act, to the extent applicable to an audit of IFCoFR, and 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 IFCoFR 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 IFCoFR and their operating effectiveness. Our audit of IFCoFR included obtaining an understanding of IFCoFR, 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 IFCoFR.



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Annexure B to the Independent Auditor's Report of even date to the members NSPIRA Management Services Private Limited, on the financial statements for the year ended 31 March 2017

Meaning of Internal Financial Controls over Financial Reporting

6. A company's IFCoFR 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 IFCoFR includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with 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.

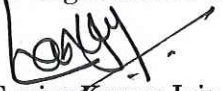
Inherent Limitations of Internal Financial Controls over Financial Reporting

7. Because of the inherent limitations of IFCoFR, 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 IFCoFR to future periods are subject to the risk that IFCoFR 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 IFCoFR and such IFCoFR were operating effectively as at 31 March 2017, based on IFCoFR criteria established by the company considering the essential components of internal control stated in the Guidance noted issued by the ICAI.


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


per Sanjay Kumar Jain
Partner
Membership No.: 207660



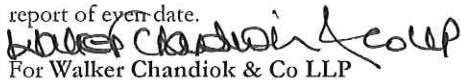
Place: Hyderabad
Date: 29 May 2017

NSPIRA Management Services Private Limited
Balance Sheet as at 31 March 2017
(All amounts in ₹, unless otherwise stated)

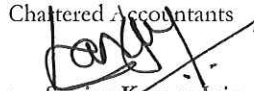
	Notes	As at 31 March	
		2017	2016
Equity and liabilities			
Shareholders' funds			
Share capital	3	500,000	500,000
Reserves and surplus	4	1,119,384,227	356,967,700
		<u>1,119,884,227</u>	<u>357,467,700</u>
Non-current liabilities			
Long-term borrowings	5	3,587,859,631	4,006,385,598
Long-term provisions	7	220,003,675	40,776,456
		<u>3,807,863,306</u>	<u>4,047,162,054</u>
Current liabilities			
Trade payables			
-total outstanding dues to micro and small enterprises			
-total outstanding dues to creditors other than micro small enterprises			
		653,345,108	495,756,656
Other current liabilities	6	824,521,462	221,978,774
Short-term provisions	7	5,871,530	20,768,543
		<u>1,483,738,100</u>	<u>738,503,973</u>
	Total	<u><u>6,411,485,633</u></u>	<u><u>5,143,133,727</u></u>
Assets			
Non-current assets			
Fixed assets			
Tangible assets			
	8	1,356,842,896	781,139,617
Intangible assets under development			
		31,234,645	-
Deferred tax assets, net	9	72,827,794	2,693,422
Long-term loans and advances	14	3,029,944,304	3,437,252,130
Other non-current assets	15	132,000,000	100,000,000
		<u>4,622,849,639</u>	<u>4,321,085,169</u>
Current assets			
Inventories	10	325,295,670	268,591,452
Current investments	11	-	102,185,859
Trade receivables	12	1,077,151,274	139,924,876
Cash and bank balances	13	105,282,121	212,916,521
Short-term loans and advances	14	86,483,944	61,012,844
Other current assets	15	194,422,985	37,417,006
		<u>1,788,635,994</u>	<u>822,048,558</u>
	Total	<u><u>6,411,485,633</u></u>	<u><u>5,143,133,727</u></u>

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 Chandlok & Co LLP


Chartered Accountants



per Sanjay Kumar Jain
Partner



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

Place: Hyderabad
Date: 29 May 2017

Place: Hyderabad
Date: 29 May 2017

NSPIRA Management Services Private Limited
Statement of Profit and Loss for year ended 31 March 2017

(All amounts in ₹ unless otherwise stated)

	Notes	For the year ended 31 March	
		2017	2016
Revenue from operations	16	7,591,876,110	4,907,073,569
Other income	17	30,116,956	18,387,685
Total revenues		7,621,993,066	4,925,461,254
Expenses			
Purchases of stock-in-trade	18	1,907,929,102	1,401,903,879
Changes in inventories of stock-in-trade	19	(56,704,218)	(268,591,452)
Employee benefits expense	20	2,259,174,838	1,833,210,062
Finance costs	21	714,289,813	277,764,021
Depreciation expense	8	177,461,700	42,534,691
Other expenses	22	1,456,555,784	1,085,053,653
		6,458,707,019	4,371,874,854
Profit before tax		1,163,286,047	553,586,400
Tax expense:			
- Current tax		471,003,892	199,312,122
- Deferred tax benefit		(70,134,372)	(2,693,422)
Profit after tax		762,416,527	356,967,700
Earnings per equity share (EPES)			
Basic and diluted		15,248	7,139
Nominal value per equity share		10	10
Weighted average number of equity shares considered for computation of basic and diluted EPES		50,000	50,000

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



per Sanjay Kumar Jain
Partner



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


Puneet Kothapa
Managing Director
DIN:06909621


Sindhura Pongur
Director
DIN:02755981


Sambashiva Sastry Kambhampati
Chief Financial Officer

Place: Hyderabad
Date: 29 May 2017

Place: Hyderabad
Date: 29 May 2017

NSPIRA Management Services Private Limited
Cash Flow Statement for the year ended 31 March 2017
(All amounts in ₹, unless otherwise stated)


	For the year ended 31 March	
	2017	2016
Cash flows from operating activities		
Profit before tax	1,163,286,047	553,586,400
Adjustments :		
Interest expense	526,892,010	100,676,096
Premium on redemption of debentures	174,722,709	33,508,464
Interest income	(9,352,518)	(41,489,753)
Dividend income	(13,466,322)	(13,253,679)
Provision for doubtful advances	6,251,036	4,596,000
Provision for employee benefits	4,954,878	7,267,992
Depreciation expense	177,461,700	42,534,691
Operating profit before working capital changes	2,030,749,540	687,426,211
Increase in inventories	(56,704,218)	(268,591,452)
Increase in trade receivables	(937,226,398)	(139,924,876)
(Increase)/decrease in long-term loans and advances	385,320,503	(3,410,320,680)
Increase in short-term loans and advances	(25,471,100)	(65,608,844)
Increase in other current assets	(148,415,755)	-
Decrease in other non-current assets	-	32,000
Increase in trade payables	157,588,452	495,756,656
Increase in other current liabilities	84,905,508	183,742,434
Cash used in operating activities	1,490,746,532	(2,517,488,551)
Income taxes paid, net	(486,351,272)	(178,543,579)
Net cash generated/used in operating activities	A	(1,004,395,260)
Cash flows from investing activities		
Purchase of tangible assets and intangible assets	(716,681,611)	(815,140,622)
Proceeds from sale of tangible assets	4,255,902	-
Investment in mutual funds	(2,805,000,000)	(1,773,253,680)
Redemption of mutual funds	2,907,185,859	1,671,067,821
Interest income	762,294	4,072,747
Dividend income	13,466,322	13,253,679
Investment in fixed deposits	(32,000,000)	(100,000,000)
Net cash used in investing activities	B	(1,000,000,055)
Cash flows from financing activities		
Proceeds from long-term borrowings	37,348,000	4,010,088,230
Repayment of long-term borrowings	(7,149,510)	(931,428)
Interest paid	(526,892,010)	(100,676,096)
Net cash generated from investing activities	C	3,908,480,706
Net increase/decrease in cash and cash equivalents (A+B+C)	(120,309,494)	212,448,521
Cash and cash equivalents as at the beginning of the year	212,916,521	468,000
Cash and cash equivalents at the end of the year (refer note 1)	92,607,027	212,916,521



NSPIRA Management Services Private Limited
Cash Flow Statement for the year ended 31 March 2017
(All amounts in ₹, unless otherwise stated)

	For the year ended 31 March	
	2017	2016
Note 1:		
Cash and cash equivalents comprise of: (refer note 14)		
Cash and bank balances as per note 13	237,282,121	312,916,521
Less: Other bank balances	132,000,000	100,000,000
Total cash and cash equivalents	105,282,121	212,916,521

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



For Walker Chandiook & Co LLP
Chartered Accountants

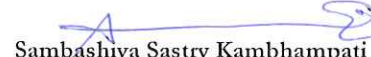

per Sanjay Kumar Jain
Partner



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


Puneet Kothapa
Director
DIN:06909621


Sindhura Ponguru
Director
DIN:02755981


Sambashiva Sastry Kambhampati
Chief Financial Officer

Place: Hyderabad
Date: 29 May 2017

Place: Hyderabad
Date: 29 May 2017

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

1. Company overview

NSPIRA Management Services Private Limited ('the Company') was incorporated as a private limited company in India in accordance with the provisions of the Companies Act, 1956. The Company was incorporated on 26 June 2013 to carry on, in India or elsewhere, the business of management of educational institutions, educational consultancy and admissions in India and abroad, providing an educational foundation for various streams and courses of education and ensuring effective management systems within educational institutions. The Company, on 22 January 2016, has issued Non-Convertible Debentures and listed them on a recognized stock exchange.

2. Summary of significant accounting policies

(a) Basis of preparation of financial statements

The financial statements are prepared under historical cost convention on an accrual basis in accordance with the generally accepted accounting principles in India ('Indian GAAP') and comply in all material respects with the Accounting Standards specified under Section 133 of the Companies Act, 2013 ('the Act'), read with Rule 7 of the Companies (Accounts) Rules, 2014 (as amended), and with the relevant provisions of the Act, pronouncements issued by The Institute of Chartered Accountants of India ('ICAI'). The accounting policies applied by the Company are consistent with those used in the previous year.

All assets and liabilities have been classified as current or non-current as per the Company's normal operating cycle and other criteria set out in the Schedule III to the Act. Based on the nature of business, the Company has ascertained its operating cycle as up to twelve months for the purpose of current and non-current classification of assets and liabilities.

(b) Use of estimates

The preparation of the financial statements in conformity with Indian GAAP requires management to make estimates and assumptions that affect the reported balances of assets and liabilities and disclosures relating to contingent assets and liabilities as at the date of the financial statements and reported amounts of income and expenses during the year. Although these estimates are based on management's best knowledge of current events and actions, actual results could differ from those estimates. Any revision to accounting estimates is recognized prospectively in the current and future periods. Examples of such estimates include future obligations under employee retirement benefit plans, provision for doubtful trade receivables, recoverability of loans and advances, provision for income taxes, useful lives of fixed assets, impairment of fixed assets and diminution in the value of inventory.

(c) Revenue recognition

Revenue is recognized to the extent it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured and collectability is reasonably assured.

Sale of stock-in-trade

Revenue from sale of materials comprises the sale of mess, sale of materials and other items and 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 services

Revenue is recognized on rendering of services and is recognized where there are no significant uncertainties as to its measurability or collectability.

Interest income

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



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

(All amounts in ₹, unless otherwise stated)

Dividend income

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

(d) Tangible fixed assets

Fixed assets are stated at cost less accumulated depreciation, impairment losses and specific grant/subsidies, if any. Cost comprise of purchase price, freight, non-refundable taxes and duties, expenditure for installation of asset and any other cost attributable to bring the asset to its working condition for its intended use.

Depreciation on tangible fixed assets

Depreciation on tangible fixed assets is provided on pro-rata basis, using the straight line method based on the useful life of the assets as estimated by the management and is charged to the Statement of Profit and Loss as per the requirement of schedule II to the Companies Act, 2013. The estimated useful life is mentioned below:

Asset Category	Life as per Schedule II
Office equipment	5 years
Computers and data processing units	3 to 6 years
Electrical installations and equipment	10 years
Furniture and fittings	10 years
Kitchen equipment	5 years
Teaching aid and equipment	5 years
Vehicles	8 years
Lease hold improvements	Shorter of estimated useful life of the asset or lease term

Depreciation on sold/discarded fixed assets is provided for up to the date of sale /discarded as the case may be.

(e) Impairment of assets

The carrying amounts of tangible fixed assets are reviewed at each balance sheet date for any indication of impairment based on internal/external factors. An impairment loss is recognized wherever the carrying amount of an asset exceeds its recoverable amount. The recoverable amount is the greater of the asset's net selling price and value in use.

(f) Leases

i) Where the Company is the lessee

Finance leases, which effectively transfer to the lessee substantially all the risks and benefits incidental to ownership of the leased item, are capitalized at the lower of the fair value and present value of the minimum lease payments at the inception of the lease term and disclosed as leased assets. Lease payments are apportioned between the finance charges and reduction of the lease liability based on the implicit rate of return. Finance charges are charged directly against income. Lease management fees, legal charges and other initial direct costs are capitalized.

If there is no reasonable certainty that the Company will obtain the ownership by the end of lease term, capitalized leased assets are depreciated over the shorter of the estimated useful life of the asset or the lease term.

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



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ii) Where the Company is the lessor

Leases which effectively transfer to the lessee substantially all the risks and benefits incidental to ownership of the leased item are classified and accounted for as finance lease.

Assets subject to operating leases are included in fixed assets. Lease income is recognized in the Statement of Profit and Loss on a straight line basis over the lease term. Costs, including depreciation are recognized as an expense in the Statement of Profit and Loss. Initial direct costs such as legal costs, brokerage costs etc., are recognized immediately in the Statement of Profit and Loss.

(g) Cash and cash equivalents

Cash and cash equivalents comprise cash at bank and in hand and short-term investments with an original maturity of three months or less.

(h) Inventories

Inventories are valued at lower of cost and net realizable value. Cost includes purchase price including duties and taxes (other than those subsequently recoverable by the Company from the taxing authorities), freight inwards and other expenditure incurred in bringing such inventories to their present location and condition. Cost is determined on the basis of first-in-first-out method ('FIFO') method.

(i) Employee benefits

Provident fund

A retirement benefit in the form of provident fund scheme is a defined contribution and the contribution is charged to the Statement of Profit and Loss in the year when the contribution to the respective fund is due. There are no other obligations other than the contribution payable to the respective fund.

Employee state insurance

The Company contributes to the Employees State Insurance Fund maintained by the state authorities, in accordance with Employees State Insurance Act, 1948. The plan is a defined contribution plan and contribution paid or payable is recognized as an expense on accrual basis. There are no other obligations of the Company other than the contributions made to the funds.

Gratuity

Gratuity is a post-employment defined benefit plan. An independent actuary, using the projected unit credit method calculates the defined benefit obligation annually. Actuarial gains or losses arising from experience adjustments and changes in actuarial assumptions are credited or charged to the Statement of Profit and Loss in the period in which such gains or losses arises.

(j) Taxes on income

Tax expense comprises of current and deferred tax.

Current tax is measured at the amount expected to be paid to the tax authorities in accordance with the provisions of the Income Tax Act, 1961 ('IT Act'). Deferred income taxes reflect the impact of current year timing differences between taxable income and accounting income for the year and reversal of timing differences of earlier years.

Deferred tax is measured based on the tax rates and the tax laws enacted or substantively enacted at the Balance Sheet date. Deferred tax assets are recognized only to the extent that there is reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realized. In situations where the Company has unabsorbed depreciation or carry forward tax losses, all deferred tax assets are recognized only if there is virtual certainty supported by convincing evidence that they can be realized against future taxable profits.

Un-recognized deferred tax assets of earlier years are re-assessed and recognized to the extent that it has become reasonably certain or virtually certain, as the case may be that future taxable income will be available against which



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such deferred tax assets can be realized. The carrying amount of deferred tax assets are reviewed at each Balance Sheet date. The Company writes-down the carrying amount of a deferred tax asset to the extent that it is no longer reasonably certain or virtually certain, as the case maybe, that sufficient future taxable income will be available against which deferred tax asset can be realized. Any such write-down is reversed to the extent that it becomes reasonably certain or virtually certain, as the case may be, that sufficient future taxable income will be available.

(k) Segment reporting

Segments are identified in line with AS-17 “Segment Reporting”, taking into considerations the internal organization and management structure as well as the different risk and returns of the segment.

(l) Earnings per equity share

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

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

(m) 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 payments 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.

(n) Investments

Investments that are readily realizable and intended to be held for not more than a year are classified as current investments. All other investments are classified as long-term investments. Current investments are carried at lower of cost and fair value determined on an individual investment basis. Long-term investments are carried at cost. However, provision for diminution in value is made to recognize a decline other than temporary in the value of the investments.

(o) Provisions and contingent liabilities

Provisions

A provision is recognized when the Company has a present obligation as a result of past event i.e., it is probable that an outflow of resources will be required to settle the obligation in respect of which a reliable estimate can be made. Provisions are not discounted to its present value and are determined based on best estimate required to settle the obligation at the reporting date. These are reviewed at each Balance Sheet date and adjusted to reflect the current best estimates.

Contingent liabilities

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.



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3. Share capital

	As at 31 March			
	2017		2016	
	Number	Amount	Number	Amount
Authorised share capital				
Equity shares of ₹10 each	1,000,000	10,000,000	1,000,000	10,000,000
Issued, subscribed and fully paid-up				
Equity shares of ₹10 each	50,000	500,000	50,000	500,000
	50,000	500,000	50,000	500,000

(a) Reconciliation of shares

	As at 31 March			
	2017		2016	
	Number	Amount	Number	Amount
Equity shares of ₹10 each				
Balance at the beginning and at the end of the year	50,000	500,000	50,000	500,000

(b) Terms and rights attached to equity shares

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

(c) Shareholders holding more than five percent shares in the Company:

	As at 31 March			
	2017		2016	
	Number	%	Number	%
Equity share of ₹10 each				
Puneet Kothapa	12,500	25.00%	12,500	25.00%
Sindhura Ponguru	16,250	32.50%	16,250	32.50%
Ponguru Sharani	16,250	32.50%	16,250	32.50%
Nishith Narayana Ponguru	5,000	10.00%	5,000	10.00%

4. Reserves and surplus

	As at 31 March	
	2017	2016
Debenture Redemption Reserve		
Balance at the beginning of the year	356,967,700	-
Add: Amounts transferred from surplus in the statement of Profit and Loss	643,032,300	356,967,700
Balance at the end of the year	1,000,000,000	356,967,700
Surplus in the Statement of Profit and Loss		
Balance at the beginning of the year	-	-
Add: Profit for the year	762,416,527	356,967,700
Less: Appropriation to Debenture Redemption Reserve	(643,032,300)	(356,967,700)
Balance at the end of the year	119,384,227	-
	1,119,384,227	356,967,700



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5. Long-term borrowings

		As at 31 March	
		2017	2016
Secured			
Debentures			
4,000 (31 March 2016:-4,000) non-convertible debentures of ₹1,000,000 each	(a)	4,000,000,000	4,000,000,000
		<u>4,000,000,000</u>	<u>4,000,000,000</u>
Vehicle loans from			
-Banks		39,355,295	9,156,802
	(b)	<u>39,355,295</u>	<u>9,156,802</u>
Total long-term borrowings	(a+b)	4,039,355,295	4,009,156,802
Less: Current maturities of long-term borrowings (refer note 7)		451,495,664	2,771,204
		<u><u>3,587,859,631</u></u>	<u><u>4,006,385,598</u></u>

(a) Details of non-convertible debentures

The Company has issued 3,000 (31 March 2016: 3,000) first series non-convertible debentures and 1,000 (31 March 2016: 1,000) second series non-convertible debentures (collectively 'NCDs') of the face value of ₹1,000,000 each on the 22 January 2016 to a consortium of investors which are secured, rated, redeemable and transferable.

The NCDs are secured by way of first charge on all the present and future assets of the Company and a first charge over Intellectual Property Rights including the Brand and the Copyrighted content owned by the Company. Further, the shareholders of the Company and the shareholders of Narayana Learning Private Limited ('Entity in which director has significant control') have pledged 100% of the issued, subscribed and fully paid-up equity share capital of the Company, on a fully diluted basis, respectively. The repayment of these NCDs have been guaranteed by Narayana Educational Society.

The first series NCDs have coupon rate of 13.5% per annum (31 March 2016: 13.5%) and the second series NCDs have a coupon rate of 12% per annum (31 March 2016: 12%) payable on a quarterly basis. The first series NCDs are redeemable in 4 quarterly instalments of ₹110,000,000 each beginning from 30 June 2017, 8 quarterly instalments of ₹270,000,000 each beginning from 30 June 2018 and a final instalment of ₹400,000,000 on 30 June 2020. The second series NCDs are mandatorily redeemable vide a single bullet payment on 30 September 2020, or on 30 September 2021, with the unanimous consent of the debenture holders, at a premium of 82% of the face value of the Debentures. However, the Company also has an option to commence redemption of the second series debentures from the quarter subsequent to 31 March 2019, with the redemption premium ranging from 55% to 78%.

(b) Vehicle loans availed from banks are fully secured by way of hypothecation of specific vehicles against which the loan is availed. These loans carry an annual interest rate in the range of 8.90% to 10.5% (31 March 2016: 9.75% to 10.5%).

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6. Other current liabilities

	As at 31 March	
	2017	2016
Statutory dues	143,129,127	77,407,023
Dues to employees	126,025,376	77,864,067
Dues to related parties	-	21,984,371
Creditors for capital expenditure	91,702,764	35,465,136
Current maturities of long-term borrowings (refer note 5)	451,495,664	2,771,204
Accrual for expenses	12,168,531	6,486,973
	<u>824,521,462</u>	<u>221,978,774</u>

7. Provisions

	As at 31 March	
	2017	2016
(a) Long-term		
Provision for employee benefits, unfunded		
- Gratuity (refer note 21(b))	10,421,397	7,267,992
- Leave Encashement (refer note 21(b))	1,351,105	-
Premium on redemption of debentures (refer note 5(a))	208,231,173	33,508,464
	<u>220,003,675</u>	<u>40,776,456</u>
(b) Short-term		
Provision for income tax, net	5,421,162	20,768,543
Provision for employee benefits		
- Leave Encashement (refer note 21(b))	450,368	-
	<u>5,871,530</u>	<u>20,768,543</u>

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(All amounts in ₹, unless otherwise stated)

8. Tangible assets

	Office equipment	Computers and data processing units	Electrical installations and equipment	Furniture and fittings	Kitchen equipment	Teaching aid and equipment	Vehicles	Leasehold improvement	Total
Gross block									
As at 31 March 2015	-	-	-	-	-	-	-	-	-
Additions	141,916,506	43,005,735	29,087,195	434,969,289	21,890,449	9,322,984	10,346,805	133,135,345	823,674,308
As at 31 March 2016	141,916,506	43,005,735	29,087,195	434,969,289	21,890,449	9,322,984	10,346,805	133,135,345	823,674,308
Additions	188,394,885	52,261,626	51,468,512	220,788,562	24,450,820	15,468,040	34,172,648	170,415,788	757,420,881
Disposals	-	-	-	-	-	-	-	4,529,926	4,529,926
As at 31 March 2017	330,311,391	95,267,361	80,555,707	655,757,851	46,341,269	24,791,024	44,519,453	299,021,207	1,576,565,263
Accumulated depreciation									
Up to 31 March 2015	-	-	-	-	-	-	-	-	-
Depreciation charge	15,859,524	4,865,454	1,495,869	12,292,523	1,821,506	859,778	18,081	5,321,956	42,534,691
Up to 31 March 2016	15,859,524	4,865,454	1,495,869	12,292,523	1,821,506	859,778	18,081	5,321,956	42,534,691
Depreciation charge	49,688,491	17,692,346	5,139,876	70,692,179	6,789,853	3,394,965	3,255,809	20,808,181	177,461,700
Reversal on disposals	-	-	-	-	-	-	-	274,024	274,024
Up to 31 March 2017	65,548,015	22,557,800	6,635,745	82,984,702	8,611,359	4,254,743	3,273,890	25,856,113	219,722,367
Net block									
As at 31 March 2016	126,056,982	38,140,281	27,591,326	422,676,766	20,068,943	8,463,206	10,328,724	127,813,389	781,139,617
As at 31 March 2017	264,763,376	72,709,561	73,919,962	572,773,149	37,729,910	20,536,281	41,245,563	273,165,094	1,356,842,896

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9. **Deferred tax assets, net**

	As at 31 March	
	2017	2016
Deferred tax liabilities		
Depreciation on fixed assets	(19,597,890)	(14,374,566)
	<u>(19,597,890)</u>	<u>(14,374,566)</u>
Deferred tax assets		
Employee benefits	4,230,091	2,515,307
Premium on redemption of debentures	72,064,644	10,871,821
Others	16,130,949	3,680,860
	<u>92,425,684</u>	<u>17,067,988</u>
Deferred tax assets, net	<u><u>72,827,794</u></u>	<u><u>2,693,422</u></u>

10. **Inventories (at lower of cost or net realisable value)**

	As at 31 March	
	2017	2016
Stock-in-trade	325,295,670	271,406,511
Less: Inventory written off	-	(2,815,059)
	<u>325,295,670</u>	<u>268,591,452</u>

11. **Current investments**

	As at 31 March	
	2017	2016
(Non-trade, unquoted, valued at cost)		
-Nil (31 March 2016: 60,991 units in Reliance Money Manager Fund - daily dividend plan)	-	61,247,950
-Nil (31 March 2016: 1,104,213 units in ICICI Prudential Flexible Income - daily dividend)	-	40,937,909
Aggregate amount of unquoted investment, at cost	<u>-</u>	<u>102,185,859</u>

12. **Trade receivables**

	As at 31 March	
	2017	2016
-From related parties		
Outstanding for a period exceeding six months from the date they are due for payment		
Unsecured, considered good	76,727,155	62,314,681
	<u>76,727,155</u>	<u>62,314,681</u>
Other debts		
Unsecured, considered good	1,000,424,119	77,610,195
	<u>1,077,151,274</u>	<u>139,924,876</u>

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13. Cash and bank balances

	As at 31 March	
	2017	2016
Cash and cash equivalents		
Balances with banks		
- in current accounts	101,556,255	206,206,185
Cash-on-hand	3,725,866	6,710,336
Other bank balances		
On deposit accounts - maturities more than 12 months (refer note below)	132,000,000	100,000,000
	237,282,121	312,916,521
Less: Amounts disclosed under other non-current assets (refer note 16(a))	(132,000,000)	(100,000,000)
	<u>105,282,121</u>	<u>212,916,521</u>

Note: This deposit has been designated as Debt Service Reserve Account as per the requirements of the Debenture Trust Deed dated 8 January 2016.

14. Loans and advances

	As at 31 March	
	2017	2016
(a) Long-term		
(Unsecured, considered good)		
Security deposits with related parties	2,965,600,000	3,375,000,000
Capital advances	11,195,163	26,931,450
Balances with government authorities	53,149,141	35,320,680
	<u>3,029,944,304</u>	<u>3,437,252,130</u>
(b) Short-term		
(Unsecured, considered good)		
Advances to suppliers	28,585,388	21,253,878
Security deposit	20,099,790	4,544,000
Staff advances	32,774,913	30,242,766
Prepaid expenses	1,282,466	1,157,417
Others	3,741,387	3,814,783
	<u>86,483,944</u>	<u>61,012,844</u>
(Unsecured, considered doubtful)		
Staff advances	6,251,036	4,596,000
Less: Provision for doubtful advances	(6,251,036)	(4,596,000)
	<u>-</u>	<u>-</u>
	<u>86,483,944</u>	<u>61,012,844</u>

15. Other assets

	As at 31 March	
	2017	2016
(a) Non-current		
(Unsecured, considered good)		
Fixed deposits (refer note 13)	132,000,000	100,000,000
	<u>132,000,000</u>	<u>100,000,000</u>
(b) Current		
(Unsecured, considered good)		
Interest accrued and due on deposits with related parties, net	185,070,467	36,654,712
Interest accrued but not due on fixed deposits	9,352,518	762,294
	<u>194,422,985</u>	<u>37,417,006</u>



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16. Revenue from operations

	For the year ended 31 March	
	2017	2016
Revenue from sale of services:		
- Admission support services	1,403,826,323	1,217,888,856
- Infrastructure management services	835,384,544	740,380,296
- Housekeeping services	626,347,563	504,479,328
- Examination support services	467,473,500	387,040,950
- Administrative services	296,079,016	258,027,300
- Security services	208,387,500	192,240,000
- Catering services	1,511,302,866	1,255,771,995
- Vehicle maintenance services	108,378,102	59,906,352
- Printing services	99,559,299	103,521,987
- Lease of assets (refer note 25)	124,042,169	31,642,460
- Academic event management services	27,033,416	23,637,898
Sale of stock-in-trade - others	1,618,292,415	91,808,688
Other operating revenue		
Interest income on deposits with related parties	265,769,397	40,727,459
	<u>7,591,876,110</u>	<u>4,907,073,569</u>

17. Other income

	For the year ended 31 March	
	2017	2016
Interest income on fixed deposits	9,352,518	762,294
Dividend income	13,466,322	13,253,679
Miscellaneous income	7,298,116	4,371,712
	<u>30,116,956</u>	<u>18,387,685</u>

18. Purchases of stock-in-trade

	For the year ended 31 March	
	2017	2016
Purchases of stock-in-trade:		
- Groceries	1,033,626,642	962,887,950
- Stationery	668,022,883	284,948,752
- Others	206,279,577	154,067,177
	<u>1,907,929,102</u>	<u>1,401,903,879</u>

19. Changes in inventories of stock-in-trade

	For the year ended 31 March	
	2017	2016
Opening balance of stock-in-trade	268,591,452	-
Closing balance of stock-in-trade	325,295,670	268,591,452
	<u>(56,704,218)</u>	<u>(268,591,452)</u>

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(All amounts in ₹, unless otherwise stated)

20. Employee benefits expense

	For the year ended 31 March	
	2017	2016
Salaries and wages	2,126,409,792	1,718,160,387
Contribution to provident and other funds (refer note a below)	127,810,168	107,781,683
Gratuity and leave encashment expense	4,954,878	7,267,992
	<u>2,259,174,838</u>	<u>1,833,210,062</u>

(a) Defined contribution plan

During the year ended 31 March 2017, the Company has contributed ₹80,262,555 (31 March 2016: ₹69,011,605) towards provident fund and ₹47,547,613 (31 March 2016: 38,770,078) towards Employees' State Insurance.

(b) Defined benefit plan

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

	As at 31 March	
	2017	2016
Retirement age	60 years	60 years
Salary escalation rate	5%	5%
Attrition rate	25%	25%
Discount rate	8%	8%

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.

21. Finance costs

	For the year ended 31 March	
	2017	2016
Interest expense	526,892,010	100,676,096
Premium on redemption of debentures	174,722,709	33,508,464
Interest on statutory dues	12,675,094	-
Other borrowing costs	-	143,579,461
	<u>714,289,813</u>	<u>277,764,021</u>

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22. Operating expenses

	For the year ended 31 March	
	2017	2016
Water charges	115,460,407	127,475,663
Security services	138,682,939	111,569,790
Power and fuel	44,426,353	41,644,476
Expenses for admission support services	142,592,108	98,424,588
Repairs and maintenance		
-Building	468,200,263	352,277,095
-Electrical equipment	55,050,083	41,905,141
-Others	137,864,972	72,963,658
Transportation charges	45,924,812	44,747,020
Consultancy charges	59,455,261	43,875,222
Communication expenses	34,773,585	27,537,832
Functions and celebrations	59,781,179	30,396,609
Legal and professional fees	30,588,197	19,731,505
Rent expense	35,935,674	14,752,098
Printing and stationary	50,567,834	37,730,465
Provision for doubtful advances	6,251,036	4,596,000
Inventory written-off	-	-
Bank charges	2,053,826	4,474,856
Payments to auditor		
- As auditor	1,100,000	1,000,000
- Other services	-	200,000
- Out of pocket expense	40,000	40,000
Miscellaneous expenses	27,807,255	9,711,635
	<u>1,456,555,784</u>	<u>1,085,053,653</u>

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23. Related party disclosures

(a) Names of the related parties and nature of relationship

Names of related parties	Nature of relationship
Puneet Kothapa	Key Managerial Personnel
Sindhura Ponguru	
Ponguru Sharani	
Nishith Narayana Ponguru	
Narayana Educational Society	
Narayana Learning Private Limited	Entities in which a Director has control or has significant influence
Rama Narayana Education Trust	
Narayana Educational Trust	
Narayana Education Trust	

(b) Transactions with related parties

	For the year ended 31 March	
	2017	2016
Narayana Educational Society		
Sale of services and stock-in-trade	5,389,775,870	4,739,866,941
Security deposit	1,990,600,000	3,000,000,000
Interest earned on security deposit	228,129,164	34,918,033
Narayana Education Trust		
Sale of services and stock-in-trade	148,129,411	126,479,169
Security deposit	250,000,000	250,000,000
Interest earned on security deposit	22,500,000	3,872,951
Rama Narayana Education Trust		
Security deposit	25,000,000	25,000,000
Interest earned on security deposit	2,250,000	387,295
Narayana Educational Trust		
Sale of services and stock-in-trade	33,300,975	126,479,169
Security deposit	100,000,000	100,000,000
Interest earned on security deposit	9,000,000	1,549,180
Narayana Learning Private Limited		
Advances given	60,000,000	-
Puneet Kothapa		
Remuneration	3,400,665	1,065,000
Advances given	1,100,000	-
Sindhura Ponguru		
Remuneration	5,000,004	1,250,001



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

23. Related party disclosures (contd.)

Ponguru Sharani		
Remuneration	7,604,165	1,875,000
Nishith Narayana Ponguru		
Remuneration	6,354,165	1,875,000

(c) Balances receivable/(payable)

	As at 31 March	
	2017	2016
Narayana Educational Society	2,956,598,943	3,022,887,565
Naryana Learning Private Limited	679,933,182	-
Narayana Education Trust	164,646,187	377,873,431
Rama Narayana Education Trust	27,368,033	25,348,565
Narayana Educational Trust	399,275,395	103,485,656
Puneet Kothapa	845,200	(355,000)
Sindhura Ponguru	(416,667)	(416,667)
Ponguru Sharani	(625,000)	(625,000)
Nishith Narayana Ponguru	-	(625,000)

- (d) 100% of the issued, subscribed and fully paid-up equity share capital of the Company and of Narayana Learning Private Limited, on a fully diluted basis have been pledged by the members of the Company, respectively. Further, repayment of the amounts raised through NCDs has been guaranteed by Narayana Educational Society.

24. Disclosure on Specified Bank Notes(SBNs)

Details of specified Bank Notes(SBN) held and transacted during the period from 8 November 2016 to 30 December 2016 as per the MCA notification G.S.R.308(E) dated 31 March 2017 is given below:

Particulars	SBNs*	other denomination	Total
Closing cash in hand as on 8th November 2016	-	23,063,861	23,063,861
(+) Permitted receipts	-	35,962,042	35,962,042
(-) Permitted payments	-	(44,657,636)	(44,657,636)
(-) Amount deposited in banks	-	(4,161,669)	(4,161,669)
Closing cash in hand as on 30 December 2016	-	10,206,598	10,206,598

*For the purpose of this clause, the term 'specified Bank Note' shall have the same meaning provided in the notification of the Government of India, the Ministry of Finance, Department of Economics Affairs number S.O.3407(E), dated the 8 November 2016.

25. Leases

(a) As a lessor

The lease income recognised in the Statement of Profit and Loss during the period ended 31 March 2017 is ₹124,042,169 (31 March 2016: 31,642,460). All the fixed assets owned by the Company were given on lease during the period except for leasehold improvements. The lease is renewable at the end of every financial year based on the mutual understanding of the lessor and lessee.

(b) As a lessee

The Company has entered into cancellable operating lease arrangements with lessor for lease of office premises. Further, the Company may have an option for renewal of the lease.



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

26. Corporate Social Responsibility

	For the year ended 31 March	
	2017	2016
Gross amount required to be spent during the year	7,139,354	-
Amount brought forward from previous year	-	-
Amount spent during the year	-	-
Amount to be spent in future years	7,139,354	-

Note:-The company is in the process of setting up the Corporate Social Responsibility as per section 135 of the Companies Act, 2013

27. Segment reporting

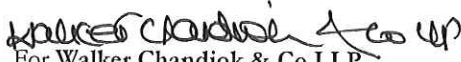
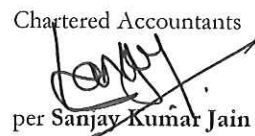
Based on the Company's business model, the business of provision of education support services have been considered as the only reportable segment. Further, all the services are rendered only in India and all the fixed assets are located in India. Hence no separate financial disclosures have been provided for segment reporting.

28. Additional information as required under paragraph 5 of the part II of the Schedule III to the Act to the extent either "Nil" or "Not applicable" has not been furnished.

29. Commitments and contingent liabilities

The Company has capital commitments for purchase of assets aggregating to ₹20,444,949 (31 March 2016: ₹16,922,997) as at 31 March 2017. There are no contingent liabilities as on 31 March 2017.


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


For Walker Chandiook & Co LLP
Chartered Accountants

per Sanjay Kumar Jain
Partner

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

Place: Hyderabad
Date: 29 May 2017

Place: Hyderabad
Date: 29 May 2017

