

DIRECTORS' REPORT:

To the Members,

Your Directors have pleasure in presenting their Fifth Annual Report of the Company along with the Audited Financial Statements of the Company for the financial year ended March 31, 2018.

FINANCIAL RESULTS:

The Company's financial performance for the financial year under review along with previous year figures are given hereunder:

| Particulars | (Amount in Rs.) | |
|---------------------------|----------------------------------|----------------------------------|
| | For the Year ended 31.03.2018 | For the Year ended 31.03.2017 |
| Revenue from Operations | 11,02,84,30,000 | 880,65,50,000 |
| Other income | 8,15,10,000 | 3,09,80,000 |
| Total Revenue | 11,10,99,40,000 | 883,75,30,000 |
| Total Expenses | 933,23,30,000 | 771,46,70,000 |
| Profit before tax | 177,76,10,000 | 112,28,60,000 |
| Less: | | |
| Current tax | (72,78,10,000) | (47,10,00,000) |
| Deferred tax | 12,19,50,000 | 6,02,00,000 |
| Profit / (Loss) after tax | 117,17,50,000 | 71,20,60,000 |
| Profit for the year | 117,17,50,000 | 71,20,60,000 |

FINANCIAL PERFORMANCE:

The Company recorded operating revenues of Rs. 11,02,84,30,000/- in FY 2017-18 compared to Rs. 880,65,50,000/- in FY 2016-17; consequently, the PBITDA increased to Rs. 177,76,10,000/- in FY 2017-18. Net profit after tax for FY 2017-17 is at Rs. 117,17,50,000/- as against Rs. 71,20,60,000/- in FY 2016-17.

REVIEW OF OPERATIONS AND FUTURE OUTLOOK:

The Company is carrying on, the business of management of educational institutions, educational consultancy and admissions, providing an educational foundation for various streams and courses of education and ensuring effective management systems within educational institutions. The Company is regularly paying the interest on Non-Convertible Debentures issued by the Company under Series-I and Series-II. Your Directors expect a bright future for the Company in the coming years.

DIVIDEND:

The Board of Directors does not recommend any dividend. The provisions of Section 125(2) of the Companies Act, 2013 do not apply as there was no dividend declared and paid in the previous year.

TRANSFER TO RESERVES:

During the financial year no amount has been transferred to General Reserves.

DEPOSITS:

During the year under review, the Company has not accepted any deposits from the public within the meaning of Section 73 of the Companies Act, 2013, read with the Companies (Acceptance of Deposits) Rules, 2014.

SHARE CAPITAL:

During the year under review, there is no change in the authorized share capital of the Company. Further the Company has allotted 5 equity shares of Rs. 10/- each to Banyan Tree Growth Capital II, LLC under private placement. Apart from there is no change in the share capital of the Company on account of buy-back of securities, issuance of sweat equity or bonus shares. Further the Company has not provided any Stock Option Scheme to the employees.

During the year under review, The Company has allotted 553 Compulsorily Convertible Debentures (CCD's) of Rs. 10,00,000/- each, under Private Placement Basis.

POLICIES:

WHISTLE BLOWER POLICY / VIGIL MECHANISM POLICY:

Your Company has been following the principles and practices of good Corporate Governance and has ensured, as far as possible, due compliance to various provisions of the applicable laws.

The Board of Directors of your Company place strong emphasis on transparency, accountability and integrity and have set for the Company broad objectives of continuously enhancing the customer's satisfaction and shareholders' value.

In keeping with this focus, your Company has duly adopted a Whistle Blower Policy / Vigil Mechanism Policy to report genuine concerns or grievances. The Whistle Blower Policy / Vigil Mechanism Policy are being displayed on the website of the Company.

The Vigil Mechanism of the Company, which also incorporates a whistle blower policy in terms of the SEBI (LODR) Regulations, 2015, includes Vigilance and Ethics officer, Senior executive of the Company. Protected disclosures can be made by a whistle blower through an e-mail, or telephone or a letter to the officer or to the Chairman of the Audit Committee.

The Policy on vigil mechanism and whistle blower policy may be accessed on the Company's website at the link: <http://www.Nspira.in>

RISK MANAGEMENT POLICY:

The key business risks identified by the Company are Business, Reputation and Financial Risks. The Company has formulated a policy on Risk Management for identifying and evaluating key business risks. The policy specifies the risk management approach of the Company and includes periodic review of such risks, including documentation, mitigating controls and reporting mechanism for such risks.

SEXUAL HARRASMENT POLICY:

The Company has adopted a policy on Sexual Harassment of Woman at Workplace pursuant to the requirements of the Sexual Harassment of Woman at Workplace (Prevention, Prohibition and Redressal) Act, 2013. Internal Complaints Committee (ICC) has been set up to redress complaints received regarding sexual harassment. All employees (permanent, contractual, temporary, trainees) are covered under this policy.

CORPORATE SOCIAL RESPONSIBILITY:

During the year under review, the Company reconstituted Corporate Social Responsibility Committee and formulated a policy for Corporate Social Responsibility in line with the provisions of the Companies Act, 2013. The Corporate Social Responsibility Committee consists of:

| | |
|---|---------------|
| Mr. Ramachandra Kollareddy (Independent Director) | - Chairman |
| Mr. M.T. Sreenivasa Rao (Independent Director) | - Member; and |
| Mr. Puneet Kothapa (Executive Director) | - Member |

The Company is complying with the provisions of the Companies Act in respect of Corporate Social Responsibility. The amount to be spent under the CSR Policy and amount already spent is given below:

- a. Total amount to be spent for the financial year: Rs.1,14,45,816/-
 Amount brought forward from previous year: Rs. 71,39,354/-
 Total Rs.1,85,85,170/-

- b. Amount unspent, if any: Rs.40,85,170/-

- c. Manner in which the amount spent during the financial year is detailed below:

CSR activities undertaken by way of contributions to NTR Memorial Trust, which is eligible under sub-rule (2) of Rule 4 of Companies (Corporate Social Responsibility Policy) Rules, 2014, and which is carrying of the activities in line with the activities specified in the CSR Policy of the Company-

| Date | Amount of Contribution in Rs. |
|------------|-------------------------------|
| 12-04-2017 | 20,67,442 |
| 12-04-2017 | 9,32,558 |
| 19-05-2017 | 25,00,000 |
| 01-06-2017 | 50,00,000 |
| 13-07-2017 | 40,00,000 |
| Total | 1,45,00,000 |

BOARD EVALUATION

The Companies Act, 2013 read with the Rules issued thereunder provides that a formal annual evaluation needs to be made by the Board of its own performance and that of its Committees and individual Directors. The Schedule IV of the Companies Act, 2013 read with the Rules issued thereunder states that the performance evaluation of Independent Directors shall be done by the entire Board of directors, excluding the Director being evaluated.

Structured assessment sheets were finalized to evaluate individual performance of the Board, Committees of the Board and individual performance of each Director including the Chairman. The evaluation process was facilitated by the Chairman of the Nomination and Remuneration Committee.

These assessment sheets for evaluation of performance of the Directors were prepared based on various aspects which amongst other parameters, included the level of participation of the Directors, understanding of the roles and responsibilities of Directors, understanding of the business and competitive environment in which the Company operates, understanding of the strategic issues and challenges for the Company, etc.

The parameters for performance evaluation of Board includes composition of the Board, process of appointment to the Board of Directors, common understanding that the different Board members have the roles and responsibilities of the Board, timelines for circulating the Board papers, content and the quality of information provided to the Board, attention to the Company's long term strategic issues, evaluating strategic risks, overseeing the guiding major plans of action, acquisitions, divestment, etc.

Some of the performance indicators for the Committees include understanding of the terms of reference, effectiveness of the discussions at the Committee meetings, information provided to the Committee to discharge its duties and performance of the Committee vis-à-vis its responsibilities.

The Nomination and Remuneration Committee evaluates the performance of the Managing Director by setting his key Performance Objectives at the beginning of each financial year. The Committee

ensures that the Key Performance Objectives are aligned with the immediate and long term goals of the Company.

The performance of the Independent Directors was also evaluated taking into account the time devoted and attention given to professional obligations for independent decision making and acting in the best interest of the Company, strategic guidance to the Company and help determine important policies, external expertise provided and independent judgment that contributes objectively in the Board's deliberation, particularly on issues of strategy, performance and conflict management.

The Independent Directors met without the presence of non-independent Directors. These meetings are informal and enable the Independent Directors to interact and discuss matters including review of the performance of the non-independent Directors and the Board as a whole and assessing the quality, quantity and timeliness of flow of information between the Company's Management and the Board that is necessary for the Board to effectively and reasonably perform their duties.

SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS OR COURTS OR TRIBUNALS IMPACTING THE GOING CONCERN STATUS AND COMPANY'S OPERATIONS IN FUTURE:

There were no instances during the year that attracted the provisions of Rule 8 (5)(vii) of the Companies (Accounts) Rules, 2014.

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNINGS AND OUTGO:

The information under Section 134(3)(m) of the Companies Act, 2013 read with Rule 8(3) of the Companies (Accounts) Rules, 2014 for the year ended March 31, 2015 is as mentioned below:

A. Conversation of Energy:

- (i) Energy Conversation Measures taken: Nil
- (ii) Steps taken by the Company for utilizing alternate sources of energy: Nil
- (iii) Capital investment on every conservation equipments: Nil

B. Technology Absorption:

- (i) Efforts made towards technology absorption: Nil
- (ii) Benefits derived as a result of the above efforts, e.g., product improvement, cost reduction, product development, import substitution, etc.: Nil
- (iii) Import of technology related equipment: Nil
- (iv) Research and Development facility: Nil

C. Foreign Exchange Earnings and outgo: NIL

DIRECTORS & KEY MANAGERIAL PERSONNELS (KMPs):

During the year under review, Mr. Kollareddy Ramachandra (DIN: 00062286) and Mr. M.T. Sreenivasa Rao (DIN: 00112211) were appointed as Independent Directors at the Board meetings held on 5th August 2017 and 14.03.2018 (wef. From 19-03-2018) respectively. Mr. K. Sambashiva Sastry (DIN: 03642199), who was working as Chief Financial Officer of the Company, was appointed as Executive Director of the Company with effect from 17th January 2018. Mr. Naval Jawaharlal Totla (DIN:02408585) was appointed as a nominee Director of Banyantree Growth Capital II LLC, with effect from 25th January 2018. Mrs. Sharani resigned as a Director with effect from 31-01-2018. Your directors regret to intimate that Mr. Nisith Narayana Ponguru expired on 10th May 2017 due to accidental death.

BOARD MEETINGS:

In the financial year 2017-18, the Board met 16 times the Details of the Board Meetings as below:

12.05.2017, 22.05.2017, 29.05.2017, 19.06.2017, 26.07.2017, 05.08.2017, 19.09.2017, 10.11.2017, 18.12.2017, 16.01.2018, 19.01.2018, 22.01.2018, 29.01.2018, 22.02.2018, 14.03.2018 and 24.03.2018

EXTRACT OF ANNUAL RETURN:

Pursuant to section 92(3) of the Companies Act, 2013 ('the Act') and rule 12(1) of the Companies (Management and Administration) Rules, 2014, extract of annual return in form MGT-9 is enclosed as **Annexure I**.

RELATED PARTY TRANSACTIONS:

During the year under review, the transactions with the related parties were in the ordinary course of business of the Company and on an arm's length basis. Disclosure in Form AOC-2 is furnished in **Annexure - II**.

PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS:

The company has not granted any loans or given any guarantees or made any investments covered under the provisions of Section 186 of the Companies Act, 2013.

MATERIAL CHANGES AND COMMITMENT IF ANY AFFECTING THE FINANCIAL POSITION OF THE COMPANY:

No material changes and commitments affecting the financial position of the Company occurred between the ends of the financial year to which this financial statements relate on the date of this report.

SUBSIDIARIES, JOINT VENTURES AND ASSOCIATE COMPANIES:

During the financial year under review, the Company has no subsidiaries, joint ventures and associate companies.

PARTICULARS OF EMPLOYEES:

None of the employee has received remuneration exceeding the limit as stated in rule 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.

STATUTORY AUDITORS:

M/s. Walker Chandiook & Co. LLP, Chartered Accountants, Statutory Auditors of the Company hold office from the conclusion of the third annual general meeting until the conclusion of eighth annual general meeting. Their appointment will be ratified at the ensuing annual general meeting of the Company.

INTERNAL AUDITORS:

Pursuant to section 138 of the Companies Act, 2013, the Board in its meeting held on 15.03.2016 has appointed Mr. Y. S. Chandra Sekhar, Chartered Accountants, Hyderabad, as Internal Auditors of the company for the financial year 2017-18.

SECRETARIAL AUDITORS:

Pursuant to the provisions of Section 204 of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Board has appointed M/s. GVR & Associates, Company Secretaries, a firm of Company Secretaries in Practice to undertake the Secretarial Audit of the Company and the Report on the Secretarial Audit for the financial year 2017-18 is enclosed herewith as **Annexure III**.

DETAILS FRAUDS REPORTED BY AUDITORS U/S 143:

During the financial year under review, the auditors have not reported any frauds pursuant to sec.143 (12) of the Companies Act, 2013. Hence, the information to be provided pursuant to Section 134 (3) (ca) of the Companies Act, 2013, may be treated as NIL.

CONSOLIDATED FINANCIAL STATEMENTS:

During the financial year, the Company does not have any subsidiaries, the consolidated financial statements not required.

COMMENTS ON THE QUALIFICATION, RESERVATION OR ADVERSE REMARK OR DISCLAIMER MADE BY THE AUDITORS:

The statutory auditors, in their report mentioned that undisputed statutory dues including 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, applicable, have not been regularly deposited to the appropriate authorities and there have been significant delays in a large number of cases. Undisputed amounts payable in respect thereof, which were outstanding at the year-end for a period of more than six months from the date they became payable are as follows:

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

| Name of the statute | Nature of the dues | Amount Rs. | Period to which amount relates | Due Date | Date of Payment | Remarks, if any |
|--------------------------------------|--------------------|------------|--------------------------------|---------------|-----------------|-----------------|
| Finance Act, 1994 | ESI Contribution | 11,10,000 | 2017-18 | Various dates | Not yet paid | Nil |
| Employee's State Insurance Act, 1948 | ESI Contributions | 16,00,000 | 2017-18 | Various dates | Not yet paid | Nil |

The Company will pay the above mentioned pending statutory dues at the earliest.

INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY:

The Company has an Internal Control System, commensurate with the size, scale and complexity of its operations. There is an appropriate mechanism to monitor and evaluate the efficacy and adequacy of internal control system, its compliance with operating systems, accounting procedures and policies of the Company.

The internal controls are periodically tested through an Internal Audit done by an external agency. Based on the report of internal audit function, process owners undertake corrective action in their respective areas and thereby strengthen the controls.

STATEMENT ON DECLARATION GIVEN BY INDEPENDENT DIRECTORS:

Pursuant to section 134 (3) (d) of the Companies Act, 2013, a statement shall be made on declaration given by Independent Directors under sec 149 (6) of the companies Act, 2013 in the Board report. The Board has received declarations from the Independent Directors, as required under Sec 149 (7) of the Companies Act, 2013 stating the fulfillment of criteria mentioned in the sub section (6) of Sec 149 of the Companies Act, 2013 and the rules made thereunder and recorded the same in the board meeting held on 05.08.2017 and 14.03.2018.

NOMINATION AND REMUNERATION POLICY CRITERIA FOR SELECTION AND REMUNERATION OF DIRECTORS, KMP AND EMPLOYEES:

The Nomination and Remuneration Committee of the Board, comprises two Independent Non-Executive Directors namely Mr. M.T. Sreenivasa Rao, Chairman and Mr Ramachandra Kollareddy; and Mrs. Sindhura Ponguru, Director. The Company has in place nomination and remuneration policy.

AUDIT COMMITTEE:

The Audit Committee comprises three members namely Mr. M.T. Sreenivasa Rao (Chairman & Independent Director), Mr. Ramachandra Kollareddy, (Independent Director) and Mr. Puneeth Kothapa (Non Independent Director).

DETAILS PERTAINING TO REMUNERATION AS REQUIRED UNDER SECTION 197(12) OF THE COMPANIES ACT, 2013 READ WITH RULE 5(1) OF THE COMPANIES (APPOINTMENT AND REMUNERATION OF MANAGERIAL PERSONNEL) RULES, 2014:

(i) The percentage increase in remuneration of each Director and Key Managerial Personnel during the financial year 2017-18 and ratio of the remuneration of each Director to the median remuneration of the employees of the Company for the financial year 2017-18, are detailed **Annexure – IV**

GENERAL:

Your Directors state that no disclosure or reporting is required in respect of the following items, as there were no transactions on these items during the year under review:

1. Details relating to deposits covered under Chapter V of the Act.
2. Issue of equity shares with differential rights as to dividend, voting or otherwise.
3. Issue of Employee stock option Scheme
4. Issue of shares (including sweat equity shares) to employees of the Company under any scheme.
5. Receipts of remuneration or commission by Whole-time Directors of the Company from any of its subsidiaries.
6. No significant or material orders were passed by the Regulators or Courts or Tribunals which impact the going concern status and Company's operations in future.

Your Directors further state that during the financial year under review, there were no cases filed pursuant to the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.

DIRECTORS' RESPONSIBILITY STATEMENT:

As per Section 134 of the Companies Act, 2013, the Directors confirm:

- (i) that in the preparation of the annual financial statements, the applicable accounting standards have been followed along with proper explanation relating to material departures;
- (ii) that the directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit of the Company for that period;
- (iii) that the directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- (iv) that the directors have prepared the annual financial statements on a going concern basis;
- (v) that the directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

ACKNOWLEDGEMENTS:

The Directors of the Company wish to place on record their appreciation of the dedication, professionalism and hard work put in by the employees of the Company at all levels. Relationships with regulatory authorities and clients remain excellent. The Directors are grateful for the support

extended by them and look forward to receive their continued support and encouragement. The Directors also wish to thank the bankers of the Company for their continued support.

For and on behalf of the Board of Directors
NSPIRA MANAGEMENT SERVICES PRIVATE LIMITED



Puneet Kothapa
Managing Director
DIN:06909621



Sindhura P.
Director
DIN: 02755981

Place: Hyderabad
Date: 30th May 2018



K.S. Sastry
Executive Director & CFO
DIN: 03642199

ANNEXUE 1 TO THE DIRECTORS' REPORT**FORM NO. MGT-9
EXTRACT OF ANNUAL RETURN**

As on the financial year ended 31.03.2018
[Pursuant to section 92(3) of the Companies Act, 2013 and rule 12(1) of the Companies (Management and Administration) Rules, 2014]

I. Registration and other details:

| | | |
|------|---|--|
| I. | CIN:- | U74900TG2013PTC088609 |
| ii | Registration Date | 26 th June ,2013 |
| iii | Name of the Company | NSPIRA MANAGEMENT SOLUTIONS PRIVATE LIMITED |
| iv) | Category / Sub-Category of the Company | Company having Share Capital |
| v) | Address of the Registered office and contact details | 1-98/9/6, 10th Floor, Melange Tower, MCH 23/37, Survey No. 80 & 84, Pathrika Nagar, Madhapur, Hyderabad, Telangana. PIN 500081 Tel: 040-45009999 Email: sastryks@nspira.in |
| vi) | Whether listed company Yes / No | NCDs are listed with BSE |
| vii) | Name, Address and Contact details of Registrar and Transfer Agent, if any | Karvy Computershare Pvt. Ltd. Karvy Selenium Tower B, Plot no.31&32 Financial District, Nanakramguda Serilingampally Mandal, Hyderabad-32 |

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY:

All the business activities contributing 10 % or more of the total turnover of the company shall

| S. no | Name and Description of main products / services | NIC Code of the Product/ service | % to total turnover of the company |
|-------|--|----------------------------------|------------------------------------|
| 1. | Management Services | 99831 | 100 |
| - | - | - | - |
| - | - | - | - |

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES: Not Applicable

| Sl. No | Name And Address Of The Company | CIN/GLN | Holding/ Subsidiary/ Associate | % of shares held | Applicable Section |
|--------|---------------------------------|---------|--------------------------------|------------------|--------------------|
| - | - | - | - | - | - |
| | | | | | |

| | | | | | | | | | |
|--|-------|---|-------|-------|-------|---|-------|-------|------|
| g. FIIs | - | - | - | - | - | - | - | - | - |
| h. Foreign Venture Capital Fund | - | - | - | - | - | - | - | - | - |
| i. Other | - | - | - | - | - | - | - | - | - |
| Sub-Total-B (1) | | | | | | | | | |
| 2. Non- Institution | | | | | | | | | |
| a. Body Corp. | - | - | - | - | - | - | - | - | - |
| India | - | - | - | - | - | - | - | - | - |
| Overseas | - | - | - | - | 5 | - | 5 | 0.01 | 0.01 |
| b. Individual | - | - | - | - | - | - | - | - | - |
| i. Individual shareholders holding nominal share capital upto Rs. 1 lakh | - | - | - | - | - | - | - | - | - |
| ii. Individual shareholders holding nominal share capital in excess of Rs 1 lakh | 16250 | - | 16250 | 32.50 | 16250 | - | 16250 | 32.50 | - |
| c. Other | - | - | - | - | - | - | - | - | - |
| Sub-Total-B (2) | - | - | - | - | - | - | - | - | - |
| Total Public Shareholding (B)=(B)(1)+ (B)(2) | 16250 | - | 16250 | 32.50 | 16255 | - | 16255 | 32.51 | 0.01 |
| C. Shares held by Custodian for GDRs & ADRs | - | - | - | - | - | - | - | - | - |
| Grand Total (A+B+C) | 50000 | - | 50000 | 100 | 50005 | - | 50005 | 100 | - |

(ii) Shareholding of Promoters:

| Sl. No | Shareholder's Name | Shareholding at the beginning of the year | Shareholding at the end of the year | % change in share holding during the year |
|--------|--------------------|---|-------------------------------------|---|
| | | | | |

| | | No. of Shares | % of total Shares of the company | %of Shares Pledged / encumbered to total shares | No. of Shares | % of total Shares of the company | %of Shares Pledged / encumbered to total shares | |
|----|--------------------------|---------------|----------------------------------|---|---------------|----------------------------------|---|--------------|
| 1. | Puneet Kothapa | 12500 | 25 | 25.00 | 12500 | 25.00 | 25.00 | Nil |
| 2. | Sindhura Ponguru | 16250 | 32.5 | 32.50 | 21250 | 42.49 | 42.49 | -0.01 |
| 3. | Ponguru Nishith Narayana | 5000 | 10 | 10.00 | - | - | - | - |
| | Total | 33750 | 67.50 | 67.50 | 33750 | 67.49 | 67.49 | -0.01 |

(iii).Change in Promoters' Shareholding (please specify, if there is no change):

| Sl. No | | Shareholding at the beginning of the year | | Cumulative Shareholding during the year | |
|--------|--|--|----------------------------------|---|----------------------------------|
| | | No. of shares | % of total shares of the company | No. of shares | % of total shares of the company |
| | Sindhura Ponguru | | | | |
| | At the beginning of the year | 16250 | 32.50 | 21250 | 42.49 |
| | Date wise Increase / Decrease in Promoters Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc): | 5000 shares were acquired through transfer during the year | | | |
| | At the End of the year | 16250 | 32.5 | 21250 | 42.49 |

(iv) Shareholding Pattern of top ten Shareholders (other than Directors, Promoters and Holders of C and ADRs): NOT APPLICABLE

| Sl. No | Particulars | Shareholding at the beginning of the year | Cumulative Shareholding during the year |
|--------|-------------|---|---|
| | | | |

| | | | | | |
|----|--|---|----------------------------------|---------------|----------------------------------|
| 1. | Mrs. Sharani Ponguru | No. of shares | % of total shares of the company | No. of shares | % of total shares of the company |
| | At the beginning of the year | 16250 | 32.5 | 16250 | 32.5 |
| | Date wise Increase / Decrease in Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus / sweat equity etc) | No change in the shareholding during the period under review. | | | |
| | At the End of the year | 16250 | 32.5 | 16250 | 32.5 |

| Sl. No | | Shareholding at the beginning of the year | | Cumulative Shareholding during the year | |
|--------|--|--|----------------------------------|---|----------------------------------|
| 2 | Banyantree Growth Capital II, LLC | No. of shares | % of total shares of the company | No. of shares | % of total shares of the company |
| | At the beginning of the year | - | - | 5 | 0.01 |
| | Date wise Increase / Decrease in Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus / sweat equity etc) | Allotted during the year through private placement | | | |
| | At the End of the year (or on the date of separation, if separated during the year) | - | - | 5 | 0.01 |

(v) Shareholding of Directors and Key Managerial Personnel:

| Sl. No | Particulars | Shareholding at the beginning of the year | | Cumulative Shareholding during the year | |
|--------|----------------------------------|---|----------------------------------|---|----------------------------------|
| 1. | Ms. Sindhura Ponguru Director | No. of shares | % of total shares of the company | No. of shares | % of total shares of the company |
| | At the beginning of the year | 16250 | 32.5 | 21250 | 42.49 |

| | | | | | |
|--|--|------|-------|-------|--|
| Date wise Increase / (Decrease) in Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus / sweat equity etc) | 5000 shares were acquired through transfer during the year | | | | |
| At the End of the year | 16250 | 32.5 | 21250 | 42.49 | |

| Sl. No | Particulars | Shareholding at the beginning of the year | | Cumulative Shareholding during the year | |
|--------|--|---|----------------------------------|---|----------------------------------|
| | | No. of shares | % of total shares of the company | No. of shares | % of total shares of the company |
| 2. | Mr. Puneet Kothapa | | | | |
| | At the beginning of the year | 12500 | 25 | 12500 | 25 |
| | Date wise Increase / Decrease in Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus / sweat equity etc) | No change in the shareholding during the period under review. | | | |
| | At the End of the year | 12500 | 25 | 12500 | 25 |

V INDEBTEDNESS

Indebtedness of the Company including interest outstanding/accrued but not due for Payment:

Rupees in Millions

| | Secured Loans excluding Deposits | Unsecured Loans | Deposits | Total Indebtedness |
|--|----------------------------------|-----------------|----------|--------------------|
| Indebtedness at the beginning of the financial year : | | | | |
| 1. Principal Amount | 3628.35 | -- | -- | 3628.35 |
| 2. Interest due but not paid | -- | -- | -- | -- |
| 3. Interest accrued but not due | -- | -- | -- | -- |
| Total (1+2+3) | 3628.35 | -- | -- | 3628.35 |
| Change in Indebtedness during the financial year: | | | | |
| Addition | 116.23 | | -- | 116.23 |
| Reduction | - | | -- | - |

| | | | | |
|---|---------|--|----|---------|
| Net Change | 3744.58 | | -- | 3744.58 |
| Indebtedness at the end of the financial year: | | | | |
| 1. Principal Amount | 3744.58 | | -- | 3744.58 |
| 2. Interest due but not paid | -- | | -- | |
| 3. Interest accrued but not due | -- | | -- | |
| Total (1+2+3) | 3744.58 | | | 3744.58 |

VI .REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

A. Remuneration to Managing Director, Whole-time Directors and/or Manager:

| Sl. No. | Particulars of Remuneration | Name of MD/WTD/ Manager /CS | | | | Total Amount |
|---------|--|-----------------------------|------------|-----------|-------------------------|--------------|
| | | Puneet Kothapa | Sindhura P | Sharani P | Late Nishith Narayana P | |
| 1 | Gross salary | | | | | |
| | a. Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961 | | | | | |
| | b. Value of perquisites u/s 17(2) Income-tax Act, 1961 | | | | | |
| | c. Profits in lieu of salary under section 17(3) Income-tax Act, 1961 | | | | | |
| 2 | Stock Option | | | | | |
| 3 | Sweat Equity | | | | | |
| 4 | Commission - as % of profit | | | | | |
| | - Others, specify... | | | | | |
| 5 | Others, please specify | | | | | |
| | Total-(A) | 63,40,000 | 45,80,000 | 68,80,000 | 18,80,000 | 1,96,80,000 |
| | Ceiling as per the Act | | | | | |

B. Remuneration to other directors: **NIL**

| Sl. No. | Particulars of Remuneration | Name of Directors | | | | Total Amount |
|---------|---|-------------------|--|--|--|--------------|
| 1 | Independent Directors | | | | | |
| | a. Fee for attending board / committee meetings | | | | | |
| | b. Commission | | | | | |
| | c. Others, please specify | | | | | |
| | Total (1) | | | | | |
| 2 | Other Non-Executive Directors | | | | | |

| | | | | | |
|-------------------------------------|--|--|--|--|--|
| Punishment | | | | | |
| Compounding | | | | | |
| B. Directors | | | | | |
| Penalty | | | | | |
| Punishment | | | | | |
| Compounding | | | | | |
| C. OTHER OFFICERS IN DEFAULT | | | | | |
| Penalty | | | | | |
| Punishment | | | | | |
| Compounding | | | | | |



SINDHURA PONGURU
DIRECTOR
(DIN: 02755981)



PUNEET KOTHAPA
DIRECTOR
(DIN: 06909621)

Place: Hyderabad
Date: 30-05-2018

Form No. AOC-2

(Pursuant to clause (h) of sub-section (3) of section 134 of the Act and Rule 8(2) of the Companies (Accounts) Rules, 2014)

Form for disclosure of particulars of contracts/arrangements entered into by the company with related parties referred to in sub-section (1) of section 188 of the Companies Act, 2013 including certain arms length transactions under third proviso thereto:

1. Details of contracts or arrangements or transactions not at arm's length basis:
 - (a) Name(s) of the related party and nature of relationship
 - (b) Nature of contracts / arrangements / transactions
 - (c) Duration of the contracts / arrangements / transactions
 - (d) Salient terms of the contracts or arrangements or transactions including the value, if any,
 - (e) Justification for entering into such contracts or arrangements or transactions
 - (f) Date(s) of approval by the Board
 - (g) Amount paid as advances, if any;
 - (h) Date on which the special resolution was passed in general meeting as required under first proviso to section 188

2. Details of material contracts or arrangement or transactions at arm's length basis
 - (a) Name(s) of the related party and nature of relationship

| Name of the related party | Nature of relationship |
|--|---|
| Narayana Educational Society | Entities in which a Director has control or has significant influence |
| Narayana Educational Trust | Entities in which a Director has control or has significant influence |
| Rama Narayana Educational Trust | Related to Directors |
| Narayana Education Trust | Entities in which a Director has control or has significant influence |
| Narayana Learning Private Limited | Common Directors - Advances for Lease |
| Greatest Common Factor Private Limited | Common Directors |
| Ravi Teja Ganta | Relative to a Director |
| Sindhura Ponguru | Director |
| Sharani Ponguru | Director (Ceased to be a director w.e.f.30-01-2018) |
| Indira Ponguru | Relative to Director |
| Ponguru Narayana | Relative to Director |
| Ponguru Ramadevi | Relative to Director |

- (b) Nature of contracts / arrangements / transactions

| Name of the related party | Nature of contracts / arrangements / transactions |
|--|---|
| Narayana Educational Society | Service Agreements |
| Narayana Educational Trust | Service Agreements yet to be executed |
| Rama Narayana Educational Trust | Service Agreements yet to be executed |
| Narayana Education Trust | Service Agreements |
| Narayana Learning Private Limited | Advances for Lease |
| Greatest Common Factor Private Limited | Advances for contract |

| | |
|------------------|--------|
| Ravi Teja Ganta | Salary |
| Sindhura Ponguru | Rent |
| Sharani Ponguru | Rent |
| Indira Ponguru | Rent |
| Ponguru Narayana | Rent |
| Ponguru Ramadevi | Rent |

(c) Duration of the contracts / arrangements / transactions

| Name of the related party | Date of commencement of contracts/ arrangements/ transactions | Duration of the contracts / arrangements / transactions |
|--|---|---|
| Narayana Educational Society | 01-Apr-2015 | 20 Years |
| Narayana Educational Trust | 01-Apr-2015 | 20 Years |
| Rama Narayana Educational Trust | Yet To be commenced | 20 Years |
| Narayana Education Trust | 01-Apr-2015 | 20 Years |
| Narayana Learning Private Limited | 10-December - 2016 | Not for a fixed period |
| Greatest Common Factor Private Limited | 26-July-2017 | Not for a fixed period |
| Ravi Teja Ganta | | Continuous |
| Sindhura Ponguru | | Continuous |
| Sharani Ponguru | | Continuous |
| Indira Ponguru | | Continuous |
| Ponguru Narayana | | Continuous |
| Ponguru Ramadevi | | Continuous |

(d) Salient terms of the contracts or arrangements or transactions including the value, if any: (Rs. In millions)

| Name of the related party | Salient terms of the contracts / arrangements / transactions | Value of the contracts / arrangements / transactions | Amount received / receivable | |
|------------------------------|--|--|---|---------|
| Narayana Educational Society | Services to be provided as per the agreements for a period of 20 Years | No Fixed Value for the contract. Consideration is based on quantum of services provided. | Sale of services & stock in trade | 7468.23 |
| | | | Interest on security deposit | 250.24 |
| | | | Advances given | 1163.05 |
| | | | Collections made on behalf of Company | 1717.49 |
| | | | Security deposit given | 1098.62 |
| | | | Reimbursement of security deposit | 467.25 |
| Narayana Educational Trust | Services to be provided as per the agreements for a | No fixed value for the contract. Consideration is based | Sale of services Interest on security deposit 59.97 | |

| | | | | |
|--|--|--|---|--------|
| | period of 20 Years | on the quantum of the services provided. | Reimbursement of expenditure | 9.00 |
| | | | Collections made on behalf of the Company | 9.96 |
| | | | Security deposit repaid | 26.69 |
| | | | | (2.09) |
| Rama Narayana Education Trust | Yet To be executed | No fixed value for the contract. Consideration is based on the quantum of the services provided. | Interest on security deposit | 2.25 |
| | | | Reimbursement of expenditure | 2.55 |
| | | | Collections made on behalf of the Company | 59.30 |
| Narayana Education Trust | Services to be provided as per the agreements for a period of 20 Years | No Fixed Value for the contract. Consideration is based on quantum of services provided. | Sale of services | 159.08 |
| | | | Interest on security deposit | 22.59 |
| | | | Advances given | 27.50 |
| | | | Collections made on behalf of the Company | 76.13 |
| Narayana Learning Private Limited | Purchase consideration of coaching business on account of slump sale | 72.50 | | 72.50 |
| Greatest Common Factor Private Limited | Advances given | 13.50 | | 13.50 |
| Ravi Teja Ganta | Salary | 6.88 | | 6.88 |
| Sindhura Ponguru | Rent | 5.85 | | 5.85 |
| Ponguru Sharani | Rent | 1.13 | | 1.13 |
| Ponguru Indira | Rent | 2.59 | | 2.59 |
| Ponguru Narayana | Rent | 20.83 | | 20.83 |
| Ponguru Ramadevi | Rent | 18.69 | | 18.69 |

(e) Date(s) of approval by the Board:

The approval of the Board was given on 24 March 2018

For and on behalf of the Board



Puneet Kothapa
Director
DIN:06909621



Sindhura P
Director
DIN: 02755981

Place: Hyderabad
Date: 30 May 2018



GVR AND ASSOCIATES
Company Secretaries

Flat No.401, Siddartha Residency
Behind Hotel Best Western Jubilee Ridge
Kavuri Hills, Phase-1, Madhapur, Hyderabad-500033
Mobile: +91 9848673524; Email: bvrcs123@gmail.com

SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED MARCH 31, 2018

[Pursuant to section 204(1) of the Companies Act, 2013 and rule No.9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

To,

The Members,

Nspira Management Services Private Limited

I/We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by NSPIRA MANAGEMENT SERVICES PRIVATE LIMITED having CIN: U74900TG2013PTC088609 (hereinafter called the Company). Secretarial Audit was conducted in a manner that provided me/us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion thereon.

Based on my/our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, I/We hereby report that in my/our opinion, the Company has, during the audit period covering the financial year ended on March 31, 2018 complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

I/we have examined the books, papers, minute books, forms and returns filed and other records maintained by "the Company" for the financial year ended on March 31, 2018 according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the rules made thereunder;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-
 - (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
 - (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992;
 - (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;



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GVR AND ASSOCIATES

Company Secretaries

Flat No.401, Siddartha Residency
Behind Hotel Best Western Jubilee Ridge
Kavuri Hills, Phase-1, Madhapur, Hyderabad-500033
Mobile: +91 9848673524; Email: bvracs123@gmail.com

- (d) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999;
 - (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;
 - (f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
 - (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; and
 - (h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998;
 - (i) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015;
- (vi) and other applicable laws

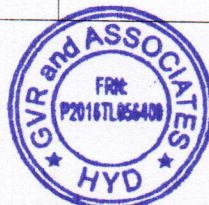
I/we have also examined compliance with the applicable clauses of the following:

- (i) Applicable Secretarial Standards issued by The Institute of Company Secretaries of India.
- (ii) The Listing Agreements entered into by the Company with the Bombay Stock Exchange in respect of its nonconvertible debentures;

During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above subject to the following observations:

1. *The Company appointed a Company Secretary with effect from 02-04-2018.*
2. *Undisputed statutory dues including 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 to the appropriate authorities and there have been significant delays in a large number of cases. Undisputed amounts payable in respect thereof, which were outstanding at the year-end for a period of more than six months from the date they became payable are as follows:*

| Name of the statute | Nature of dues | Amount in Rs. millions. | Period to which the amount relates | Due date | Date of payment | Remarks, if any |
|----------------------------|-------------------|-------------------------|------------------------------------|---------------|-----------------|-----------------|
| Employee's State Insurance | ESI Contributions | 1.11 | 2017-18 | Various dates | Not yet paid | Nil |



TR Vaidya



GVR AND ASSOCIATES

Company Secretaries

Flat No.401, Siddartha Residency
Behind Hotel Best Western Jubilee Ridge
Kavuri Hills, Phase-1, Madhapur, Hyderabad-500033
Mobile: +91 9848673524; Email: bvracs123@gmail.com

| | | | | | | |
|---|-----------------|------|---------|---------------|--------------|-----|
| Act, 1948 | | | | | | |
| The Employee's provident funds and Miscellaneous Provisions Act, 1952 | PF Contribution | 1.60 | 2017-18 | Various dates | Not yet paid | Nil |

I/we further report that-

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

Majority decision is carried through while the dissenting members' views are captured and recorded as part of the minutes.

I/we further report that there are adequate systems and processes in the company commensurate with the size and operations of the company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

Place : Hyderabad
Date : 30 May 2018



For GVR and Associates
Company Secretaries

Venka Reddy Bathina

Partner
M.No.A17439; C.P.No: 15277

ANNEXURE 1V TO THE BOARD'S REPORT

Information required under Section 197 of the Companies Act, 2013 read with Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.

A. Ratio of Remuneration of each Director to the median remuneration of all the employees of the Company for the financial year 2017-18 is as follows:

| Name of the Director(s) | Total Remuneration (Rupees) | Ratio of Remuneration of Director to the Median remuneration |
|---|-----------------------------|--|
| Mr. Puneet Kothapa | 63,40,000 | 70.44 |
| Mrs. Sindhura Ponguru | 45,80,000 | 50.89 |
| Mrs. Sharani Ponguru | 68,80,000 | 76.44 |
| Mr. Nishith Narayana Ponguru (up to 10.05.2017) | 18,80,000 | 20.89 |

Notes:

1. "Median remuneration for the financial year 2017-18 is Rs.90,000/- (Rs.84,000/- for the financial year 2016-17).
2. The aforesaid details are calculated on the basis of remuneration for the financial year 2017-18.

B. Details of percentage increase in the remuneration of each Director and CFO of the Company in the financial year 2017-18:

| Name of the Director(s) | Remuneration (Rs.) | | Increase / Decrease (%) |
|---|--------------------|-----------|-------------------------|
| | 2017-18 | 2016-17 | |
| Mr. Puneet Kothapa | 63,40,000 | 34,00,665 | 86.43 |
| Mrs. Sindhura Ponguru | 45,80,000 | 50,00,004 | (8.40) |
| Mrs. Sharani Ponguru | 68,80,000 | 76,04,165 | (9.52) |
| Mr. Nishith Narayana Ponguru (up to 10.05.2017) | 18,80,000 | 63,54,165 | * |
| Mr. K.S. Sastry - CFO | 45,54,000 | 43,01,000 | 5.88 |

* Since the remuneration to Mr.Nishith Narayana Ponguru was only for a part of the year, increase in remuneration is not stated.

C. Percentage increase in the median remuneration of all employees in the financial year 2017-18

| Median remuneration of employees per annum | 2017-18 | 2016-17 | Increase (%) |
|--|---------|---------|--------------|
| Amount in Rs. | 90,000 | 84,000 | 7.14 |

D. Number of permanent employees on the rolls of the Company as on 31st March, 2018: 15,985 (15,322 as on 31st March, 2017).

- E. Comparison of average percentage increase in salary of employees other than Key Managerial Personnel and the percentage increase in the remuneration paid to Key Managerial Personnel:
% increase in the salary of employees other than KMPs: 9%.
% increase in the salary of KMPs: 34%

The major difference between the percentage increase in the salary of employees and in the salary of Key Managerial Personnel is due to the increase in the salary of the Managing Director, Mr. Puneet Kothapa, recognising his extraordinary efforts for the development of the Company.

- F. Affirmation that the remuneration is as per the Nomination and Remuneration Policy of the Company:

It is affirmed that the remuneration paid to the Directors, Key Managerial Personnel and senior management is as per the Nomination and Remuneration Policy of the Company

- G. Employees, who are in receipt of aggregate remuneration not less than Rupees one crore and two lakh during the financial year 2017-18 (if employed for a part of the financial year not less than Rupees eight lakh and fifty thousand per month): NIL

For and on behalf of the Board



Puneet Kothapa
Director
DIN:06909621



Sindhura P
Director
DIN: 02755981

Place: Hyderabad
Date: 30 May 2018

Financial Statements and Independent Auditor's Report
Nspira Management Services Private Limited

31 March 2018

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Independent Auditor's Report

Balance sheet

Statement of Profit and Loss (Including Other Comprehensive Income)

Cash Flow statement

Statement of Changes in Equity

Summary of Significant accounting policies and other explanatory information

NSPIRA Management Services Private Limited
Balance Sheet as at 31 March 2018
(All amounts in ₹ in millions, unless otherwise stated)

| | Notes | As at | | |
|---|-------|------------------|-----------------|-----------------|
| | | 31 March 2018 | 31 March 2017 | 1 April 2016 |
| ASSETS | | | | |
| (1) Non-current assets | | | | |
| (a) Property, plant and equipment | 3 | 2,128.73 | 1,523.60 | 886.68 |
| (b) Other intangible assets | 4 (a) | 30.58 | 42.82 | 54.73 |
| (c) Intangible assets under development | 4 (b) | 259.12 | 31.23 | - |
| (d) Financial assets | | | | |
| (i) Investments | 5 | 16.03 | - | - |
| (ii) Loans | 6 | 4,096.30 | 3,081.98 | 3,427.11 |
| (iii) other financial assets | 7 | - | 0.90 | 100.00 |
| (e) Deferred tax assets (net) | 28 | 136.65 | 14.69 | - |
| (f) Other non-current assets | 11 | 391.58 | 77.99 | 68.75 |
| Total non-current assets | | 7,058.99 | 4,773.21 | 4,537.27 |
| (2) Current assets | | | | |
| (a) Inventories | 8 | 417.44 | 332.34 | 315.68 |
| (b) Financial assets | | | | |
| (i) Investments | 5 | - | - | 102.19 |
| (ii) Trade receivables | 9 | 1,722.14 | 1,103.19 | 160.44 |
| (iii) Cash and cash equivalents | 10 | 36.66 | 105.29 | 212.92 |
| (iv) Bank balances other than (iii) above | 10 | 259.50 | 132.00 | 1.44 |
| (v) Loans | 6 | 665.88 | 242.11 | 74.26 |
| (vi) Other financial assets | 7 | 7.48 | 9.35 | 0.76 |
| (c) Other current assets | 11 | 114.92 | 63.92 | 58.06 |
| Total current assets | | 3,224.02 | 1,988.20 | 925.75 |
| Total Assets | | 10,283.01 | 6,761.41 | 5,463.02 |
| EQUITY AND LIABILITIES | | | | |
| Equity | | | | |
| (a) Equity Share Capital | 12 | 0.50 | 0.50 | 0.50 |
| (b) Instruments entirely equity in nature | 13 | 521.48 | - | - |
| (c) Other Equity | 14 | 2,406.50 | 1,231.24 | 455.64 |
| Total equity | | 2,928.48 | 1,231.74 | 456.14 |
| LIABILITIES | | | | |
| Non-current liabilities | | | | |
| (a) Financial liabilities | | | | |
| (i) Borrowings | 15 | 3,744.58 | 3,628.35 | 3,906.16 |
| (b) Provisions | 16 | 35.37 | 11.77 | 7.27 |
| (c) Deferred tax liabilities (net) | 28 | - | - | 44.97 |
| Total non-current liabilities | | 3,779.95 | 3,640.12 | 3,958.40 |
| Current liabilities | | | | |
| (a) Financial liabilities | | | | |
| (i) Trade payables | 17 | 930.96 | 786.30 | 525.84 |
| (ii) Other financial liabilities | 18 | 2,407.42 | 954.25 | 424.46 |
| (b) Other current liabilities | 19 | 84.91 | 143.13 | 77.41 |
| (c) Provisions | 16 | 0.45 | 0.45 | - |
| (d) Current tax liabilities (net) | | 150.84 | 5.42 | 20.77 |
| Total current liabilities | | 3,574.58 | 1,889.55 | 1,048.48 |
| Total Equity and Liabilities | | 10,283.01 | 6,761.41 | 5,463.02 |

The accompanying notes 1 to 40 form an integral part of these financial statements.

This is the Balance Sheet referred to in our report of even date.

Walker Chandni & Co LLP
For Walker Chandni & Co LLP

Chartered Accountants

per Sanjay Kumar Jain
Partner

Place: Hyderabad
Date: 30 May 2018



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

Puneet Kothapa
Puneet Kothapa
Managing Director
DIN: 06909621

Sindhura Ronguru
Sindhura Ronguru
Director
DIN: 02755981

Sambashiva Sastry Kambhampati
Sambashiva Sastry Kambhampati
Chief Financial Officer and Executive Director
DIN: 03643199

Jitendra Sharma
Jitendra Sharma
Company secretary


Place: Hyderabad
Date: 30 May 2018

NSPIRA Management Services Private Limited
Statement of Profit and Loss for the year ended 31 March 2018
(All amounts in ₹ in millions, except earnings per equity share)

| | Notes | For the year ended | |
|--|-------|--------------------|-----------------|
| | | 31 March 2018 | 31 March 2017 |
| Revenue from operations | 20 | 11,028.43 | 8,806.55 |
| Other income | 21 | 81.51 | 30.98 |
| Total income | | 11,109.94 | 8,837.53 |
| Expenses | | | |
| Purchases of stock-in-trade | 22 | 2,037.92 | 1,907.93 |
| Changes in inventories of stock-in-trade | 23 | (92.14) | (56.69) |
| Employee benefits expense | 24 | 2,855.43 | 2,698.65 |
| Finance costs | 25 | 778.79 | 696.61 |
| Depreciation and amortization expense | 3, 4 | 411.57 | 209.13 |
| Other expenses | 26 | 3,340.76 | 2,259.04 |
| Total expense | | 9,332.33 | 7,714.67 |
| Profit before tax | | 1,777.61 | 1,122.86 |
| Tax expense: | | | |
| (a) Current tax | 27 | 727.81 | 471.00 |
| (b) Deferred tax benefit | 28 | (121.95) | (60.20) |
| Income tax expense | | 605.86 | 410.80 |
| Profit for the year | | 1,171.75 | 712.06 |
| Other comprehensive income | | | |
| Items that will not be reclassified subsequently to profit or loss, including its income tax effects | | 1.51 | 0.99 |
| Other comprehensive income, net of tax | | 1.51 | 0.99 |
| Total comprehensive income for the year | | 1,173.26 | 713.05 |
| Earnings per equity share (EPES) | | | |
| Basic EPES (In absolute ₹ terms) | 29 | 23,434.54 | 14,241.20 |
| Diluted EPES (In absolute ₹ terms) | | 23,310.85 | 14,241.20 |

The accompanying notes 1 to 40 form an integral part of these financial statements.
This is the Statement of Profit and Loss referred to in our report of even date.

Walker Chandio & Co LLP
For Walker Chandio & Co LLP

Chartered Accountants

per Sanjay Kumar Jain
Partner





Place: Hyderabad
Date: 30 May 2018

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 Executive Director
DIN: 03642199


Jitendra Sharma
Company secretary

Place: Hyderabad
Date: 30 May 2018

NSPIRA Management Services Private Limited
Statement of Cash Flows for the year ended 31 March 2018
(All amounts in ₹ in millions, unless otherwise stated)

| | For the year ended | |
|--|--------------------|-----------------|
| | 31 March 2018 | 31 March 2017 |
| Cash flow from operating activities | | |
| Profit before tax | 1,777.61 | 1,122.86 |
| Adjustments to reconcile profit before tax to net cash flows: | | |
| - Depreciation and amortisation expense | 411.57 | 209.13 |
| - Interest income on fixed deposits | (352.88) | (274.40) |
| - Dividend income | (0.79) | (13.47) |
| - Interest expense | 778.79 | 696.61 |
| - Provision for doubtful advances | 20.41 | 48.87 |
| - Provision for employee benefits | 25.10 | 5.94 |
| Adjustments for working capital : | | |
| (Increase) / decrease in loans | (1,102.66) | 276.82 |
| Increase in other assets | (242.43) | (24.98) |
| Increase in inventories | (85.10) | (16.66) |
| Increase in trade receivables | (618.95) | (942.75) |
| Increase in other current assets | (71.41) | (5.86) |
| Increase in trade payables | 144.67 | 260.50 |
| Increase in financial liabilities | 593.30 | 39.65 |
| (Decrease) / increase in other current liabilities | (58.22) | 65.72 |
| Cash generated from operations | 1,219.02 | 1,447.98 |
| Income taxes paid | (582.40) | (485.83) |
| Net cash flows generated from operating activities | 636.62 | 962.15 |
| Cash flow from investing activities | | |
| Purchase of property, plant and equipment and intangible assets | (1,249.62) | (812.48) |
| Proceeds from sale of property, plant and equipment | - | 4.26 |
| Cash paid / adjustment due to retrospective application of business combination under common control | (72.50) | 62.55 |
| Redemption in bank deposits for more than 12 months | 0.90 | 99.10 |
| Investment in bank deposits for more than 3 months but less than 12 months | (127.50) | (130.56) |
| Interest income | 19.32 | 117.39 |
| Dividend income | 0.79 | 13.47 |
| Redemption of mutual funds | - | 102.19 |
| Investment in equity and preference shares | (16.03) | - |
| - Business combination reserve | - | - |
| Net cash used in investing activities | (1,444.64) | (544.08) |



NSPIRA Management Services Private Limited
Statement of Cash Flows for the year ended 31 March 2018
(All amounts in ₹ in millions, unless otherwise stated)

| | For the year ended | |
|---|--------------------|-----------------|
| | 31 March 2018 | 31 March 2017 |
| Cash flow from financing activities | | |
| Proceeds from issue of equity shares | 2.00 | - |
| Proceeds from issue of instruments entirely equity in nature, net of transaction cost | 521.48 | - |
| Proceeds from long-term borrowings | 1,278.94 | 37.35 |
| Repayment of long-term borrowings | (34.12) | (7.15) |
| Interest paid | (588.92) | (555.90) |
| Redemption of debentures | (440.00) | - |
| Net cash flows generated from/ (used) in financing activities | 739.39 | (525.70) |
| Net decrease in cash and cash equivalents | (68.63) | (107.63) |
| Cash and cash equivalents at the beginning of the year | 105.29 | 212.92 |
| Cash and cash equivalents at the end of the year (refer note 1) | 36.66 | 105.29 |

| | As at | |
|--|---------------|---------------|
| | 31 March 2018 | 31 March 2017 |
| Note 1: | | |
| Cash and cash equivalents comprise of : (refer note 10) | | |
| Balances with banks | | |
| - On current accounts | 17.88 | 101.56 |
| Cash on hand | 18.78 | 3.73 |
| | 36.66 | 105.29 |

This is the Cash Flow Statement 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 and Executive Director
DIN: 03642199


Jitendra Sharma
Company secretary

Place: Hyderabad
Date: 30 May 2018

Place: Hyderabad
Date: 30 May 2018

NSPIRA Management Services Private Limited

Statement of Changes in Equity for the year ended 31 March 2018

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

(a) Equity share capital

| | Number | Amount |
|---|--------|--------|
| Equity shares of ₹10 each issued, subscribed and fully paid up | | |
| As at 1 April 2016 | 50,000 | 0.50 |
| Issued during the year | - | - |
| As at 31 March 2017 | 50,000 | 0.50 |
| Issued during the year | 5 | 0.00 |
| As at 31 March 2018 | 50,005 | 0.50 |

(b) Instruments entirely equity in nature

| | Amount |
|--|---------|
| Compulsorily Convertible Debentures | |
| As at 31 March 2017 | - |
| Issued during the year | 553.00 |
| Less:-Adjustment* | (31.52) |
| As at 31 March 2018 | 521.48 |

*Represents adjustment of transaction cost in accordance with accounting principles.

(c) Other equity

| | Reserves and Surplus | | | | | Other comprehensive reserve | Total |
|---|---|----------------------------|------------------------------|------------------------------|-----------------|--|----------|
| | Retained earnings-Surplus in the statement of profit and loss | Securities premium reserve | Business combination reserve | Debenture redemption reserve | General reserve | Actuarial gains / (losses) on measurement on employee benefits | |
| Balance as at 1 April 2016 | 86.05 | - | 12.62 | 356.97 | - | - | 455.64 |
| Profit for the year | 712.06 | - | - | - | - | - | 712.06 |
| Actuarial loss on post-employment benefit obligations | - | - | - | - | - | 0.99 | 0.99 |
| Transfers during the year | (643.03) | - | - | 643.03 | - | - | - |
| Adjustment* | 72.70 | - | (10.15) | - | - | - | 62.55 |
| Balance as at 31 March 2017 | 227.78 | - | 2.47 | 1,000.00 | - | 0.99 | 1,231.24 |
| Profit for the year | 1,171.75 | - | - | - | - | - | 1,171.75 |
| Actuarial loss on post-employment benefit obligations | - | - | - | - | - | 1.51 | 1.51 |
| Issue of share capital | - | 2.00 | - | - | - | - | 2.00 |
| Transfers during the year | - | - | - | (110.00) | 110.00 | - | - |
| Balance as at 31 March 2018 | 1,399.53 | 2.00 | 2.47 | 890.00 | 110.00 | 2.50 | 2,406.50 |

*For adjustment -refer note 39

The accompanying notes 1 to 40 form an integral part of these financial statements.

This is the Statement of Changes in Equity referred to in our report of even date.

Walker Chandiook & Co LLP

For Walker Chandiook & Co LLP

Chartered Accountants

per Sanjay Kumar Jain
Partner



Place: Hyderabad
Date: 30 May 2018

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 Executive Director
DIN: 03642199

Jitendra Sharma
Company secretary

Place: Hyderabad
Date: 30 May 2018

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 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 debt securities of the Company are listed with the National Stock Exchange.

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 Company’s financial statements up to and for the year ended 31 March 2017 were prepared in accordance with accounting standards notified under Section 133 of the Act, read together with Rule 7 of the Companies (Accounts) Rules, 2014 (“Previous GAAP”).

As these are the Company’s first financial statements prepared in accordance with Indian Accounting Standards (Ind AS), Ind AS 101, First-time Adoption of Indian Accounting Standards has been applied. An explanation of how the transition to Ind AS has affected the previously reported financial position and financial performance of the Company is provided in Note 40.

These financial statements have been prepared for the Company as a going concern on the basis of relevant Ind AS that are effective at the Company’s annual reporting date, 31 March 2018. These financial statements were authorised for issuance by the Company’s Board of Directors on 30 May 2018.

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.

(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 business,
- Expected to be realized within twelve months after the reporting period, or
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.



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

2. Summary of significant accounting policies (continued)

The Company classifies all other assets as non-current.

A liability is current when:

- it is expected to be settled in normal operating cycle,
- it is held primarily for the purpose of business,
- it is due to be settled within twelve months after the reporting period, or
- there is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

The Company classifies all other liabilities as non-current.

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

(d) Fair value measurement:

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

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

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

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

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

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

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

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

(e) Property, plant and equipment

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



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

2. Summary of significant accounting policies (continued)

Gain or losses arising from derecognition of an item of property, plant and equipment are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognized in the Statement of Profit and Loss when the asset is derecognized.

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

| Particulars | Schedule II (No. of years) |
|--|-------------------------------|
| Office equipment | 5 years |
| Computers and data processing units | 3 to 6 years |
| Electrical installations and equipment | 10 years |
| Furniture and fixtures | 10 years |
| Kitchen equipment | 5 years |
| Teaching aid and equipment | 5 years |
| Vehicles | 8 years |

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 in the nature of trade mark, non-compete fees, and other 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.

Amortization of intangible assets

Intangible assets are amortized on a straight-line basis over the estimated useful economic life. The Company uses a rebuttable presumption that the useful life of an intangible asset will not exceed ten years from the date when the asset is available for use. If the persuasive evidence exists to the affect that useful life of an intangible asset exceeds ten years, the Company amortizes the intangible asset over the best estimate of its useful life.

Research and development cost

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.

(f) Impairment of non-financial assets

At each reporting date, the Company assesses whether there is any indication that an asset may be impaired, based on internal or external factors. If any such indication exists, the Company estimates the recoverable amount of the asset or the cash generating unit. If such recoverable amount of the asset or cash generating unit to which the asset belongs is less than its carrying amount, the carrying amount is reduced to its recoverable amount. The reduction is treated as an impairment loss and is recognized in the Statement of Profit and Loss. If, at the reporting date there



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)

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.

(g) Financial instruments

Financial instruments

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

Financial assets

Initial recognition and measurement

All financial assets are recognised initially at fair value plus, in the case of financial assets not recorded at fair value through profit or loss (FVTPL), transaction costs that are attributable to the acquisition of the financial asset. Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trades) are recognised on the trade date, i.e., the date that the Company commits to purchase or sell the asset.

Subsequent measurement

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

Debt instruments included within the FVTOCI category are measured initially as well as at each reporting date at fair value. Fair value movements are recognised in the other comprehensive income (OCI). On derecognition of the asset, cumulative gain or loss previously recognised in OCI is reclassified to the Statement of Profit and Loss. Interest earned while holding FVTOCI debt instrument is reported as interest income using the EIR method.

Equity instruments at fair value through profit or loss (FVTPL)

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

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



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

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

2. Summary of significant accounting policies (continued)

Equity instruments measured at FVTPL

All equity investments in scope of Ind-AS 109 are measured at fair value. Equity instruments which are held for trading are classified as at FVTPL. For all other equity instruments, the Company decides to classify the same either as at FVTOCI or FVTPL. The Company makes such election on an instrument-by-instrument basis. The classification is made on initial recognition and is irrevocable.

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

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

Cash and cash equivalents

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

Trade receivables

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

De-recognition

The Company de-recognises a financial asset only when the contractual rights to the cash flows from the asset expires or it transfers the financial asset and substantially all the risks and rewards of ownership of the asset.

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

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

Impairment of financial assets

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

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

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



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

2. Summary of significant accounting policies (continued)

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

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

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

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

Financial Liabilities

Initial recognition and measurement

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

The Company's financial liabilities include trade and other payables, loans and borrowings.

Subsequent measurement

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

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

Gains or losses on liabilities held for trading are recognised in the profit or loss. The Company has not designated any financial liability at fair value through profit or loss as at 31 March 2018.

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.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the Statement of Profit and Loss.

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



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)

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.

(g) 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 and penalties 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.



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)

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.

Minimum Alternate Tax (MAT) credit is recognized as an asset only when and to the extent there is convincing evidence that the Company will pay normal income tax during the specified period. The Company reviews such assets at each reporting date and writes down the carrying amount of MAT Credit Entitlement to the extent there is no longer convincing evidence to the effect that Company will pay normal income tax during the specified period.

(h) Inventories

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

(i) 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.

(j) 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.



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)

(k) 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.

Based on the educational material on Ind AS 18- Revenue, issued by the Institute of Chartered Accountants of India (ICAI), the recovery of service tax/goods and service tax ("GST") is not received by the Company on its own account. Rather, it is tax collected on services provided by the Company on behalf of the government. Accordingly, it is excluded from revenue.

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

Sale of stock-in-trade

Revenue from sale of materials comprises the sale of mess items, sale of study materials, and other items 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 other than coaching and hostel services

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

Revenue from coaching services

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

Revenue from hostel services

Revenue from hostel services is recognized on accrual basis over the period of instructions/Provision of services.

Dividend

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

Interest

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

(l) 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.

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.



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)

(m) Retirement and other employee benefits

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

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

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

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

(n) Leases

The determination of whether an arrangement is (or contains) a lease is based on the substance of the arrangement at the inception of the lease. The arrangement is, or contains, a lease if fulfilment of the arrangement is dependent on the use of a specific asset or assets and the arrangement conveys a right to use the asset or assets, even if that right is not explicitly specified in an arrangement. For arrangements entered into prior to 1 April 2016, the Company has determined whether the arrangement contain lease on the basis of facts and circumstances existing on the date of transition.

Company as a lessee

A lease is classified at the inception date as a finance lease or an operating lease. A lease that transfers substantially all the risks and rewards incidental to ownership to the Company is classified as a finance lease. Finance leases are capitalised at the commencement of the lease at the inception date fair value of the leased property or, if lower, at the present value of the minimum lease payments. Lease payments are apportioned between finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are recognised in finance costs in the Statement of Profit and Loss, unless they are directly attributable to qualifying assets, in which case they are capitalized in accordance with the Company's general policy on the borrowing costs. Contingent rentals are recognised as expenses in the periods in which they are incurred.

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

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

Company as a lessor

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

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



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)

(o) 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.

(p) Segment reporting

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

(q) 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

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.

Leases

The Company has evaluated each lease agreement for its classification between finance lease and operating lease. The Company has reached its decisions on the basis of the principles laid down in Ind AS 17 "Leases" for the said classification.

Estimates and assumptions

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

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.



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)

Useful lives of various assets

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

Current income taxes

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

Accounting for defined benefit plans

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

Impairment

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

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

Fair value measurement of financial instruments

Management uses valuation techniques in measuring the fair value of financial instruments where active market quotes are not available. Details of the assumptions used are given in the notes regarding financial assets and liabilities. In applying the valuation techniques, management makes maximum use of market inputs and uses estimates and assumptions that are, as far as possible, consistent with observable data that market participants would use in pricing the instrument. Where applicable data is not observable, management uses its best estimate about the assumptions that market participants would make. These estimates may vary from the actual prices that would be achieved in an arm's length transaction at the reporting date.

(r) Standards issued but not yet effective

The amendments to standards that are issued, but not yet effective, up to the date of issuance of the Company's financial statements are disclosed below. The Company intends to adopt these standards, if applicable, when they become effective.

The Ministry of Corporate Affairs ('MCA') has issued the Companies (Indian Accounting Standards) Amendment Rules, 2017 and Companies (Indian Accounting Standards) Amendment Rules, 2018 amending the following standard:

Ind AS 115 Revenue from Contracts with Customers

Ind AS 115 was issued on 28 March 2018 and establishes a five-step model to account for revenue arising from contracts with customers. The core principle of the new standard is that an entity should recognize revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. Further, the new standard requires enhances disclosures about the nature, amount, timing and uncertainty of revenue and cash flows arising from the entity's contracts with customers.



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

2. Summary of significant accounting policies (continued)

The standard permits two possible methods of transition:

- Retrospective approach – under this approach, the standard will be applied retrospectively to each prior reporting period presented in accordance with Ind AS 8, Accounting Policies, Changes in Accounting Estimates and Errors.
- Retrospectively with cumulative effect of initially applying the standard recognized at the date of initial application (cumulative catch – up approach).

The effective date for adoption of Ind AS 115 is financial period beginning on or after 1 April 2018.

The Company will adopt the standard on 1 April 2018 by using the cumulative catch-up transition method and accordingly, comparatives for the year ended 31 March 2018 will not be retrospectively adjusted. The effect on adoption of Ind AS 115 is expected to be insignificant.

Appendix B to Ind AS 21 Foreign Currency Transactions and Advance Consideration

The Appendix clarifies that, in determining the spot exchange rate to use on initial recognition of the related asset, expense or income (or part of it) on the derecognition of a non-monetary asset or non-monetary liability relating to advance consideration, the date of the transaction is the date on which an entity initially recognizes the non-monetary asset or non-monetary liability arising from the advance consideration. If there are multiple payments or receipts in advance, then the entity must determine the transaction date for each payment or receipt of advance consideration.

Entities may apply the Appendix requirements on a fully retrospective basis. Alternatively, an entity may apply these requirements prospectively to all assets, expenses and income in its scope that are initially recognized on or after:

- (i) The beginning of the reporting period in which the entity first applies the Appendix, or
- (ii) The beginning of a prior reporting period presented as comparative information in the financial statements of the reporting period in which the entity first applies the Appendix.

The Appendix is effective for annual periods beginning on or after 1 April 2018. These amendments are not applicable to the Company.

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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)

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 block | | | | | | | | | |
| As at 1 April 2016 * | 166.93 | 38.81 | 34.06 | 478.50 | 21.25 | 8.89 | 10.43 | 127.81 | 886.68 |
| Additions during the year | 193.55 | 52.73 | 52.16 | 294.32 | 24.50 | 15.58 | 34.21 | 170.42 | 837.46 |
| Disposals | - | - | - | - | - | - | - | 4.53 | 4.53 |
| As at 31 March 2017 | 360.48 | 91.54 | 86.22 | 772.82 | 45.75 | 24.47 | 44.64 | 293.70 | 1,719.61 |
| Additions during the year | 270.09 | 71.42 | 70.23 | 338.05 | 12.29 | 12.57 | 26.36 | 223.10 | 1,024.11 |
| Disposals | - | - | - | - | - | - | 19.85 | - | 19.85 |
| As at 31 March 2018 | 630.57 | 162.96 | 156.45 | 1,110.87 | 58.04 | 37.04 | 51.15 | 516.80 | 2,723.87 |
| Accumulated depreciation | | | | | | | | | |
| Up to 31 March 2016 | - | - | - | - | - | - | - | - | - |
| Charge for the year | 53.30 | 18.06 | 5.77 | 84.67 | 6.91 | 3.50 | 3.26 | 20.81 | 196.28 |
| Disposals | - | - | - | - | - | - | - | 0.27 | 0.27 |
| Up to 31 March 2017 | 53.30 | 18.06 | 5.77 | 84.67 | 6.91 | 3.50 | 3.26 | 20.54 | 196.01 |
| Charge for the year | 115.47 | 34.55 | 14.26 | 162.49 | 10.88 | 8.88 | 6.46 | 46.13 | 399.13 |
| Adjustments for disposals | - | - | - | - | - | - | - | - | - |
| Up to 31 March 2018 | 168.77 | 52.61 | 20.03 | 247.16 | 17.79 | 12.38 | 9.72 | 66.67 | 595.14 |
| Net block | | | | | | | | | |
| As at 31 March 2018 | 461.80 | 110.35 | 136.42 | 863.71 | 40.25 | 24.66 | 41.43 | 450.13 | 2,128.73 |
| As at 31 March 2017 | 307.18 | 73.00 | 80.45 | 688.15 | 38.84 | 20.97 | 41.38 | 273.16 | 1,523.60 |
| As at 1 April 2016 (Deemed cost) | 166.93 | 39.00 | 34.06 | 478.50 | 21.25 | 8.89 | 10.43 | 127.81 | 886.68 |

*Includes adjustment in relation to accounting for common control business combination to the tune of ₹ 105.53 million to gross block of property, plant and equipment as at 1 April 2016, ₹ 80.04 million to additions during the year ended 31 March 2017 and ₹ 18.81 million to the depreciation charge for the year ended 31 March 2017, duly in accordance with Ind As 103 (refer note 39).



4 (a) Intangible assets

| | Trademarks | Non compete fee | Other intangibles | Total |
|----------------------------------|------------|-----------------|-------------------|-------|
| Gross block | | | | |
| As at 1 April 2016* | 14.01 | 11.44 | 29.28 | 54.73 |
| Additions during the year | - | - | - | - |
| As at 31 March 2017 | 14.01 | 11.44 | 29.28 | 54.73 |
| Additions during the year | - | - | - | - |
| As at 31 March 2018 | 14.01 | 11.44 | 29.28 | 54.73 |
| Accumulated amortization | | | | |
| Up to 31 March 2016 | - | - | - | - |
| Charge for the year | 3.11 | 2.29 | 6.51 | 11.91 |
| Up to 31 March 2017 | 3.11 | 2.29 | 6.51 | 11.91 |
| Charge for the year | 3.11 | 2.62 | 6.51 | 12.24 |
| Up to 31 March 2018 | 6.22 | 4.91 | 13.02 | 24.15 |
| Net block | | | | |
| As at 31 March 2018 | 7.79 | 6.53 | 16.26 | 30.58 |
| As at 31 March 2017 | 10.90 | 9.15 | 22.77 | 42.82 |
| As at 1 April 2016 (Deemed cost) | 14.01 | 11.44 | 29.28 | 54.73 |

* Entirely represents intangible assets accounted in accordance with Ind As 103, in relation to accounting for common control business combination (refer note 39).

(b) Intangible assets under development

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

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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, number of units of mutual funds and face value)

5 Investments

| | Face value | As at | | |
|--|------------|---------------|---------------|--------------|
| | | 31 March 2018 | 31 March 2017 | 1 April 2016 |
| Unquoted - designated at FVTPL | | | | |
| Investment in other entities | | | | |
| Investments in mutual funds | | | | |
| Nil (31 March 2017: Nil, 1 April 2016: 60,991) units in Reliance Money Manager Fund - daily dividend plan | - | - | - | 61.25 |
| Nil (31 March 2017: Nil, 1 April 2016: 1,104,213) units in ICICI Prudential Flexible Income - daily dividend | - | - | - | 40.94 |
| | | | | 102.19 |
| Unquoted - designated at FVTPL | | | | |
| Investment in other entities | | | | |
| Investments in equity shares (fully paid-up) | | | | |
| Monkeybox Food Tech Private Limited 6,845 (31 March 2017: Nil, 1 April 2016: Nil) equity shares of | ₹ 10 | 7.53 | - | - |
| | | 7.53 | - | - |
| -Investment in preference shares (fully paid-up) | | | | |
| Monkeybox Food Tech Private Limited 883 (31 March 2017: Nil, 1 April 2016: Nil) | ₹ 1000 | 1.00 | - | - |
| 4,771 (31 March 2017: Nil, 1 April 2016: Nil) | ₹ 10 | 7.50 | - | - |
| | | 8.50 | - | - |
| Total investments | | 16.03 | - | 102.19 |
| Current | | - | - | 102.19 |
| Non-current | | 16.03 | - | - |
| Aggregate amount of quoted investments and market value thereof | | - | - | - |
| Aggregate amount of unquoted investments | | 16.03 | - | 102.19 |
| 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)

6 Loans

| | As at | | |
|---|-----------------|-----------------|-----------------|
| | 31 March 2018 | 31 March 2017 | 1 April 2016 |
| Non-current | | | |
| (Unsecured, considered good) | | | |
| Security deposits with related parties (note (i)) | 3,789.22 | 2,965.60 | 3,375.00 |
| Rental and electricity deposits | | | |
| -related parties (note (ii)) | 20.72 | - | - |
| -others | 270.26 | 116.38 | 52.11 |
| Advances to: | | | |
| - related parties | 13.50 | - | - |
| -others | 2.60 | - | - |
| | 4,096.30 | 3,081.98 | 3,427.11 |
| Current | | | |
| (Unsecured, considered good) | | | |
| Rental deposits | | | |
| -with related parties | 0.84 | - | - |
| -with others | 74.53 | 14.74 | 4.54 |
| Advances to related parties | 25.00 | 0.71 | 0.05 |
| Interest accrued on deposits from related parties | 520.49 | 185.07 | 36.65 |
| Other loans to | | | |
| - Employees and professionals | 45.02 | 41.59 | 33.02 |
| | 665.88 | 242.11 | 74.26 |
| (Unsecured, considered doubtful) | | | |
| Loans to employees and professionals | 48.87 | 48.87 | - |
| Less: Provision of doubtful loans | (48.87) | (48.87) | - |
| | 665.88 | 242.11 | 74.26 |

Note

- (i) Security deposits paid to related parties are on account of Master Service Agreement ('MSA') with related parties for services rendered by the Company and are repayable after the completion of MSA at an interest rate of 9.00% p.a. (31 March 2017: 9.00% p.a, 1 April 2016: 9.00% p.a).
- (ii) Rental deposits paid are on account of the premises taken on lease and the same are repayable after the expiry of the lease period as per the agreement.
- (iii) Represents advances given to related parties in relation to a proposed contract at an annual interest rate of 9% (31 March 2017: 9%; 1 April 2016: 9%).

7 Other financial assets

| | As at | | |
|---|---------------|---------------|---------------|
| | 31 March 2018 | 31 March 2017 | 1 April 2016 |
| (Unsecured, considered good) | | | |
| Non-current | | | |
| Fixed deposits maturing after 12 months from the balance sheet date | - | 0.90 | 100.00 |
| | - | 0.90 | 100.00 |
| Current | | | |
| Security deposits | - | - | - |
| Interest accrued on fixed deposits* | 7.48 | 9.35 | 0.76 |
| | 7.48 | 9.35 | 0.76 |

* Financial assets are carried at amortized cost.



NSPIRA Management Services Private Limited

Summary of significant accounting policies and other explanatory information

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

8 Inventories

| | As at | | |
|---|---------------|---------------|---------------|
| | 31 March 2018 | 31 March 2017 | 1 April 2016 |
| Valued at the lower of cost and net realisable value | | | |
| Stock-in-trade | 417.44 | 332.34 | 315.68 |
| | 417.44 | 332.34 | 315.68 |

9 Trade receivables

| | As at | | |
|---|-----------------|-----------------|---------------|
| | 31 March 2018 | 31 March 2017 | 1 April 2016 |
| (Unsecured, considered good) | | | |
| - from related parties (refer note (i) below) | 1,699.69 | 1,077.15 | 139.92 |
| - from other | 22.45 | 26.04 | 20.52 |
| | 1,722.14 | 1,103.19 | 160.44 |

Trade receivables

(i) No trade or other receivables are due from directors or other officers of the Company either severally or jointly with any other person. Trade receivables from related parties represent dues from entities in which a director is a member or where Director has control or significant influence (refer note 37).

(ii) Trade receivables are non-interest bearing and are generally on terms of 30 to 180 days.

10 Cash and bank balances

| | As at | | |
|--|---------------|---------------|---------------|
| | 31 March 2018 | 31 March 2017 | 1 April 2016 |
| Cash and cash equivalents | | | |
| Balances with banks | | | |
| - On current accounts* | 17.88 | 101.56 | 206.21 |
| Cash on hand | 18.78 | 3.73 | 6.71 |
| | 36.66 | 105.29 | 212.92 |
| Bank balances other than above | | | |
| - Deposits with banks with maturity period from 3 to 12 months | 259.50 | 132.00 | 1.44 |
| | 259.50 | 132.00 | 1.44 |

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

11 Other assets

| | As at | | |
|--------------------------------------|---------------|---------------|--------------|
| | 31 March 2018 | 31 March 2017 | 1 April 2016 |
| Non-current | | | |
| (Unsecured, considered good) | | | |
| Capital advances | 82.36 | 11.20 | 26.93 |
| Balances with government authorities | 60.21 | 61.65 | 41.82 |
| Prepaid expenses | 249.01 | 5.14 | - |
| | 391.58 | 77.99 | 68.75 |
| Current | | | |
| (Unsecured, considered good) | | | |
| Advances to vendors | 43.09 | 55.15 | 49.28 |
| Prepaid expenses | 59.62 | 1.28 | 1.16 |
| Other advances | 12.21 | 7.49 | 7.62 |
| | 114.92 | 63.92 | 58.06 |
| Unsecured, considered doubtful | 20.41 | - | - |
| Less: Provision of doubtful loans | (20.41) | - | - |
| | 114.92 | 63.92 | 58.06 |



NSPIRA Management Services Private Limited
 Summary of significant accounting policies and other explanatory information
 (All amounts in ₹ in millions, except number of equity shares and debentures)

12 Equity share capital

| | As at | | | | | |
|---|------------------|--------------|------------------|--------------|------------------|--------------|
| | 31 March 2018 | | 31 March 2017 | | 1 April 2016 | |
| | Number | Amount | Number | Amount | Number | Amount |
| Authorized | | | | | | |
| Equity shares of ₹10 each | 1,000,000 | 10.00 | 1,000,000 | 10.00 | 1,000,000 | 10.00 |
| | 1,000,000 | 10.00 | 1,000,000 | 10.00 | 1,000,000 | 10.00 |
| Issued, subscribed and fully paid-up | | | | | | |
| Equity shares of ₹10 each | 50,005 | 0.50 | 50,000 | 0.50 | 50,000 | 0.50 |
| | 50,005 | 0.50 | 50,000 | 0.50 | 50,000 | 0.50 |

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

| | 31 March 2018 | | 31 March 2017 | | 1 April 2016 | |
|---------------------------------------|---------------|-------------|---------------|-------------|---------------|-------------|
| | Number | Amount | Number | Amount | Number | Amount |
| Balance at the beginning of the year | 50,000 | 0.50 | 50,000 | 0.50 | 50,000 | 0.50 |
| Issued during the year | 5 | 0.00 | - | - | - | - |
| Balance at the end of the year | 50,005 | 0.50 | 50,000 | 0.50 | 50,000 | 0.50 |

(b) Terms/rights attached to equity shares

The Company has only one class of equity shares having a par value of ₹10 per share. Each holder of equity shares is entitled to one vote per share. 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) Details of shareholders holding more than 5% shares in the Company

| | 31 March 2018 | | 31 March 2017 | | 1 April 2016 | |
|-------------------------------|------------------|--------------|------------------|--------------|------------------|--------------|
| | Number of shares | % of holding | Number of shares | % of holding | Number of shares | % of holding |
| Equity share of ₹10 each | | | | | | |
| Puncet Kothapa | 12,000 | 24.00% | 12,500 | 25% | 12,500 | 25% |
| Sindhura Ponguru | 21,500 | 43.00% | 16,250 | 33% | 16,250 | 33% |
| Ponguru Sharani | 16,500 | 33.00% | 16,250 | 33% | 16,250 | 33% |
| Late Nishith Narayana Ponguru | - | - | 5,000 | 10% | 5,000 | 10% |

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.

13 Instruments entirely equity in nature

(a) Compulsorily convertible debentures ('CCDs')

| | 31 March 2018 | | 31 March 2017 | | 1 April 2016 | |
|---------------------------------------|---------------|---------------|---------------|----------|--------------|----------|
| | Number | Amount | Number | Amount | Number | Amount |
| Balance at the beginning of the year | - | - | - | - | - | - |
| Issued during the year | 553.00 | 553.00 | - | - | - | - |
| Less: Transaction cost | | (31.52) | | - | | - |
| Balance at the end of the year | 553.00 | 521.48 | - | - | - | - |

(b) Terms and conditions for conversion

The Company has allotted 553 CCDs of ₹1,000,000 each fully paid-up. As per the terms and conditions of the shareholders' agreement, duly read with the modified shareholder agreement dated 26 May 2018 the CCDs don't carry any coupon rate.

All the 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 at the conversion price arrived at based on the formula specified in the shareholders' agreement.



NSPIRA Management Services Private Limited

Summary of significant accounting policies and other explanatory information

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

13 Instruments entirely equity in nature (continued)

(c) Details of debentureholders holding more than 5% debentures in the Company

| | 31 March 2018 | | 31 March 2017 | | 1 April 2016 | |
|-----------------------------------|----------------------|--------------|----------------------|--------------|----------------------|--------------|
| | Number of debentures | % of holding | Number of debentures | % of holding | Number of debentures | % of holding |
| CCDs of ₹1,000,000 each | | | | | | |
| BanyanTree Growth Capital II, LLC | 550 | 99.46% | - | - | - | - |

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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)

14 Other equity

| | As at | | |
|--|-----------------|-----------------|---------------|
| | 31 March 2018 | 31 March 2017 | 1 April 2016 |
| Debenture redemption reserve | | | |
| Balance at the beginning of the year | 1,000.00 | 356.97 | - |
| Add: Transferred from surplus | - | 643.03 | 356.97 |
| Less: Transferred to retained earnings | (110.00) | - | - |
| Balance at the end of the year | 890.00 | 1,000.00 | 356.97 |
| General reserve | | | |
| Balance at the beginning of the year | - | - | - |
| Add: Additions during the year | 110.00 | - | - |
| Balance at the end of the year | 110.00 | - | - |
| Securities premium reserve | | | |
| Balance at the beginning of the year | - | - | - |
| Add: Additions during the year | 2.00 | - | - |
| Balance at the end of the year | 2.00 | - | - |
| Capital reserve on account of business combination | | | |
| Balance at the beginning of the year | 2.47 | 12.62 | - |
| Add: Business combination reserve | - | 62.55 | 12.62 |
| Less: Adjustments* | - | (72.70) | - |
| Balance at the end of the year | 2.47 | 2.47 | 12.62 |
| Retained earnings-Surplus in the statement of profit and loss | | | |
| Balance at the beginning of the year | 227.78 | 86.05 | - |
| Add: Net profit for the year | 1,171.75 | 712.06 | 443.02 |
| Add: Adjustments* | - | 72.70 | - |
| Add: Transfer from debenture redemption reserve | - | - | - |
| Less: Appropriation to Debenture Redemption Reserve | - | (643.03) | (356.97) |
| Balance at the end of the year | 1,399.53 | 227.78 | 86.05 |
| Other comprehensive income | | | |
| (i) Actuarial gain/(loss) on post employment benefits | | | |
| At the beginning of the year | 0.99 | - | - |
| for the year | 1.51 | 0.99 | - |
| At the end of the year | 2.50 | 0.99 | - |
| Total other equity | 2,406.50 | 1,231.24 | 455.64 |

Debenture redemption reserve

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

Securities premium reserve

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

General reserve

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

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 loss pertaining to the coaching business of NLPL which has been consolidated in accordance with Ind As 103 (refer note 39)



NSPIRA Management Services Private Limited

Summary of significant accounting policies and other explanatory information

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

14 Other equity (continued)

Actuarial gain/(loss) on employment benefits

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

15 Borrowings

| | As at | | |
|--|-----------------|-----------------|-----------------|
| | 31 March 2018 | 31 March 2017 | 1 April 2016 |
| Non-current borrowings | | | |
| Secured | | | |
| Debentures | | | |
| 3,560 (31 March 2017: 4,000, 1 April 2016: 4,000) non-convertible debentures of ₹1,000,000 each (refer note a) | 3,779.48 | 4,040.49 | 3,899.78 |
| Term loans from | | | |
| - Banks (refer note b) | 1,250.00 | - | - |
| Vehicle loans from | | | |
| - Banks (refer note c) | 5.99 | 6.16 | 6.83 |
| - Financial institutions (refer note c) | 28.19 | 33.20 | 2.32 |
| Total non-current borrowings | 5,063.66 | 4,079.85 | 3,908.93 |
| Less: Current maturities of long-term borrowings (refer note 18) | 1,319.08 | 451.50 | 2.77 |
| | 3,744.58 | 3,628.35 | 3,906.16 |

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

(i) The Company has outstanding 2,560 (31 March 2017: 3,000, 1 April 2016: 3,000) first series non-convertible debentures and 1,000 (31 March 2017: 1,000, 1 April 2016: 1,000) second series non-convertible debentures (collectively 'NCDs') of the face value of ₹1,000 each on 22 January 2016 to a consortium of investors which are secured, rated, redeemable and transferable.

(ii) 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 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 ('NES').

(iii) The first series NCDs are redeemable in 4 quarterly instalments of ₹110.00 million each beginning from 30 June 2017, 8 quarterly instalments of ₹270.00 million each beginning from 30 June 2018 and a final instalment of ₹400.00 million 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%.

(iv) The first series NCDs have coupon rate of 13.50% per annum (31 March 2017: 13.50% p.a., 1 April 2016: 13.50% p.a.) and the second series NCDs have a coupon rate of 12.00% per annum (31 March 2017: 12.00% p.a., 1 April 2016: 12.00% p.a.) payable on a quarterly basis.

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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)

15 Borrowings (continued)

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

(i) Term loan amounting to ₹1,250.00 million (31 March 2017: ₹Nil, 1 April 2016: ₹Nil) is secured:

(a) primarily by way of demand promissory note and term loan agreement;

(b) by collateral securities on the immovable properties, as specified in the term loan agreement, pertaining to:

- 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 mortgaged

against loans availed by NES; and

(c) corporate guarantee of NES, and personal guarantee of Dr. P. Narayana, Mrs. P. Ramadevi, Mrs. P. Indira, Dr. P. Sindhura, Mr. Puneet Kothapa, and Mrs. P. Sharani.

(ii) Term loan carries an interest at the rate of 0.90% above lenders prime lending rate i.e. 9.35% p.a. (31 March 2017: Nil, 1 April 2016: Nil). Interest rate is floating which is linked to lenders prime lending rate.

(iii) term loan is repayable in 14 equal half yearly instalments commencing from 30 June 2018.

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 8.00% p.a. to 10.51% p.a. (31 March 2017: 8.90% to 10.50% p.a., 1 April 2016: 9.75% to 10.50% p.a.).

d) Maturity profile of long-term borrowings:

| | As at | | |
|-------------------|-----------------|-----------------|-----------------|
| | 31 March 2018 | 31 March 2017 | 1 April 2016 |
| Within 1 year | 1,319.08 | 451.50 | 2.77 |
| 1 - 2 years | 1,315.38 | 1,091.84 | 444.26 |
| 2 - 5 years | 2,295.27 | 2,536.51 | 3,461.91 |
| More than 5 years | 133.93 | - | - |
| | 5,063.66 | 4,079.85 | 3,908.94 |

16 Provisions

| | As at | | |
|---|---------------|---------------|--------------|
| | 31 March 2018 | 31 March 2017 | 1 April 2016 |
| Non-current | | | |
| Provision for employee benefits, unfunded | | | |
| - Gratuity (refer note 24(b)) | 26.76 | 10.42 | 7.27 |
| - Compensated absences (refer note 24(b)) | 3.35 | 1.35 | - |
| Other provisions | 5.26 | - | - |
| | 35.37 | 11.77 | 7.27 |
| Current | | | |
| Provision for employee benefits, unfunded | | | |
| - Compensated absences (refer note 24(b)) | 0.45 | 0.45 | - |
| | 0.45 | 0.45 | - |



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

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

17 Trade payables

(a) Trade payables are non-interest bearing and are normally settled on 0-120 day terms.

(b) There are no micro and small enterprises, as defined under the provisions of the Micro, Small and Medium Enterprises Development Act, 2006 to whom the Company owes dues as at the reporting date (31 March 2017: ₹Nil, 1 April 2016: ₹Nil). The micro and small enterprises have been identified by management on the basis of information available with the Company and have been relied upon by the auditors.

18 Other financial liabilities

| | As at | | |
|--|-----------------|---------------|---------------|
| | 31 March 2018 | 31 March 2017 | 1 April 2016 |
| At amortised cost | | | |
| Current maturities of long-term borrowings (refer note 15) | 1,319.08 | 451.50 | 2.77 |
| Creditors for capital expenditure | 130.77 | 76.88 | 35.47 |
| Creditors for expenses | 113.20 | 21.41 | 12.29 |
| Dues to employees | 245.20 | 128.28 | 79.97 |
| Dues to students | 252.87 | 118.51 | 85.13 |
| Dues to others | 4.50 | - | - |
| Interest accrued but not due | 10.88 | - | - |
| Payable to related parties | 330.92 | 157.67 | 208.83 |
| | 2,407.42 | 954.25 | 424.46 |

19 Other current liabilities

| | As at | | |
|-----------------------|---------------|---------------|--------------|
| | 31 March 2018 | 31 March 2017 | 1 April 2016 |
| Statutory liabilities | 84.91 | 143.13 | 77.41 |
| | 84.91 | 143.13 | 77.41 |

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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)

20 Revenue from operations

| | For the year ended 31 March | |
|--|-----------------------------|-----------------|
| | 2018 | 2017 |
| Revenue from sale of services: | | |
| - Admission support services | 1,632.33 | 1,403.83 |
| - Infrastructure management services | 800.08 | 835.38 |
| - Housekeeping services | 674.77 | 626.35 |
| - Examination support services | 541.10 | 467.47 |
| - Administrative services | 341.13 | 296.08 |
| - Security services | 236.22 | 208.39 |
| - Catering services | 1,407.43 | 1,361.27 |
| - Hostel services | 1,453.41 | - |
| - Coaching fee | 1,071.66 | 944.50 |
| - Vehicle maintenance services | 107.66 | 108.38 |
| - Printing services | 124.74 | 99.56 |
| - Lease of assets (refer note 35) | 195.82 | 124.04 |
| - Academic event management services | 33.08 | 27.03 |
| Sale of stock-in-trade - others | 2,073.56 | 2,038.50 |
| Other operating revenue | | |
| Interest income on deposits with related parties | 335.42 | 265.77 |
| | 11,028.43 | 8,806.55 |

21 Other income

| | For the year ended 31 March | |
|--|-----------------------------|--------------|
| | 2018 | 2017 |
| Interest income on financial assets measured at amortised cost | 41.27 | 9.35 |
| Other non-operating income | | |
| -Dividend income | 0.79 | 13.47 |
| -Miscellaneous income | 39.44 | 8.16 |
| | 81.51 | 30.98 |

22 Purchases of stock-in-trade

| | For the year ended 31 March | |
|-----------------------------|-----------------------------|-----------------|
| | 2018 | 2017 |
| Purchases of stock-in-trade | 2,037.92 | 1,907.93 |
| | 2,037.92 | 1,907.93 |

23 Changes in inventories of stock-in-trade

| | For the year ended 31 March | |
|------------------|-----------------------------|----------------|
| | 2018 | 2017 |
| Opening balance | 325.30 | 268.59 |
| Closing balance* | 417.44 | 325.30 |
| | (92.14) | (56.69) |

* The closing inventory of stock-in-trade as at 31 March 2017 and 1 April 2016 excludes the inventory of the coaching business of NLPL to the tune of ₹ 7.04 millions and ₹47.09 millions, respectively along with the changes in inventories for the year ended 31 March 2017 to the tune of ₹ 40.04 millions.



NSPIRA Management Services Private Limited

Summary of significant accounting policies and other explanatory information

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

24 Employee benefits expense

| | For the year ended 31 March | |
|---|-----------------------------|-----------------|
| | 2018 | 2017 |
| Salaries and wages | 2,680.10 | 2,554.75 |
| Contribution to provident and other funds | 150.23 | 137.44 |
| Staff welfare expenses | 8.16 | - |
| Gratuity and leave encashment expense | 16.94 | 6.46 |
| | 2,855.43 | 2,698.65 |

(a) Defined contribution plan

During the year ended 31 March 2018, the Company has contributed ₹89.53 million (31 March 2017: ₹86.50 million) towards provident fund and ₹60.70 million (31 March 2017: ₹50.94 million) towards Employees' State Insurance.

(b) Defined benefit plan

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

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

| | For the year ended 31 March | |
|--|-----------------------------|-------------|
| | 2018 | 2017 |
| Current service cost | 12.79 | 4.08 |
| Past service cost | - | - |
| Net interest cost | 1.24 | 0.58 |
| Total amount recognised in the statement of profit and loss | 14.03 | 4.66 |

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

| | For the year ended 31 March | |
|--|-----------------------------|-------------|
| | 2018 | 2017 |
| Actuarial gain | 1.51 | 0.99 |
| Total amount recognised in the other comprehensive income | 1.51 | 0.99 |

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

| | As at 31 March | |
|---|----------------|--------------|
| | 2018 | 2017 |
| Present value of defined benefit obligation at beginning of the year | 10.42 | 7.27 |
| Current service cost | 12.79 | 4.08 |
| Past service cost | - | - |
| Interest cost | 1.24 | 0.58 |
| Benefits paid | - | - |
| Re-measurement of actuarial gain on obligation | 2.30 | (1.51) |
| Present value of defined benefit obligation at end of the year | 26.76 | 10.42 |



NSPIRA Management Services Private Limited

Summary of significant accounting policies and other explanatory information

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

24 Employee benefits expense (continued)

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

| | As at 31 March | |
|----------------------------------|----------------|----------|
| | 2018 | 2017 |
| Discount rate | 7.52% | 7.52% |
| Retirement age | 60 years | 60 years |
| Salary escalation | 1.00% | 1.00% |
| Attrition rate | 25.00% | 25.00% |
| Mortality rate (% of IALM 06-08) | 100% | 100% |

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

Impact on defined benefit obligation

| Assumptions | As at 31 March | |
|-----------------------------------|----------------|--------|
| | 2018 | 2017 |
| Sensitivity level | | |
| - Discount rate : 1.00% increase | 19.33 | (0.52) |
| - Discount rate : 1.00% decrease | (23.28) | 0.57 |
| - Future salary : 1.00% increase | 24.34 | 2.00 |
| - Future salary : 1.00% decrease | (18.52) | (1.65) |
| - Attrition rate : 1.00% increase | 18.56 | (0.52) |
| - Attrition rate : 1.00% decrease | - | 0.47 |

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.

- (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.

25 Finance costs

| | For the year ended 31 March | |
|--|-----------------------------|---------------|
| | 2018 | 2017 |
| Interest expense: | | |
| -on financial liabilities measured at amortized cost | 778.79 | 683.93 |
| -on statutory dues | - | 12.68 |
| | 778.79 | 696.61 |



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

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

26 Operating expenses

| | For the year ended 31 March | |
|---|-----------------------------|-----------------|
| | 2018 | 2017 |
| Water charges | 120.47 | 119.97 |
| Security services | 204.29 | 145.26 |
| Power and fuel | 194.76 | 70.37 |
| Expenses for admission support services | 549.58 | 426.27 |
| Repairs and maintenance | | |
| - Building | 642.44 | 497.13 |
| - Electrical equipment | 72.34 | 58.23 |
| - Vehicle | 43.26 | 49.51 |
| - Mess | 95.05 | 69.97 |
| - Others | 94.15 | 48.72 |
| Transportation charges | 140.86 | 108.73 |
| Consultancy charges | 85.85 | 60.70 |
| Communication expenses | 46.56 | 37.26 |
| Functions and celebrations | 88.15 | 59.78 |
| Legal and professional fees | 74.35 | 63.25 |
| Rent expense | 745.09 | 178.62 |
| Printing and stationary | 89.28 | 167.56 |
| Provision for doubtful advances | 20.41 | 48.87 |
| Insurance charges | 14.51 | 1.10 |
| Bank charges | 6.67 | 7.47 |
| Payments to auditor | | |
| - As auditor | 3.00 | 1.10 |
| - Other services | - | - |
| - Out of pocket expense | - | 0.04 |
| Miscellaneous expenses | 9.69 | 39.13 |
| | 3,340.76 | 2,259.04 |

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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)

27 Income taxes

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

| | For the year ended | |
|-------------------------------------|--------------------|---------------|
| | 31 March 2018 | 31 March 2017 |
| Statement of profit and loss | | |
| Current taxes | 727.81 | 471.00 |
| Deferred taxes | (121.95) | (60.20) |
| | 605.86 | 410.80 |

(b) Income tax expense recognised directly in equity

| | For the year ended | |
|---|--------------------|---------------|
| | 31 March 2018 | 31 March 2017 |
| Tax expense recognised in OCI | | |
| Tax effect of remeasurement of post-employment benefit obligation | (0.80) | (0.52) |
| | (0.80) | (0.52) |

(c) Reconciliation of tax expense and the accounting profit multiplied by India's domestic tax rate for 31 March 2018 and 31

| | For the year ended | |
|--|--------------------|-----------------|
| | 31 March 2018 | 31 March 2017 |
| Accounting profit before tax | 1,777.61 | 1,122.86 |
| Add: Adjustment for losses accounted under common control business combination | - | 72.70 |
| Accounting profit before tax after adjustment | 1,777.61 | 1,195.56 |
| At India's statutory income tax rate of 34.608% (31 March 2017: 34.608%) | 615.20 | 413.76 |
| Other adjustments | (9.32) | (2.96) |
| At the effective income tax rates of 34.61% (31 March 2017: 34.61%) | 605.88 | 410.80 |
| Income tax expense reported in the statement of profit and loss | 605.86 | 410.80 |

28 Deferred tax assets / (liabilities), net

| | As at | | |
|---|---------------|---------------|----------------|
| | 31 March 2018 | 31 March 2017 | 1 April 2016 |
| The tax effects of significant temporary differences that resulted in deferred tax assets and liabilities are as follows: | | | |
| Property, plant and equipment | 26.25 | (19.60) | (14.37) |
| Borrowings | 75.96 | 14.01 | (36.80) |
| Fair valuation of security deposits | 2.88 | (0.08) | - |
| Employee benefits | 12.40 | 4.23 | 2.52 |
| Provision for doubtful advances | 7.07 | - | - |
| Others | 12.10 | 16.13 | 3.68 |
| | 136.65 | 14.69 | (44.97) |

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NSPIRA Management Services Private Limited

Summary of significant accounting policies and other explanatory information

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

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

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

| | Property, plant and equipment | Borrowin gs | Fair valuation of security deposits | Provision for doubtful advances | Employee benefits | Others | Total |
|----------------------------|-------------------------------------|----------------|--|--|----------------------|--------------|----------------|
| As at 1 April 2016 | (14.37) | (36.80) | - | - | 2.52 | 3.68 | (44.97) |
| (Charged) / credited | | | | | | | |
| - to profit or loss | (5.22) | 50.81 | (0.08) | - | 2.23 | 12.45 | 60.20 |
| - to OCI | - | - | - | - | (0.52) | - | (0.52) |
| As at 31 March 2017 | (19.59) | 14.01 | (0.08) | - | 4.23 | 16.13 | 14.71 |
| (Charged) / credited | | | | | | | |
| - to profit or loss | 45.84 | 61.95 | 2.96 | 7.07 | 8.17 | (4.03) | 121.94 |
| - to OCI | - | - | - | - | - | - | - |
| As at 31 March 2018 | 26.25 | 75.96 | 2.88 | 7.07 | 12.40 | 12.10 | 136.65 |

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

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

29 Earnings per equity share ('EPES')

Basic EPES is calculated by dividing the profit for the year attributable to equity holders of the parent by the weighted average number of equity shares outstanding during the year.

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

| | For the year ended | |
|---|--------------------|---------------|
| | 31 March 2018 | 31 March 2017 |
| Profit attributable to equity holders | 1,171.75 | 712.06 |
| Weighted average number of equity shares in calculating basic EPES | 50,001 | 50,000 |
| Nominal value per equity share (in absolute ₹) | ₹10 | ₹10 |
| Effect of dilution: | | |
| - Compulsorily convertible debentures | 265 | - |
| Weighted average number of equity shares in computation of diluted EPES | 50,266 | 50,000 |
| Earnings per equity share (EPES) | | |
| Basic EPES (In absolute ₹ terms) | 23,434.54 | 14,241.20 |
| Diluted EPES (In absolute ₹ terms) | 23,310.85 | 14,241.20 |



NSPIRA Management Services Private Limited

Summary of significant accounting policies and other explanatory information

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

30 Fair value hierarchy of financial assets and financial liabilities

| | FVTPL | Amortised cost |
|--------------------------------|--------|----------------|
| As at 31 March 2018 | | |
| Financial assets | | |
| Investments | 16.03 | - |
| Loans | - | 4,762.19 |
| Trade receivables | - | 1,722.14 |
| Cash and cash equivalents | - | 36.66 |
| Bank balances other than above | - | 259.50 |
| Other financial assets | - | 7.48 |
| Financial liabilities | | |
| Borrowings | - | 5,063.66 |
| Trade payables | - | 930.97 |
| Other financial liabilities | - | 1,088.34 |
| As at 31 March 2017 | | |
| Financial assets | | |
| Loans | - | 3,324.09 |
| Trade receivables | - | 1,103.19 |
| Cash and cash equivalents | - | 105.29 |
| Bank balances other than above | - | 132.90 |
| Other financial assets | - | 9.35 |
| Financial liabilities | | |
| Non-current borrowings | - | 4,079.85 |
| Trade payables | - | 786.31 |
| Other financial liabilities | - | 502.75 |
| As at 1 April 2016 | | |
| Financial assets | | |
| Investments | 102.19 | - |
| Loans | - | 3,501.37 |
| Trade receivables | - | 160.44 |
| Cash and cash equivalents | - | 212.92 |
| Bank balances other than above | - | 101.44 |
| Other financial assets | - | 0.76 |
| Financial liabilities | | |
| Borrowings | - | 3,908.93 |
| Trade payables | - | 525.84 |
| Other financial liabilities | - | 421.69 |

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

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Summary of significant accounting policies and other explanatory information

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

30 Fair value measurements (continued)

(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 and not carrying amounts largely due to the short-term maturities of these instruments, and

(ii) In respect of the balance of non-current financial assets and liabilities in the nature of loans and borrowings, the management has assessed the carrying value of these assets and liabilities approximates to the fair value mainly due to the interest rates which are at the market rate or linked to the market rate, as the case maybe.

(iii) In respect of the fair valuation of the long term investments, the management has assessed that the carrying value does approximate the fair value as the investments were made in unrelated entity and at the later period of the year ended 31 March 2018. The management uses a discounted cash flow method method to arrive at the fair value.

31 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, loans and borrowings. The sensitivity analysis in the following sections relate to the position as at 31 March 2018 and 31 March 2017.

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 2018 and 31 March 2017.

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 2018 | 31 March 2017 | 1 April 2016 |
| Variable rate instruments | | | |
| Financial liabilities | 1,250.00 | - | - |

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

| Particulars* | As at | | |
|---|---------------|---------------|--------------|
| | 31 March 2018 | 31 March 2017 | 1 April 2016 |
| Interest rates increase by 100 basis points | 12.50 | - | - |
| Interest rates decrease by 100 basis points | (12.50) | - | - |

* Holding all other variables constant

(b) Credit risk

Credit risk is the risk of loss that may arise on outstanding financial instruments when a counterparty defaults on its obligations. The Company's exposure to credit risk arises primarily from loans extended, security deposits, balances with bankers and trade and other receivables. The Company minimises credit risk by dealing exclusively with high credit rating counterparties. The Company's objective is to seek continual revenue growth while minimising losses incurred due to increased credit risk exposure. The Company trades only with recognised and creditworthy third parties. It is the Company's policy that all customers who wish to trade on credit terms are subject to credit verification procedures.



31 Financial risk management objectives and policies (continued)**Exposure to credit risk:**

At the end of the reporting period, the Company's maximum exposure to credit risk is represented by the carrying amount of each class of financial assets recognised in the statement of financial position. No other financial assets carry a significant exposure to credit risk.

Credit risk concentration profile:

At the end of the reporting period, there were no significant concentrations of credit risk. The maximum exposures to credit risk in relation to each class of recognised financial assets is represented by the carrying amount of each financial assets as indicated in the balance sheet.

Financial assets that are neither past due nor impaired:

None of the Company's cash equivalents, other bank balances, loans, security deposits and other receivables were past due or impaired as at 31 March 2018 and 31 March 2017. Trade and other receivables including loans that are neither past due nor impaired are from creditworthy debtors with good payment record with the Company. Cash and short-term deposits investment securities that are neither past due nor impaired are placed with or entered with reputable banks financial institutions or companies with high credit ratings and no history of default.

Financial assets that are either past due or impaired:

The company doesn't have any significant trade receivables or other financial assets which are either past due or impaired. The Company's exposure to credit risk is influenced mainly by the individual characteristics of each customer. However, the Management also evaluates the factors that may influence the credit risk of its customer base, including the default risk and country in which the customers operate. The management has established a credit policy under which each new customer is analyzed individually for creditworthiness before the Company's standard payment and delivery terms and conditions are offered. The Company's review includes external ratings, if available, financial statements, credit agency information, industry information and in some case bank references. The Company's receivables turnover is quick and historically, there was no significant default on account of trade and other receivables. An impairment analysis is performed at each reporting date on an individual basis for major clients. In addition, a large number of minor receivables are grouped into homogenous groups and assessed for impairment collectively. The Company has used a practical expedient by computing the expected credit loss allowance for trade receivables based on a provision matrix. The provision matrix takes into account historical credit loss experience and is adjusted for forward looking information. The Company evaluates the concentration of risk with respect to trade receivables as low, as its customers are located in several jurisdictions and operate in largely independent markets.

(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 2018 | 31 March 2017 | 1 April 2016 |
| Less than 1 year | | | |
| - Borrowings | 1,319.08 | 451.50 | 2.77 |
| - Trade payables | 930.97 | 786.31 | 525.84 |
| - Other financial liabilities | 1,088.34 | 502.75 | 421.69 |
| 1 to 2 years | | | |
| - Borrowings | 1,315.38 | 1,091.84 | 444.26 |
| 2 to 5 years | | | |
| - Borrowings | 2,295.27 | 2,536.51 | 3,461.91 |
| More than 5 years | | | |
| - Borrowings | 133.93 | - | - |



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

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

32 Capital management

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

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

| | As at | | |
|--|-----------------|-----------------|-----------------|
| | 31 March 2018 | 31 March 2017 | 1 April 2016 |
| Non-current borrowings (note 15) | 5,063.66 | 4,079.85 | 3,908.93 |
| Less: Cash and bank balances (note 10) | (296.16) | (237.29) | (214.36) |
| Net debt | 4,767.50 | 3,842.56 | 3,694.57 |
| Equity | 2,928.47 | 1,231.74 | 456.14 |
| Total capital | 2,928.47 | 1,231.74 | 456.14 |
| Capital and net debt | 7,695.97 | 5,074.30 | 4,150.71 |
| Gearing ratio | 62% | 76% | 89% |

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

No changes were made in the objectives, policies or processes for managing capital during the years ended 31 March 2018 and 31 March 2017.

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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 Commitments

| | As at | | |
|--|---------------|---------------|--------------|
| | 31 March 2018 | 31 March 2017 | 1 April 2016 |
| Estimated amount of contracts amounting to be executed on capital account and not provided for (net of advances) | 153.01 | 20.44 | 16.92 |

34 Contingent liabilities

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

| Financial year | As at | | |
|-------------------------------------|---------------|---------------|--------------|
| | 31 March 2018 | 31 March 2017 | 1 April 2016 |
| 2011-2012 (refer note) | 23.44 | 23.44 | 23.44 |
| 2012-2013 (refer note) | 45.92 | 45.92 | 45.92 |
| 2013-2014 (refer note) | 42.36 | 42.36 | 42.36 |
| 2014-2015 (refer note) | 65.16 | 65.16 | - |
| 2011-2012 to 2014-2015 (refer note) | 37.73 | - | - |

Note: The Company had received various demands from service tax authorities, in respect of its coaching business which is acquired from NLPL, for sums aggregating to ₹214.60 million (31 March 2017: 176.87 million) for the above mentioned financial years. Management has filed necessary appeals against the demands with the Customs, Excise and Service Tax Appellate Tribunal ("CESTAT"), Bangalore, aggregating to ₹176.87 million which are pending for disposal as at balance sheet date and is in the process to file appeal for the balance amount. 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.

35 Leases

(a) As a lessor

The lease income recognised in the Statement of Profit and Loss during the year ended 31 March 2018 is ₹195.82 million (31 March 2017: ₹124.04 million). All the property, plant and equipment owned by the Company were given on lease during the year 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

Operating leases

The Company's significant leasing arrangements are in respect of non-cancellable and cancellable operating leases for premises. Rental expenses under those leases for the year ended 31 March 2018 aggregates to ₹745.09 million (31 March 2017: ₹178.62 million).

The Company's future minimum lease obligations under the operating lease arrangements is as given below:

| | As at | | |
|---|---------------|---------------|--------------|
| | 31 March 2018 | 31 March 2017 | 1 April 2016 |
| Not later than one year | 794.21 | - | - |
| Later than one year and not later than five | 2,320.56 | - | - |
| Later than five years | 2,385.81 | - | - |

Note: As at 31 March 2017, the Company had entered into cancellable certain lease agreement for the lease of premises against which security deposits have already been made. However, as the underlying premises is in the process of being constructed and considering that the arrangements are cancellable, the rental amounts as per the aforesaid arrangements have not been considered for the purposes of the above disclosure.



NSPIRA Management Services Private Limited

Summary of significant accounting policies and other explanatory information

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

36 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 to one customer group 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 2018, the Company has one customer with revenue of ₹7,687.27 million (31 March 2017: ₹5,708.33 million) representing 72% (31 March 2017: 67%) of the total revenue of the Company.

37 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 ('KMP') |
| Ponguru Sindhura | |
| Sambashiva Sastry Kambhampati | |
| Ponguru Sharani | Shareholder with significant influence |
| Ravi Teja Ganta | Relative of the above shareholder |
| Ponguru Indira | Relative of the KMP |
| Ponguru Narayana | |
| Ponguru Ramadevi | |
| Late Nishith Narayana Ponguru (up to 10 May 2017) | |
| Narayana Educational Society | Entities in which a KMP has significant influence |
| Narayana Learning Private Limited | |
| Rama Narayana Education Trust | |
| Narayana Educational Trust | |
| Narayana Education Trust | |
| Greatest Common Factor Private Limited | |

(b) Transactions with related parties

| | For the year ended 31 March | |
|--------------------------------------|-----------------------------|------------|
| | 2018 | 2017 |
| Narayana Educational Society | | |
| Sale of services | 6,147.30 | 4,218.36 |
| Sale of stock in trade | 1,320.93 | 1,310.59 |
| Security deposit given / (repaid) | 1,098.62 | (1,009.40) |
| Interest earned on security deposit | 250.24 | 228.13 |
| Advances given | 1,163.05 | - |
| Reimbursement of security deposits | 467.25 | - |
| Collections made on behalf of Nspira | 1,717.49 | - |
| Narayana Education Trust | | |
| Sale of services | 159.08 | 146.08 |
| Interest earned on security deposit | 22.59 | 22.50 |
| Advances given | 27.50 | - |
| Collections made on behalf of Nspira | 76.13 | - |
| Rama Narayana Education Trust | | |
| Interest earned on security deposit | 2.25 | 2.25 |
| Reimbursement of expenditure | 2.55 | - |
| Collections made on behalf of Nspira | 59.30 | - |



NSPIRA Management Services Private Limited

Summary of significant accounting policies and other explanatory information

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

37 Related party disclosures (continued)

(b) Transactions with related parties (continued)

| | For the year ended 31 March | |
|--|------------------------------------|-------------|
| | 2018 | 2017 |
| Narayana Educational Trust | | |
| Sale of services | 59.97 | 33.30 |
| Security deposit repaid | (2.09) | - |
| Interest earned on security deposit | 9.00 | 9.00 |
| Reimbursement of expenditure | 9.96 | - |
| Collections made on behalf of Nspira | 26.69 | - |
| Narayana Learning Private Limited | | |
| Purchase consideration of coaching business on account of slump sale | 72.50 | - |
| Greatest Common Factor Private Limited | | |
| Advances given | 13.50 | - |
| Puneet Kothapa | | |
| Remuneration | 6.34 | 3.40 |
| Advances given | - | 1.10 |
| Sindhura Ponguru | | |
| Remuneration | 4.58 | 5.00 |
| Rent | 5.85 | - |
| Ponguru Sharani | | |
| Remuneration | 6.88 | 7.60 |
| Rent | 1.13 | - |
| Late Nishith Narayana Ponguru | | |
| Remuneration | 1.88 | 6.35 |
| Ravi Teja Ganta | | |
| Remuneration | 6.88 | 7.60 |
| Ponguru Indira | | |
| Rent | 2.59 | - |
| Ponguru Narayana | | |
| Rent | 20.83 | - |
| Ponguru Ramadevi | | |
| Rent | 18.69 | - |

(c) Balances receivable/(payable)

| | As at 31 March | |
|--|-----------------------|-------------|
| | 2018 | 2017 |
| Narayana Educational Society | 5,119.14 | 2,871.43 |
| Narayana Education Trust | 327.15 | 399.28 |
| Rama Narayana Education Trust | 67.86 | 27.37 |
| Narayana Educational Trust | 116.52 | 164.65 |
| Narayana Learning Private Limited | 84.50 | 607.43 |
| Greatest Common Factor Private Limited | 13.50 | - |
| Puneet Kothapa | 1.10 | 0.85 |
| Ponguru Sindhura | 2.21 | (0.42) |
| Ponguru Sharani | 0.93 | (0.63) |
| Ponguru Ramadevi | 6.72 | - |
| Ponguru Narayana | 3.52 | - |
| Ponguru Indira | 1.58 | - |



NSPIRA Management Services Private Limited

Summary of significant accounting policies and other explanatory information

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

37 Related party disclosures (continued)

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

38 Corporate Social Responsibility

| | For the year ended 31 March | |
|---|-----------------------------|------|
| | 2018 | 2017 |
| Total amount to be spent for the financial year | 11.45 | 7.14 |
| Amount spent during the year | 14.50 | - |
| Amount unspent | - | 7.14 |

39 Business combination under common control

Pursuant to a slump sale arrangement between the Company and Narayana Learning Private Limited (NLPL), the coaching business of NLPL together with identified assets and liabilities pertaining to the said business activity has been sold to the Company on a slump sale basis with an effective date of 1 April 2017. Further, as the said transfer of business meets the criteria set for common control business combination in accordance with the principles of IND AS 103 - Business Combinations, the comparative information as at and for the year ended 31 March 2017 and as at 1 April 2016 have been restated.

The additions of the assets, liabilities, Income and expenditure of the said coaching business are as follows:

Assets and liabilities:

| | 31 March 2017 | 1 April 2016 |
|---|---------------|---------------|
| Assets | | |
| Non-current assets | | |
| Property, plant and equipment | 166.76 | 105.53 |
| Intangible assets | 42.82 | 54.73 |
| Financial assets | | |
| - Loans | 116.38 | 52.11 |
| - other financial assets | 0.90 | - |
| Other non-current assets | 12.26 | 6.50 |
| Total non-current assets | 339.12 | 218.87 |
| Current assets | | |
| Inventories | 7.04 | 47.09 |
| Financial assets | | |
| - Trade receivables | 26.04 | 20.52 |
| - Bank balances other than above | | 1.44 |
| - Loans | 8.81 | 2.69 |
| Other current assets | 27.27 | 31.96 |
| Total current assets | 69.16 | 103.70 |
| Total Assets | 408.28 | 322.57 |
| Liabilities | | |
| Current liabilities | | |
| Financial liabilities | | |
| - Trade payables | 132.96 | 30.08 |
| - Other financial liabilities | 200.36 | 279.89 |
| Total current liabilities | 333.32 | 309.97 |
| Total liabilities | 333.32 | 309.97 |
| Net assets taken over on account of slump sale | 74.96 | 12.60 |
| Less: Consideration paid on account of slump sale | 72.50 | - |
| Business combination reserve | 2.46 | - |



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

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

39 Business combination under common control (continued)**Income and expenditure:**

| | 31 March 2017 |
|---------------------------------------|----------------------|
| Revenue from operations | 1,214.68 |
| Other income | 0.14 |
| Total income | 1,214.82 |
| Expenses | |
| Employee benefits expense | 437.97 |
| Finance costs | 16.33 |
| Depreciation and amortization expense | 31.67 |
| Other expenses | 801.55 |
| Total expense | 1,287.52 |
| Loss for the year | (72.70) |

40 First-time adoption of Ind AS

These financial statements, for the year ended 31 March 2018, are the first the Company has prepared in accordance with Ind AS. For periods up to and including the year ended 31 March 2017, the Company prepared its financial statements in accordance with accounting standards notified under section 133 of the Companies Act 2013, read together with Rule 7 of the Companies (Accounts) Rules, 2014 (Indian GAAP).

Accordingly, the Company has prepared financial statements which comply with Ind AS applicable for periods ending on 31 March 2018, together with the comparative period data as at and for the year ended 31 March 2017, as described in the summary of significant accounting policies. In preparing these financial statements, the Company's opening balance sheet was prepared as at 1 April 2016, the Company's date of transition to Ind AS.

A. Optional exemptions applied

Ind AS 101 allows first-time adopters certain exemptions from the retrospective application of certain requirements under Ind AS. The Company has applied the following exemptions:

(i) Deemed cost

Ind AS 101 permits first time adopter to elect to continue with the carrying value for all its property, plant and equipment as recognised in the financial statements as at the date of transition to Ind AS, measured as per previous GAAP and use that as its deemed cost as at the date of transition to Ind AS, after making necessary adjustments for de-commissioning liabilities. This exemption can also be used for intangible assets covered by Ind AS 38 Intangible Assets. Accordingly, the Company has elected to measure all of its property, plant and equipment and its intangible assets at their previous GAAP carrying value.

B. Mandatory exceptions**(i) Estimates**

The estimates as at 1 April 2016 are consistent with those made for the same dates in accordance with Indian GAAP (after adjustments to reflect any differences in accounting policies) apart from impairment of financial assets based on expected credit loss model where application of Indian GAAP did not require estimation. The estimates used by the Company to present these amounts in accordance with Ind AS reflect conditions at 1 April 2016 (transition date) and 31 March 2017.



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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)

C. Reconciliation of total comprehensive income for the year ended 31 March 2017

| | Note | Year ended 31 March 2017 |
|---|------|-----------------------------|
| Net profit after tax reported as per previous GAAP | | 762.41 |
| Adjustments: | | |
| Adjustment on account of accounting for common control business combination in accordance with Ind AS 103 | 39 | (72.70) |
| Impact on account of computation of interest cost as per effective interest method | 3 | 34.01 |
| Recognition of rental expenses at fair value | 2 | (0.95) |
| Interest income on rental security deposit | 2 | 0.73 |
| Deferred tax benefit / (charge) on account of Ind AS adjustments | 1 | (9.46) |
| Net profit as per Ind As | | 714.03 |
| Other comprehensive income | 6 | 0.99 |
| Total comprehensive income as per Ind As | | 713.05 |

D. Reconciliation of total equity as at 31 March 2017 and 1 April 2016

| | Note | As at | |
|---|------|-----------------|---------------|
| | | 31 March 2017 | 1 April 2016 |
| Total equity (shareholder's funds) as per Previous GAAP | | 1,119.88 | 357.47 |
| Adjustments: | | | |
| Impact on account of computation of interest cost as per effective interest method | 3 | 167.74 | 133.73 |
| Recognition of rental expenses at fair value | 2 | (0.95) | - |
| Interest income on rental security deposit | 2 | 0.72 | - |
| Deferred tax charge on account of Ind AS adjustments | 1 | (58.12) | (47.68) |
| Total adjustments | | 109.39 | 86.05 |
| Other equity as per Ind AS | | 1,229.27 | 443.52 |
| Add: Adjustment for the effects of accounting for common control business combination | 39 | 2.47 | 12.62 |
| Total equity as per Ind AS | | 1,231.74 | 456.14 |

D. Notes to first-time adoption:

(1) Deferred tax

Indian GAAP requires deferred tax accounting using the income statement approach, which focuses on differences between taxable profits and accounting profits for the period. Ind AS 12 requires entities to account for deferred taxes using the balance sheet approach, which focuses on temporary differences between the carrying amount of an asset or liability in the balance sheet and its tax base. The application of Ind AS 12 approach has resulted in recognition of deferred tax on new temporary differences which was not required under Indian GAAP. In addition, the various transitional adjustments lead to temporary differences. According to the accounting policies, the Company has to account for such differences. Deferred tax adjustments are recognised in correlation to the underlying transaction. The net impact on deferred tax liabilities as at 31 March 2017 aggregating to ₹58.12 million (1 April 2016: ₹47.68 million).

(2) Security deposit

Ind AS requires all financial assets and financial liabilities to be measured at fair value and accordingly security deposit for use of premises given to subsidiary is recorded at fair value on transition to Ind AS. On transition to Ind AS security deposit is derecognised to the extent of ₹5.36 million with a corresponding increase in prepaid expenses and reduction in retained earnings to the tune of ₹5.13 million and ₹0.23 million. For the year ended 31 March 2017 rental expense is increased by ₹0.95 million with a corresponding effect on prepaid expenses and interest income is increase to the tune of ₹0.72 million with a corresponding effect on security deposits.



NSPIRA Management Services Private Limited

Summary of significant accounting policies and other explanatory information

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

(3) Borrowings and provisions (premium on redemption of debentures)

Ind AS 109 requires transaction costs incurred towards origination of borrowings to be deducted from the carrying amount of borrowings on initial recognition. These costs are recognised in the statement of profit and loss over the tenure of the borrowing as part of the interest expense by applying the effective interest rate ('EIR') method. Under Indian GAAP, these transaction costs incurred in connection with borrowings are amortised and charged to profit or loss thereon over the period of borrowings.

Further under Indian GAAP, the Company charged premium on redemption of debentures to Statement of Profit or Loss with a corresponding provision created in Balance Sheet. whereas under Ind AS, the same is considered in the aforesaid EIR computation.

Accordingly, borrowings as at 31 March 2017 have been increased by ₹40.49 million (reduced by ₹100.22 million as at 1 April 2016) and premium on redemption of debentures as at 31 March 2017 is reduced by ₹208.23 million (1 April 2016: ₹33.51 million) with a corresponding adjustment to interest cost which has been reduced by ₹34.01 million for the year ended 31 March 2017 (1 April 2016: ₹ 8.2 million) with the balance adjustment given to retained earnings.

(4) Defined benefit liabilities

Both under Indian GAAP and Ind AS, the Company recognised costs related to its post-employment defined benefit plan on an actuarial basis. Under Indian GAAP, the entire cost, including actuarial gains and losses, are charged to profit or loss. Under Ind AS, remeasurements comprising of actuarial gains and losses are recognised immediately in the balance sheet with a corresponding debit or credit to retained earnings through OCI. Thus, the employee benefit is increased by ₹1.51 million (corresponding tax impact of ₹0.52 million) and remeasurement gains/ losses on defined benefit plans has been recognised in the OCI net of tax.

(5) Retained earnings

Retained earnings as at 1 April 2016 has been adjusted consequent to the above Ind AS transition adjustments.

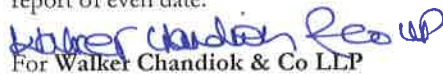
(6) Other comprehensive income

Under Ind AS, all items of income recognised in a period should be included in profit or loss for the period, unless a standard requires or permits otherwise. Items of income and expense that are not recognised in profit or loss but are shown in the statement of profit and loss as 'other comprehensive income' includes remeasurements of defined benefit plans. The concept of other comprehensive income did not exist under previous GAAP.

(7) Statement of cash flows

The transition from Indian GAAP to Ind AS has not had a material impact on the statement of cash flows subject to accounting of business combination under common control as per Ind AS.

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


For Walker Chandiook & Co LLP

Chartered Accountants


per Sanjay Kumar Jain
Partner





Place: Hyderabad
Date: 30 May 2018

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 Executive Director
DIN: 03642199


Jitendra Sharma
Company secretary
Place: Hyderabad
Date: 30 May 2018