

NSPIRA Management Services Private Limited

Financial Statements and Independent Auditor's Report

For the year ended and as at 31 March 2021

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Independent Auditor's Report

To the Members of NSPIRA Management Services Private Limited

Report on the Audit of the Financial Statements

Opinion

1. We have audited the accompanying financial statements of **NSPIRA Management Services Private Limited** ('the Company'), which comprise the Balance Sheet as at 31 March 2021, the Statement of Profit and Loss (including Other Comprehensive Income), the Cash Flow Statement and the Statement of Changes in Equity for the year then ended, and a summary of the significant accounting policies and other explanatory information.
2. In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Companies Act, 2013 ('Act') in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India including Indian Accounting Standards ('Ind AS') specified under section 133 of the Act, of the state of affairs of the Company as at 31 March 2021, and its profit (including other comprehensive income), its cash flows and the changes in equity for the year ended on that date.

Basis for Opinion

3. We conducted our audit in accordance with the Standards on Auditing specified under section 143(10) of the Act. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India ('ICAI') together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.



Chartered Accountants

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

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

Emphasis of Matter – Covid 19

4. We draw attention to note 39 of the accompanying financial statements, which describes the uncertainties due to the outbreak of Covid-19 pandemic and the management's evaluation of its impact on the accompanying financial statements and operations of the Company as at the balance sheet date the extent of which is significantly dependent on future developments as they evolve. Our opinion is not modified in respect of this matter.

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

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

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

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

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

9. Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Standards on Auditing will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.



10. As part of an audit in accordance with Standards on Auditing, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls;
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management;
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern;
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

11. We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Report on Other Legal and Regulatory Requirements

12. Based on our audit, we report that the provisions of section 197 read with Schedule V to the Act are not applicable to the Company since the Company is not a public company as defined under section 2(71) of the Act. Accordingly, reporting under section 197(16) is not applicable.

13. As required by the Companies (Auditor's Report) Order, 2016 ('the Order') issued by the Central Government of India in terms of section 143(11) of the Act, we give in the Annexure A a statement on the matters specified in paragraphs 3 and 4 of the Order.

14. Further to our comments in Annexure A, as required by section 143(3) of the Act, based on our audit, we report, to the extent applicable, that:

- a) we have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit of the accompanying financial statements;
- b) in our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;

c) the financial statements dealt with by this report are in agreement with the books of account;



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- d) in our opinion, the aforesaid financial statements comply with Ind AS specified under section 133 of the Act;
- e) on the basis of the written representations received from the directors and taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2021 from being appointed as a director in terms of section 164(2) of the Act;
- f) we have also audited the internal financial controls with reference to financial statements of the Company as on 31 March 2021 in conjunction with our audit of the financial statements of the Company for the year ended on that date and our report dated 28 September 2021 as per Annexure B expressed unmodified opinion; and
- g) with respect to the other matters to be included in the Auditor's Report in accordance with rule 11 of the Companies (Audit and Auditors) Rules, 2014 (as amended), in our opinion and to the best of our information and according to the explanations given to us:
 - i. the Company, as detailed in note 34 to the financial statements, has disclosed the impact of pending litigations on its financial position as at 31 March 2021;
 - ii. the Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses as at 31 March 2021;
 - iii. there were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company during the year ended 31 March 2021; and
 - iv. the disclosure requirements relating to holdings as well as dealings in specified bank notes were applicable for the period from 8 November 2016 to 30 December 2016, which are not relevant to these financial statements. Hence, reporting under this clause is not applicable.

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


Sanjay Kumar Jain
Partner

Membership No.: 207660
UDIN: 21207660AAAAFW4940



Place: Hyderabad
Date: 28 September 2021

Annexure A to Independent Auditor's report of even date to the members of NSPIRA Management Services Private Limited on the financial statements for the year ended 31 March 2021

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

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

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Annexure A to Independent Auditor's report of even date to the members of NSPIRA Management Services Private Limited on the financial statements for the year ended 31 March 2021

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

Name of the statute	Nature of the dues	Amount (₹ in millions)	Period to which the amount relates	Due Date	Date of Payment	Remarks, if any
The Employee's provident fund and Miscellaneous provisions act, 1952	Provident fund contribution	3.30	2019-20	Various dates	Not yet paid	Nil
The Employees state insurance (ESI) act, 1948	ESI Contribution	1.92	2019-20	Various dates	Not yet paid	Nil
		0.93	2020-21	Various dates	Not yet paid	Nil
Professional Tax Governed by state governments	Professional Tax	4.05	2019-20	Various dates	Not yet paid	Nil
		0.78	2020-21	Various dates	Not yet paid	Nil

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

Statement of Disputed Dues

Name of the statute	Nature of dues	Amount (₹ in millions)	Amount paid under Protest (₹ in millions)	Period to which the amount relates	Forum where dispute is pending	Remarks, if any
Finance act, 1994	Service Tax	23.44	-	2011-12	Customs, Excise and Service Tax Appellate Tribunal ("CESTAT"), Bangalore	Nil
		45.92	3.44	2012-13		Nil
		42.36	2.89	2013-14		Nil
		65.16	2.01	2014-15		Nil
		37.73	2.83	2011-12 to 2015-16		Nil
		23.02	1.73	2015-16 to 2016-17	CESTAT, Guntur	Nil
Goods and Services Tax Act, 2017	Goods and Services Tax (GST)	615.53	61.6	June 2018 to August 2019	High Court of Andhra Pradesh	Nil



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Annexure A to Independent Auditor's report of even date to the members of NSPIRA Management Services Private Limited on the financial statements for the year ended 31 March 2021

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

For Walker Chandiok & Co LLP

Chartered Accountants

Firm's Registration No.: 001076N/N500013



Sanjay Kumar Jain

Partner

Membership No.: 207660

UDIN: 21207660AAAAFW4940



Place: Hyderabad

Date: 28 September 2021

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

1. In conjunction with our audit of the financial statements of NSPIRA Management Services Private Limited ('the Company') as at and for the year ended 31 March 2021, we have audited the internal financial controls with reference to financial statements of the Company as at that date.

Responsibilities of Management for Internal Financial Controls

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

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

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

Meaning of Internal Financial Controls with Reference to Financial Statements

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



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

provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the Company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls with Reference to Financial Statements

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

Opinion

8. In our opinion, the Company has, in all material respects, adequate internal financial controls with reference to financial statements and such controls were operating effectively as at 31 March 2021, based on internal financial controls with reference to financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note issued by ICAI.

For Walker Chandiok & Co LLP

Chartered Accountants

Firm's Registration No.: 001076N/N500013


Sanjay Kumar Jain

Partner

Membership No.: 207660

UDIN: 21207660AAAAFW4940



Place: Hyderabad

Date: 28 September 2021

NSPIRA Management Services Private Limited
Balance Sheet as at 31 March 2021
(All amounts in ₹ in millions, unless otherwise stated)

	Notes	As at	
		31 March 2021	31 March 2020
ASSETS			
(1) Non-current assets			
(a) Property, plant and equipment	3(a)	2,922.84	3,245.39
(b) Right-of-use assets	3(b)	5,913.84	6,564.99
(c) Other intangible assets	4 (a)	51.60	100.24
(d) Intangible assets under development	4 (b)	190.97	160.18
(e) Financial assets			
(i) Investments	5	-	-
(ii) Loans	6	1,452.68	1,476.92
(iii) Other financial assets	11	40.17	-
(f) Deferred tax assets (net)	28	589.41	420.88
(g) Other non-current assets	7	2,852.93	2,902.10
(h) Non-current tax assets (net)		-	3.32
Total non-current assets		14,014.44	14,874.02
(2) Current assets			
(a) Inventories	8	132.10	293.33
(b) Financial assets			
(i) Investments	5	1,455.52	-
(ii) Trade receivables	9	3,968.04	3,803.91
(iii) Cash and cash equivalents	10	726.08	625.25
(iv) Bank balances other than (iii) above	10	1.00	52.49
(v) Loans	6	323.28	70.85
(c) Other current assets	7	379.17	317.54
Total current assets		6,985.19	5,163.37
Total Assets		20,999.63	20,037.39
EQUITY AND LIABILITIES			
Equity			
(a) Equity Share Capital	12	3,501.20	3,501.20
(b) Instruments entirely equity in nature	13	1,516.69	1,516.69
(c) Other Equity	14	5,218.09	4,680.11
Total equity		10,235.98	9,698.00
LIABILITIES			
Non-current liabilities			
(a) Financial liabilities			
(i) Borrowings	15	1,632.40	1,671.18
(ii) Lease liabilities	3(c)	5,799.73	6,076.39
(iii) Other financial liabilities	17	25.65	17.47
(b) Provisions	16	142.03	107.94
Total non-current liabilities		7,599.81	7,872.98



NSPIRA Management Services Private Limited
Balance Sheet as at 31 March 2021
(All amounts in ₹ in millions, unless otherwise stated)

	Notes	As at	
		31 March 2021	31 March 2020
Current liabilities			
(a) Financial liabilities			
(i) Trade payables			
-total outstanding dues of micro enterprises and small enterprises	38	-	-
-total outstanding dues of creditors other than micro enterprises and small enterprises		507.28	671.97
(ii) Other financial liabilities	17	2,246.80	1,466.90
(b) Other current liabilities	18	249.45	317.20
(c) Provisions	16	8.92	10.34
(d) Current tax liabilities (net)		151.39	-
Total current liabilities		3,163.84	2,466.41
Total Equity and Liabilities		20,999.63	20,037.39

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

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

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

Sanjay Kumar Jain
Partner
Membership No.: 207660



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

Puneet Kothapa
Managing Director & CEO
DIN: 06909621

Sindhura Ponguru
Director
DIN: 02755981

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

Rajani Panamgipalli
Company Secretary
Membership No.: A30933

Place: Hyderabad
Date: 28 September 2021

Place: Hyderabad
Date: 28 September 2021



NSPIRA Management Services Private Limited
Statement of Profit and Loss for the year ended 31 March 2021
(All amounts in ₹ in millions, except earnings per equity share)

	Notes	For the year ended	
		31 March 2021	31 March 2020
Revenue from operations	19	8,545.73	13,997.19
Other income	20	229.11	309.64
Total income		8,774.84	14,306.83
Expenses			
Purchases of stock-in-trade	21	853.67	2,274.55
Changes in inventories of stock-in-trade	22	161.23	102.29
Employee benefits expense	23	1,977.80	3,377.37
Finance costs	24	967.92	960.21
Depreciation and amortization expenses	25	1,859.02	1,812.21
Other expenses	26	2,184.43	4,074.79
Total expenses		8,004.07	12,601.42
Profit before tax		770.77	1,705.41
Tax expense:			
(a) Current tax	27	397.05	735.75
(b) Deferred tax benefit		(168.53)	(261.79)
Income tax expense, net		228.52	473.96
Profit for the year		542.25	1,231.45
Other comprehensive income			
Items that will not be reclassified to profit or loss, including its income tax effects		(4.27)	(34.13)
Other comprehensive loss, net of tax		(4.27)	(34.13)
Total comprehensive income for the year		537.98	1,197.32
Earnings per equity share (EPES)			
Basic EPES (In absolute ₹ terms)	29	1.25	2.83
Diluted EPES (In absolute ₹ terms)		1.25	2.83

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

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

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

Sanjay Kumar Jain
Partner
Membership No.: 207660



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

Puneet Kothapa
Managing Director & CEO
DIN: 06909621

Sindhura Ponguru
Director
DIN: 02755981

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

Rajani Panamgipalli
Company Secretary
Membership No.: A30933

Place: Hyderabad
Date: 28 September 2021

Place: Hyderabad
Date: 28 September 2021



NSPIRA Management Services Private Limited
Statement of Changes in Equity for the year ended 31 March 2021
(All amounts in ₹ in millions, except number of shares and debentures)

(a) Equity share capital

	Number	Amount
Equity shares of ₹10 each issued, subscribed and fully paid up*		
As at 1 April 2019	350,120,011	3,501.20
Issued during the year	-	-
As at 31 March 2020	350,120,011	3,501.20
Issued during the year	-	-
As at 31 March 2021	350,120,011	3,501.20

*Including Series-B equity share of ₹10 each

(b) Instruments entirely equity in nature

	Compulsorily Convertible Debentures		Compulsorily Convertible Preference Shares		Total
	Number	Amount	Number	Amount	Amount
As at 1 April 2019	553	521.48	450,710	995.21	1,516.69
Issued during the year	-	-	-	-	-
As at 31 March 2020	553	521.48	450,710	995.21	1,516.69
Issued during the year	-	-	-	-	-
As at 31 March 2021	553	521.48	450,710	995.21	1,516.69

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NSPIRA Management Services Private Limited

Statement of Changes in Equity for the year ended 31 March 2021

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

(c) Other Equity

	Reserves and Surplus				Other comprehensive Income	Total
	Retained earnings- Surplus in the statement of profit and loss	Business combination reserve	Debenture redemption reserve	General reserve	Actuarial gains / (losses) on measurement of employee benefits	
Balance as at 1 April 2019	2,609.56	2.47	-	884.02	(13.26)	3,482.79
Profit for the year	1,231.45	-	-	-	-	1,231.45
Other Comprehensive loss for the year	-	-	-	-	(34.13)	(34.13)
Balance as at 31 March 2020	3,841.01	2.47	-	884.02	(47.39)	4,680.11
Profit for the year	542.25	-	-	-	-	542.25
Transfers during the year (refer note 14)	-	-	140.00	(140.00)	-	-
Other Comprehensive loss for the year	-	-	-	-	(4.27)	(4.27)
Balance as at 31 March 2021	4,383.26	2.47	140.00	744.02	(51.66)	5,218.09

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

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

For **Walker Chandiok & Co LLP**

Chartered Accountants

Firm's Registration No.: 001076N/N500013

Sanjay Kumar Jain

Partner

Membership No.: 207660



For and on behalf of the Board of Directors of

NSPIRA Management Services Private Limited

Puneet Kothapa

Managing Director & CEO

DIN: 06909621

Sambashiva Sastry Kambhampati

Chief Financial Officer

and Whole time Director

DIN:03642199

Place: Hyderabad

Date: 28 September 2021

Sindhura Ponguru

Director

DIN: 02755981

Rajani Panamgipalli

Company Secretary

Membership No.:A30933



Place: Hyderabad

Date: 28 September 2021



NSPIRA Management Services Private Limited
Statement of Cash Flows for the year ended 31 March 2021
(All amounts in ₹ in millions, unless otherwise stated)

	For the year ended	
	31 March 2021	31 March 2020
Cash flow from operating activities		
Profit before tax	770.77	1,705.41
Adjustments to reconcile profit before tax to net cash flows:		
- Depreciation and amortization expense	1,859.02	1,812.22
- Impairment of Property, plant and equipment	17.66	73.18
- Interest income from financial assets measured at amortised cost		
- on fixed deposits with banks	(2.05)	(4.30)
- on other financial assets	(181.50)	(122.90)
- Dividend income	(0.60)	(39.82)
- Interest expense on lease liabilities	677.90	649.72
- Interest expense on statutory dues	23.00	19.39
- Interest expense on borrowings	267.02	291.10
- Bad debts written off	-	60.95
- Provision for doubtful advances	92.72	320.41
- Increase in fair value of investments	(5.01)	-
- Provision for employee benefits	28.40	28.39
- Impairment of Investments	-	16.03
- Liabilities no longer required written back	(33.83)	(108.00)
Adjustments for working capital :		
(Increase) / decrease in loans	(86.90)	1,943.00
Increase in other assets	(361.28)	(2,308.86)
Decrease in inventories	161.23	102.29
(Increase)/decrease in trade receivables	(183.58)	658.99
Decrease in trade payables	(164.69)	(261.39)
Increase in other financial liabilities	75.81	69.40
(Decrease) /increase in other current liabilities	(67.75)	17.02
Cash generated from operations	2,886.34	4,922.23
Income taxes paid	(242.34)	(800.13)
Net cash flows generated from operating activities	2,644.00	4,122.10
Cash flow from investing activities		
Purchase of property, plant and equipment and intangible assets	(312.24)	(1,583.80)
Interest received	30.57	4.30
Movement in bank deposits with maturity more than 3 months	11.32	-
Payment towards right-of-use assets	(74.97)	-
Loans/advances given to related parties	(5,469.60)	(1,137.06)
Loans repaid by related parties	5,435.74	1,137.06
Investments in mutual funds	(1,449.91)	(7,759.11)
Redemption of mutual funds	-	7,798.92
Net cash used in investing activities	(1,829.10)	(1,539.69)



NSPIRA Management Services Private Limited
Statement of Cash Flows for the year ended 31 March 2021
(All amounts in ₹ in millions, unless otherwise stated)

	For the year ended	
	31 March 2021	31 March 2020
Cash flow from financing activities		
Proceeds from issue of Non- convertible debentures, net of transaction costs	1,365.18	-
Repayment of long-term-borrowings	(1,226.78)	(707.32)
Proceeds from long-term-borrowings	3.80	24.87
Payment of lease liabilities	-	(372.39)
Interest paid	(856.27)	(960.21)
Net cash flows used in financing activities	(714.07)	(2,015.05)
Net increase in cash and cash equivalents	100.83	567.36
Cash and cash equivalents at the beginning of the year	625.25	57.89
Cash and cash equivalents at the end of the year (refer note 1)	726.08	625.25

	As at	
	31 March 2021	31 March 2020


Note 1:

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

Balances with banks		
- On current accounts	671.48	579.14
Cash on hand	54.60	46.11
	726.08	625.25

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

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

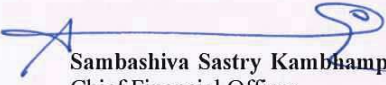

Sanjay Kumar Jain
Partner
Membership No.: 207660



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


Puneet Kothapa
Managing Director & CEO
DIN: 06909621


Sindhura Ponguru
Director
DIN: 02755981


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


Rajani Panamgipalli
Company Secretary
Membership No.: A30933

Place: Hyderabad
Date: 28 September 2021

Place: Hyderabad
Date: 28 September 2021



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

1. Company Overview

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

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

These financial statements were approved by the Board of Directors and authorized for issue on 28 September 2021.

2. Summary of significant accounting policies:

(a) Basis of preparation of financial statements

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

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

(b) Use of estimate

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

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

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

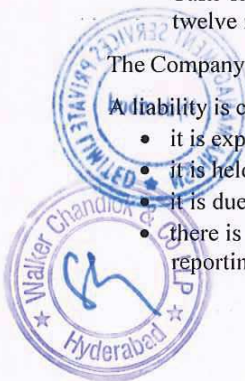
The Company presents assets and liabilities in the balance sheet based on current/ non-current classification. An asset is treated as current when it is:

- Expected to be realized or intended to be sold or consumed in normal operating cycle,
- Held primarily for the purpose of trading,
- Expected to be realized within twelve months after the reporting period, or
- Cash or cash equivalent unless restricted, from being exchanged or used to settle a liability for at least twelve months after the reporting period.

The Company classifies all other assets as non-current.

A liability is current when:

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



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

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

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

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

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



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)

(f) Intangible assets

Intangible assets are measured on initial recognition at cost. Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and accumulated impairment losses. Gains or losses arising from derecognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the Statement of Profit and Loss when the asset is derecognised.

Research and development cost

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

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

Amortization of intangible assets

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

Particulars	Useful life
Trade mark, non-compete fees and other intangible assets	10 Years
N-Learn Application	3 Years
Software	5 Years

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

(g) Impairment of non-financial assets

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

(h) Financial instruments

Financial instruments

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



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)

Financial assets

Initial recognition and measurement

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

Subsequent measurement

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

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

Debt instruments at amortised cost

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

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

After initial measurement, financial assets are subsequently measured at amortised cost using the effective interest rate (EIR) method. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included in finance income in the profit or loss. The losses arising from impairment are recognised in the Statement of Profit and Loss.

Equity instruments measured at FVTPL

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

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.



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)

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

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

Impairment of financial assets

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

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

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

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:



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)

Loans and borrowings

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

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

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

Trade and other payables

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

De-recognition

A financial liability is de-recognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the Statement of Profit and Loss.

Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the balance sheet if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

(i) Taxes

Tax expense comprises of current and deferred tax.

i) Current income tax

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

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

ii) Deferred tax

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

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



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 carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient future taxable profit will be available to allow all or part of the deferred tax asset to be utilized. Unrecognized deferred tax assets are re-assessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered. Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realized or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

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

(j) Inventories

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

(k) Borrowing costs

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

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

(l) Provisions and contingencies

Provisions

A provision is recognised when the Company has a present obligation (legal or constructive) as a result of past event i.e., it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

Contingencies

Contingent liability is disclosed for:

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

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



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) Revenue recognition

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

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

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

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

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

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

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

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

Sale of stock-in-trade

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

Revenue from coaching services

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

Revenue from hostel services

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

Revenue from other services

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

Dividend

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



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

2. Summary of significant accounting policies (continued)

Interest

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

(n) Earnings per equity share

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

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

(o) Retirement and other employee benefits

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

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

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

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

(p) Lease

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

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

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



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)

(q) Cash flow statement

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

(r) Segment reporting

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

(s) Significant accounting judgements, estimates and assumptions

The preparation of the Company's financial statements requires the management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the accompanying disclosures, and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods. The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below:

Judgements, estimates and assumptions

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

Leases

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

Deferred income taxes

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

Research and development costs

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

Useful lives of various assets

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



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)

Current income taxes

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

Accounting for defined benefit plans

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

Impairment

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

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

Trade Receivables

Refer note 2(h) for details of assessment of realisability of trade receivables.

Impact of COVID-19

Refer note 39 for details of assessment and impact of COVID-19 on the operations of the Company.

Contingent liabilities and pending litigations

Refer note 34 for details of assessment and impact of contingent liabilities and litigations on the Company.

2.1 Recent pronouncements

On 24 March 2021, the Ministry of Corporate Affairs ("MCA") through a notification, amended Schedule III of the Companies Act, 2013. The amendments revise Division I, II and III of Schedule III and are applicable from 1 April 2021. Key amendments relating to Division II which relate to companies whose financial statements are required to comply with Companies (Indian Accounting Standards) Rules 2015 are:

Balance Sheet:

- Lease liabilities should be separately disclosed under the head 'financial liabilities', duly distinguished as current or non-current.
- Certain additional disclosures in the statement of changes in equity such as changes in equity share capital due to prior period errors and restated balances at the beginning of the current reporting period.
- Specified format for disclosure of shareholding of promoters.
- Specified format for ageing schedule of trade receivables, trade payables, capital work-in-progress and intangible asset under development.
- If a Company has not used funds for the specific purpose for which it was borrowed from banks and financial institutions, then disclosure of details of where it has been used.



NSPIRA Management Services Private Limited

Summary of the significant accounting policies and other explanatory information

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

- f) Specific disclosure under 'additional regulatory requirement' such as compliance with approved schemes of arrangements, compliance with number of layers of companies, title deeds of immovable property not held in name of Company, loans and advances to promoters, directors, key managerial personnel (KMP) and related parties, details of benami property held etc.

Statement of profit and loss:

- a) Additional disclosures relating to Corporate Social Responsibility (CSR), undisclosed income and crypto or virtual currency specified under the head 'additional information' in the notes forming part of the financial statements.
- b) The amendments are extensive and the Company will evaluate the same to give effect to them as required by law.



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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 (a) Property, plant and equipment

	Office equipment	Computers and data processing units	Electrical installations and equipment	Furniture and fixtures	Kitchen equipment	Teaching aid and equipment	Vehicles	Leasehold improvements	Total
Gross block (refer note (i))									
As at 1 April 2019	985.33	292.97	235.39	1,549.08	84.17	65.07	86.75	710.66	4,009.42
Additions during the year	252.15	99.36	59.88	476.29	19.89	60.86	22.12	150.40	1,140.95
Impairment during the year**	-	-	-	-	-	-	-	89.58	89.58
As at 31 March 2020	1,237.48	392.33	295.27	2,025.37	104.06	125.93	108.87	771.48	5,060.79
Additions during the year	42.51	35.77	26.05	134.19	6.23	4.55	1.46	160.59	431.35
Impairment during the year**	-	-	-	-	-	-	-	20.74	20.74
As at 31 March 2021	1,279.99	428.10	321.32	2,179.56	110.29	130.48	110.33	911.33	5,471.40
Accumulated depreciation									
Up to 1 April 2019	343.21	113.65	41.79	457.30	32.46	26.23	15.01	123.01	1,152.66
Charge for the year	221.18	86.19	26.57	213.46	18.95	22.85	11.24	78.70	679.14
Adjustments for Impairment**	-	-	-	-	-	-	-	16.40	16.40
As at 31 March 2020	564.39	199.84	68.36	670.76	51.41	49.08	26.25	185.31	1,815.40
Charge for the year	225.27	89.69	29.47	240.76	19.25	32.95	13.45	85.38	736.22
Adjustments for Impairment**	-	-	-	-	-	-	-	3.06	3.06
As at 31 March 2021	789.66	289.53	97.83	911.52	70.66	82.03	39.70	267.63	2,548.56
Net block									
As at 31 March 2021	490.33	138.57	223.49	1,268.04	39.63	48.45	70.63	643.70	2,922.84
As at 31 March 2020	673.09	192.49	226.91	1,354.61	52.65	76.85	82.62	586.17	3,245.39

Notes:

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

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



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

3 (b) Right-of-use assets

	Buildings	Total
Gross block		
As at 1 April 2019	-	-
Impact on account of adoption of Ind AS 116	6,645.01	6,645.01
Additions during the year	776.00	776.00
As at 1 April 2020	7,421.01	7,421.01
Additions during the year	401.61	401.61
Adjustment during the year*	(235.19)	(235.19)
As at 31 March 2021	7,587.43	7,587.43
Accumulated amortization		
Up to 1 April 2019	-	-
Amortization charge for the year	856.02	856.02
Up to 1 April 2020	856.02	856.02
Amortization charge for the year	856.86	856.86
Adjustments during the year*	(39.29)	(39.29)
As at 31 March 2021	1,673.59	1,673.59
Net block		
As at 31 March 2021	5,913.84	5,913.84
As at 31 March 2020	6,564.99	6,564.99

Notes :

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

(ii) Effective 1 April 2019, the Company has adopted Ind AS 116 "Leases", and applied to all lease contracts existing on 1 April 2019 using the modified retrospective method. Accordingly, the Company has recognised a lease liability measured at the present value of the remaining lease payments, and right-of-use (ROU) asset at an amount equal to lease liability (adjusted for any related prepayments). Management has exercised judgement in determining whether extension and termination options are reasonably certain to be exercised. Expenses relating to short-term leases and low-value assets for year ended 31 March 2021 is ₹19.40 (31 March 2020: ₹79.31).

(iii) The incremental borrowing rate applied to lease liabilities is 10.25% (31 March 2020: 10.25%).

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

3 (c) Lease liabilities

	As at	
	31 March 2021	31 March 2020
Balance at the beginning of year	6,573.19	-
Lease liability accounted on transition to Ind AS 116	-	6,228.22
Additions during the year	328.82	717.36
Finance cost accrued during the year (refer note 24)	677.90	649.72
Adjustment during the year*	(197.69)	-
Payment of lease liabilities (including interest)	(571.04)	(1,022.11)
Balance at the end of year	6,811.18	6,573.19
Current liabilities	1,011.45	496.80
Non-current liabilities	5,799.73	6,076.39

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

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

	As at	
	31 March 2021	31 March 2020
Less than one year	2,031.16	1,369.72
One to five years	5,081.97	4,960.26
More than five years	8,905.15	9,398.28
Total	16,018.28	15,728.26



NSPIRA Management Services Private Limited

Summary of significant accounting policies and other explanatory information

(All amounts in ₹ in millions unless otherwise stated)

4 (a) Other intangible assets

	N-Learn application	Trademarks	Non compete fee	Software	Other intangibles	Total
Gross block						
As at 1 April 2019	225.93	14.01	11.44	-	29.28	280.66
Additions during the year	-	-	-	-	-	-
As at 31 March 2020	225.93	14.01	11.44	-	29.28	280.66
Additions during the year	-	-	-	40.04	-	40.04
As at 31 March 2021	225.93	14.01	11.44	40.04	29.28	320.70
Accumulated amortization						
Up to 1 April 2019	56.48	9.33	7.53	-	19.53	92.87
Charge for the year	75.31	3.11	2.62	-	6.51	87.55
Up to 31 March 2020	131.79	12.44	10.15	-	26.04	180.42
Charge for the year	75.31	1.32	1.29	8.00	2.76	88.68
Up to 31 March 2021	207.10	13.76	11.44	8.00	28.80	269.10
Net block						
As at 31 March 2021	18.83	0.25	-	32.04	0.48	51.60
As at 31 March 2020	94.14	1.57	1.29	-	3.24	100.24

(b) Intangible assets under development

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

	Amount
As at 1 April 2019	90.51
Development cost incurred during the year	69.67
As at 31 March 2020	160.18
Development cost incurred during the year	70.83
Capitalized during the year	(40.04)
As at 31 March 2021	190.97

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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, preference shares, mutual funds units and face value)

5 Investments

	As at	
	31 March 2021	31 March 2020
(a) Non-current		
<i>Unquoted - designated at FVTPL</i>		
Investment in other entities		
Investments in equity shares (fully paid-up)		
Monkeybox Food Tech Private Limited		
6,845 (31 March 2020: 6,845) equity shares of ₹10	7.53	7.53
	<u>7.53</u>	<u>7.53</u>
Investment in preference shares (fully paid-up)		
Monkeybox Food Tech Private Limited		
883 (31 March 2020: 883) of ₹1,000 each	1.00	1.00
4,771 (31 March 2020: 4,771) of ₹10 each	7.50	7.50
	<u>8.50</u>	<u>8.50</u>
Total investments	16.03	16.03
Less: Provision for impairment	16.03	16.03
Net Investment	-	-
(b) Current		
<i>Unquoted - designated at FVTPL</i>		
Investments in mutual funds		
769,985 (31 March 2020: Nil) units in ICICI Prudential Mutual Fund	249.72	-
31,510,603 (31 March 2020: Nil) units in IDFC Mutual Fund Collection	1,005.25	-
7,413,043 (31 March 2020: Nil) units in PGIM India Mutual Fund	200.55	-
	<u>1,455.52</u>	<u>-</u>
Aggregate amount of quoted investments	-	-
Aggregate amount of unquoted investments	1,471.55	16.03
Aggregate amount of impairment in value of investments	16.03	16.03

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NSPIRA Management Services Private Limited

Summary of significant accounting policies and other explanatory information

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

6 Loans

	As at	
	31 March 2021	31 March 2020
Non-current		
Secured considered good	-	-
Unsecured, considered good		
Security deposits (note (i))		
-with related parties	67.95	55.12
-with others	939.42	1,026.01
Rental and electricity deposits		
-related parties	14.25	5.19
-others (note (ii))	427.30	387.90
Advances to:		
- related parties	2.70	2.70
-others	1.06	-
Significant increase in credit risk	-	-
Credit impaired		
Rental and electricity deposits	150.00	139.33
Less: Provision for doubtful deposits	(150.00)	(139.33)
	1,452.68	1,476.92
Current		
Secured, considered good	-	-
Unsecured, considered good		
Security deposits:		
-with others (note (i))	169.26	-
Rental deposits:		
-with others (note (ii))	39.21	20.41
Advances to related parties	33.87	38.00
Other loans to		
- Employees and professionals	17.57	12.44
- Others	63.37	-
Significant increase in credit risk	-	-
Credit impaired		
Loans to employees and professionals	13.14	31.35
Advances to related party	69.64	31.64
Less: Provision of doubtful loans	(82.78)	(62.99)
	323.28	70.85

Notes:

- (i) Security deposits includes amounts of ₹1,146.84 (31 March 2020: ₹889.99), ₹14.62 (31 March 2020: ₹14.62), ₹4.02 (₹4.02 as at 31 March 2020) with a fair value of ₹88.36 (31 March 2020: ₹52.43), ₹0.94 (31 March 2020: ₹0.86), ₹0.26 (31 March 2020: ₹0.21), the realisability of which have been guaranteed by Narayana Educational Society, Narayana Education Trust and Narayana Educational Trust (collectively referred to as educational institutions), respectively, in accordance with the deed of guarantee duly entered with them. These deposits were made with landlords of certain inactive and other buildings which are yet to be handed over to these underlying educational institutions.
- (ii) Includes security deposits of ₹250.00 (31 March 2020: Nil) having fair value of ₹16.24 (31 March 2020: Nil), repayment of which have been personally guaranteed by Mr. Puneet Kothapa and Mrs. Sindhura Ponguru respectively, in accordance with the deed of guarantee duly entered with them.



NSPIRA Management Services Private Limited

Summary of significant accounting policies and other explanatory information

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

7 Other assets

	As at	
	31 March 2021	31 March 2020
Non-current		
Unsecured, considered good		
Capital advances	143.42	287.66
Payments made under protest*	73.49	11.82
Contract assets (Refer note - (a))	2,636.02	2,602.62
	<u>2,852.93</u>	<u>2,902.10</u>
Current		
Unsecured, considered good		
Advances to vendors	26.48	13.72
Prepaid expenses	12.98	23.35
Contract assets (Refer note - (a))	194.80	183.38
Balances with government authorities	131.74	81.64
Other advances	13.17	15.45
	<u>379.17</u>	<u>317.54</u>
Unsecured, considered doubtful	7.63	168.93
Less: Provision for doubtful advances	<u>(7.63)</u>	<u>(168.93)</u>
	<u>379.17</u>	<u>317.54</u>

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

Notes:

- (a) In accordance with the terms of the restated Master Services Agreement and the Security Deposits Agreement entered individually between the Company and the educational institutions during the year ended 31 March 2020, rental security deposits paid by these educational institutions to their various landlords were transferred to the Company along with the transfer of the underlying credit risk. Further, in accordance with the provisions of the tripartite agreement between the Company, these educational institutions individually and certain landlords, the Company had paid security deposits to certain landlords in relation to properties rented or proposed to be rented to these educational institutions, as the case may be. These deposits, so converted or paid by the Company, have been recognised initially at fair values in accordance with the provisions of Indian Accounting Standards. Consequently, the excess of deposits so converted/paid over the fair values have been considered as contract assets in accordance with the provisions of Ind AS 115 - Revenue from Contracts with Customers. These contract assets are amortized over the tenure of the underlying rental agreements between these institutions and the landlord or the contract period as per the restated MSA, as the case may be.

- (b) The details of movements in the balances of contract assets is as follow:

	As at	
	31 March 2021	31 March 2020
Balance at the beginning of the year	2,786.00	-
Recognized during the year	440.24	2,975.52
Adjustments during the year*	(218.16)	-
Amortization during the year	(177.26)	(189.52)
Balance at the end of the year	<u>2,830.82</u>	<u>2,786.00</u>
-Current	194.80	183.38
-Non-current	<u>2,636.02</u>	<u>2,602.62</u>

*Represents adjustments to the balance of contract assets in respect of properties vacated and amounts realised during the year.



NSPIRA Management Services Private Limited

Summary of significant accounting policies and other explanatory information

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

8 Inventories

	As at	
	31 March 2021	31 March 2020
Valued at the lower of cost and net realisable value		
Stock-in-trade	132.10	293.33
	<u>132.10</u>	<u>293.33</u>

9 Trade receivables

	As at	
	31 March 2021	31 March 2020
- Secured, considered good	-	-
- Unsecured, considered good		
- from related parties (refer note (i) below)	3,234.07	3,759.71
- from others	733.97	44.20
- receivables with significant increase in credit risk	-	-
- Credit impaired		
- from related parties	51.42	51.43
- from others	41.28	19.83
	<u>4,060.74</u>	<u>3,875.17</u>
Less: allowance for trade receivables	<u>(92.70)</u>	<u>(71.26)</u>
	<u>3,968.04</u>	<u>3,803.91</u>

Trade receivables

- (i) No trade or other receivables are due from directors or other officers of the Company either severally or jointly with any other person. Trade receivables from related parties represent dues from entities in which a director is a member or where Director has 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 2021	31 March 2020
Cash and cash equivalents		
Balances with banks		
- On current accounts	671.48	579.14
Cash on hand	54.60	46.11
	<u>726.08</u>	<u>625.25</u>
Bank balances other than above		
- Deposits with banks with maturity period from 3 to 12 months	1.00	52.49
	<u>1.00</u>	<u>52.49</u>

11 Other financial assets

	As at	
	31 March 2021	31 March 2020
Non-current		
Unsecured, considered good		
Deposits with banks having maturity beyond 12 months*	40.17	-
	<u>40.17</u>	<u>-</u>

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



NSPIRA Management Services Private Limited

Summary of significant accounting policies and other explanatory information

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

12 Equity share capital

	As at			
	31 March 2021		31 March 2020	
	Number	Amount	Number	Amount
Authorized				
Equity shares of ₹10 each	536,999,990	5,370.00	536,999,990	5,370.00
Series-B Equity shares of ₹10 each	10	0.00	10	0.00
Preference shares of ₹ 2,500 each	452,000	1,130.00	452,000	1,130.00
	537,452,000	6,500.00	537,452,000	6,500.00
Issued, subscribed and fully paid-up				
Equity shares of ₹10 each	350,120,010	3,501.20	350,120,010	3,501.20
Series B equity shares of ₹10 each	1	0.00	1	0.00
	350,120,011	3,501.20	350,120,011	3,501.20

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

	31 March 2021		31 March 2020	
	Number	Amount	Number	Amount
Balance at the beginning of the year	350,120,010	3,501.20	350,120,010	3,501.20
Issued during the year	-	-	-	-
Balance at the end of the year	350,120,010	3,501.20	350,120,010	3,501.20
Series-B:				
Balance at the beginning of the year	1	0.00	1	0.00
Issued during the year	-	-	-	-
Balance at the end of the year	1	0.00	1	0.00

(b) Terms/rights attached to equity shares

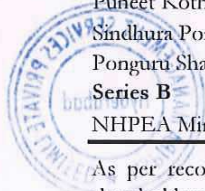
The Company has equity shares having a par value of ₹10 per share. Each holder of equity shares is entitled to one vote per share. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing general meeting. In the event of liquidation of the Company,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

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

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

	31 March 2021		31 March 2020	
	Number of shares	% of holding	Number of shares	% of holding
Equity share of ₹10 each				
Puneet Kothapa	87,512,500	25.00%	87,512,500	25.00%
Sindhura Ponguru	148,771,250	42.49%	148,771,250	42.49%
Ponguru Sharani	113,766,250	32.49%	113,766,250	32.49%
Series B				
NHPEA Minerva Holdings B.V.	1	100%	1	100%

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



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Summary of significant accounting policies and other explanatory information

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

13 Instruments entirely equity in nature

(a) Compulsorily convertible debentures ('CCDs')

	31 March 2021		31 March 2020	
	Number	Amount	Number	Amount
Balance at the beginning of the year	553	521.48	553	521.48
Issued during the year	-	-	-	-
Balance at the end of the year	553	521.48	553	521.48

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

	31 March 2021		31 March 2020	
	Number	Amount	Number	Amount
Issued, Subscribed and fully paid up preference shares of ₹2,500 each				
Balance at the beginning of the year	450,710	995.21	450,710	995.21
Issued during the year	-	-	-	-
Balance at the end of the year	450,710	995.21	450,710	995.21

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

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

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

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

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

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

	31 March 2021		31 March 2020	
	Number	% of holding	Number	% of holding
CCDs of ₹1,000,000 each				
BanyanTree Growth Capital II, LLC	550	99.46%	550	99.46%
CCPS of ₹2,500 each				
NHPEA Minerva Holdings B.V.	449,760	99.79%	449,760	99.79%



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

14 Other equity

	As at	
	31 March 2021	31 March 2020
Debenture redemption reserve		
Balance at the beginning of the year	-	-
Add: Additions during the year*	140.00	-
Balance at the end of the year	140.00	-
General reserve		
Balance at the beginning of the year	884.02	884.02
Less: Transfers during the year	(140.00)	-
Balance at the end of the year	744.02	884.02
Capital reserve on account of business combination		
Balance at the beginning and end of the year	2.47	2.47
Retained earnings-Surplus in the statement of profit and loss		
Balance at the beginning of the year	3,841.01	2,609.56
Add: Profit for the year	542.25	1,231.45
Balance at the end of the year	4,383.26	3,841.01
Other comprehensive income		
Actuarial gain/(loss) on post employment benefits		
At the beginning of the year	(47.39)	(13.26)
Loss for the year	(4.27)	(34.13)
At the end of the year	(51.66)	(47.39)
Total other equity	5,218.09	4,680.11

Nature and purpose of reserves :

(a) Debenture redemption reserve

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

(b) General reserve

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

(c) Retained earnings

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

(d) 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.

(e) 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.

*Represents the reserve created on account of non-convertible debenture issued during the year ended 31 March 2021



NSPIRA Management Services Private Limited

Summary of significant accounting policies and other explanatory information

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

15 Borrowings

	As at	
	31 March 2021	31 March 2020
Non-current borrowings		
Secured		
Non convertible Debentures (NCD's)		
14,000 units (31 March 2020: nil) of ₹100,000 each (refer note a)	1,365.18	-
Term loans from		
- Banks (refer notes b(i) and b(ii))	842.61	892.86
- Financial Institutions (refer notes b(iii) to b(v))	-	1,157.64
Vehicle loans from		
- Banks (refer note c)	22.72	23.85
- Financial institutions (refer note c)	16.62	30.58
Total non-current borrowings	2,247.13	2,104.93
Less: Current maturities of long-term borrowings (refer note 17)	614.73	433.75
	1,632.40	1,671.18

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

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

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

- Term loan from Karur Vysya Bank Limited (KVB) outstanding to the tune of ₹842.61 (31 March 2020: ₹892.86) is secured by way of:
 - demand promissory note;
 - security cover over the following immovable properties:
 - land and engineering college building at Nellore which is in the name of Narayana Educational Society ('NES');
 - land and buildings at Nellore which is in the name of Mrs. P. Ramadevi;
 - vacant land beside Narayana Hospital Nellore which is in the name of NES;
 - existing properties of Mrs. P. Indira, Dr. P. Narayana, Dr. P. Sindhura, and Mrs. P. Ramadevi which are also mortgaged against loans availed by NES; and
 - corporate guarantee of NES, and personal guarantee of Dr. P. Narayana, Mrs. P. Ramadevi, Mrs. P. Indira, Dr. P. Sindhura, Mr. Puneet Kothapa, and Mrs. P. Sharani.
- This facility carries an interest at the floating rate of 0.90% above lenders prime lending rate i.e. 10.25% p.a. (31 March 2020: 10.30 p.a.) and is repayable in 14 equal half yearly instalments commencing from 30 June 2018.



NSPIRA Management Services Private Limited

Summary of significant accounting policies and other explanatory information

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

15 Borrowings (continued)

- (iii) Term loan from Hero Fincorp Limited ('HFCL') outstanding to the tune of Nil (31 March 2020: 1,157.64) is secured by way of:
- (a) First exclusive charge on the entire property plant and equipments, non-current and current assets of the Company (both present and future, including lien on security deposits, immoveable and movable assets excluding equipment's funded by equipment lenders).
 - (b) Exclusive first charge over all intangible assets/ Education Infrastructure (including brand & copyrighted content)/ Intellectual Property Rights ('IPR') of the Company.
 - (c) Pledge (on fully diluted basis) of 16% of the equity shares of the Company held by the promoters along with a non-disposal undertaking ('NDU') (with HFCL as beneficiary) for additional 10% of equity shares held by Puneet Kothapa, Sindhura Ponguru and Sharani Ponguru (collectively referred to as the Promoters) Thereby granting a right to HFCL to create a pledge on an aggregate of 26% equity shares of the Company held by the promoters in the event of a default.
 - (d) Personal Guarantee of Puneet Kothapa and Sindhura Ponguru.
 - (e) Corporate Guarantee of Narayana Educational Society.
- (iv) The loan carries an interest at the rate of 0.90% above lenders prime lending rate i.e. 12.60% p.a. (31 March 2020: 12.60%) and is repayable in 36 equal monthly instalments commencing from 15 March 2019.
- (v) The entire loan outstanding as on 31 March 2020 has been prepaid during the year.
- c) **Terms and conditions of secured vehicle loans and nature of security:**
Vehicle loans availed from banks and financial institutions are fully secured by way of hypothecation of specific vehicles against which the loan is availed. These loans carry an annual interest rate in the range of 7.65 % p.a. to 9.75 % p.a. (31 March 2020: 8.00% to 9.75% p.a.).

d) Maturity profile of long-term borrowings:

	As at	
	31 March 2021	31 March 2020
Within 1 year	614.73	433.75
2 - 5 years*	1,660.28	1,671.18
More than 5 years	-	-
	<u>2,275.01</u>	<u>2,104.93</u>

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

- e) In accordance with the directives of the Reserve Bank of India dated 27 March 2020, the Company has availed the moratorium of five months in respect of payment of the underlying instalments of its outstanding balance of borrowings from the period beginning 1 April 2020 and until the 31 August 2020.

f) Changes in liabilities arising from financing activities

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

	Lease liabilities	Non-current borrowings	Interest accrued
Net debt as on 1 April 2019	-	2,787.38	-
Lease liabilities recognised during the year	6,945.58	-	-
Cash flows, net	(372.39)	(682.45)	-
Interest expenses	649.72	-	291.10
Interest paid	(649.72)	-	(291.10)
Net debt as on 31 March 2020	<u>6,573.19</u>	<u>2,104.93</u>	-
Lease liabilities recognised during the year	328.82	-	-
Cash flows, net	-	142.20	-
Interest expenses	677.90	-	290.02
Interest paid	(571.04)	-	(285.23)
Adjustments*	(197.69)	-	-
Net debt as on 31 March 2021	<u>6,811.18</u>	<u>2,247.13</u>	<u>4.79</u>

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



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

	As at	
	31 March 2021	31 March 2020
Non-current		
Provision for employee benefits, unfunded		
- Gratuity (refer note 23(b))	131.71	100.36
- Compensated absences	10.32	7.58
	<u>142.03</u>	<u>107.94</u>
Current		
Provision for employee benefits, unfunded		
- Gratuity, unfunded (refer note 23(b))	5.59	2.99
- Compensated absences	3.33	7.35
	<u>8.92</u>	<u>10.34</u>

17 Other financial liabilities

	As at	
	31 March 2021	31 March 2020
Non-Current		
Security deposits from others	25.65	17.47
	<u>25.65</u>	<u>17.47</u>
Current		
Current maturities of long-term borrowings (refer note 15)	614.73	433.75
Current maturities of lease liabilities (refer note 3(c))	1,011.45	496.80
Creditors for capital expenditure	106.50	60.82
Creditors for expenses	237.22	149.42
Dues to employees	207.56	291.80
Dues to students	23.55	19.28
Interest accrued but not due	4.79	-
Payable to related parties	41.00	11.76
Book overdraft	-	3.27
	<u>2,246.80</u>	<u>1,466.90</u>

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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)

18 Other current liabilities

	As at	
	31 March 2021	31 March 2020
Statutory liabilities	126.84	116.25
Unearned revenue -refer (a)	51.34	43.34
Advances from customers - refer (b)	71.27	157.61
	<u>249.45</u>	<u>317.20</u>

(a) Unearned revenue

	As at	
	31 March 2021	31 March 2020
Balance at the beginning of the year	43.34	59.75
Add : Accrued during the year	51.34	43.34
Less : Revenue recognized during the year from opening balances	(43.34)	(59.75)
Balance at the end of the year	<u>51.34</u>	<u>43.34</u>

(b) Advances from customers

	As at	
	31 March 2021	31 March 2020
Balance at the beginning of the year	157.61	163.23
Add : Collections made during the year	71.27	157.61
Less :Revenue recognized during the year from opening balances	(157.61)	(163.23)
Balance at the end of the year	<u>71.27</u>	<u>157.61</u>

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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)

19 Revenue from operations

	For the year ended	
	31 March 2021	31 March 2020
Revenue from contracts with customers:		
(a) Sale of services		
- Admission support services	2,202.88	2,245.91
- Infrastructure management services	286.30	899.31
- Housekeeping services	735.75	809.72
- Examination support services	711.39	747.78
- Administrative services	162.59	424.60
- Security services	287.05	319.08
- Catering services	453.63	1,436.82
- Hostel services	604.72	2,113.66
- Coaching fee	617.69	1,335.36
- Vehicle maintenance services	-	64.50
- Teacher assistance services	11.55	7.84
- Infrastructure provision services (refer note 35)	179.43	575.43
- Subscription fee	-	246.45
(b) Sale of goods		
Sale of stock-in-trade - others	2,292.75	2,770.73
	8,545.73	13,997.19

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

(ii) As explained in Note 39, Covid19 Pandemic and related mandatory lockdown and restrictions imposed by various state and central authorities had significant impact on the business activities of the Company's customer. As a consequence of the above, and basis mutual understanding between the Company and its customers, revenues from the above services were waived in entirety for the three months period ended 30 June 2020. Hence, revenue from operations for the current year are not comparable with that of the previous year.

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

	For the year ended	
	31 March 2021	31 March 2020
Contracted price	8,545.73	13,997.19
Adjustment:-		
Reductions towards variable consideration components	-	-
Revenue recognised	8,545.73	13,997.19

(iv) Unsatisfied Performance Obligations in Coaching revenue

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

The aggregate value of transaction price allocated to unsatisfied (or partially satisfied) performance obligations in case of contracts for which revenues are recorded over a period of time is ₹51.34 (31 March 2020: ₹43.34), which is expected to be fully recognised as revenue in the next year. Further, amount of ₹43.34 (31 March 2020: ₹59.75), representing the value of the transaction price allocated to unsatisfied to performance obligations as at 31 March 2020 has been recognised as revenue during the year.



NSPIRA Management Services Private Limited

Summary of significant accounting policies and other explanatory information

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

19 Revenue from operations (continued)

(v) Disaggregation of revenue

	For the year ended	
	31 March 2021	31 March 2020
Total revenue from contract with customers	8,545.73	13,997.19
Timing of revenue recognition		
-Services transferred at a point in time	426.60	1,589.82
-Services transferred over time	8,119.13	12,407.37

Refer note 36 for segment wise details of the Company's revenue.

20 Other income

	For the year ended	
	31 March 2021	31 March 2020
Interest income on financial assets measured at amortised cost	183.55	127.20
Other non-operating income		
-Dividend income	0.60	39.82
-Miscellaneous income	11.13	34.62
-Liabilities no longer required written back	33.83	108.00
	229.11	309.64

21 Purchases of stock-in-trade

	For the year ended	
	31 March 2021	31 March 2020
Purchases of stock-in-trade	853.67	2,274.55
	853.67	2,274.55

22 Changes in inventories of stock-in-trade

	For the year ended	
	31 March 2021	31 March 2020
Opening balance	293.33	395.62
Closing balance	132.10	293.33
	161.23	102.29

23 Employee benefits expense

	For the year ended	
	31 March 2021	31 March 2020
Salaries and wages	1,803.45	3,132.14
Contribution to provident and other funds	75.28	207.31
Staff welfare expenses	70.66	9.51
Gratuity and compensated absences	28.41	28.41
	1,977.80	3,377.37

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

(a) Defined contribution plan

During the year ended 31 March 2021, the Company has contributed ₹61.01(31 March 2020: ₹163.01) towards provident fund and ₹14.27 (31 March 2020: ₹ 44.30) towards Employees' State Insurance.



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Summary of significant accounting policies and other explanatory information

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

23 Employee benefits expense (continued)

(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 2021	31 March 2020
Current service cost	23.10	13.96
Net interest cost	6.58	3.63
Total amount recognised in the statement of profit and loss	29.68	17.59

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

	For the year ended	
	31 March 2021	31 March 2020
Actuarial loss	(4.27)	(34.13)
Total amount recognised in the other comprehensive income	(4.27)	(34.13)

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

	As at	
	31 March 2021	31 March 2020
Present value of defined benefit obligation at beginning of the year	103.35	51.65
Current service cost	23.10	13.96
Interest cost	6.58	3.61
Benefits paid	-	-
Re-measurement loss on actuarial valuations	4.27	34.13
Present value of defined benefit obligation at end of the year	137.30	103.35

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

	As at	
	31 March 2021	31 March 2020
Discount rate	6.30%	6.50%
Retirement age	60 years	60 years
Salary escalation	5.00%	5.00%
Attrition rate	80% for service less than 4 years and 2% for others	80% for service less than 4 years and 2% for others
Mortality rate (% of IALM 06-08)	100%	100%

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



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23 Employee benefits expense (continued)

Increase or (decrease) in defined benefit obligation

	As at	
	31 March 2021	31 March 2020
Assumptions		
Sensitivity level		
- Discount rate : 1.00% increase	(15.94)	(12.34)
- Discount rate : 1.00% decrease	19.16	15.56
- Future salary : 1.00% increase	18.25	15.87
- Future salary : 1.00% decrease	(15.57)	(12.37)

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

Maturity Profile of Defined Benefit Obligation

	As at	
	31 March 2021	31 March 2020
Expected Future Cashflows		
Year 1	5.59	4.12
Year 2	4.61	3.26
Year 3	4.56	3.87
Year 4	6.03	3.84
Year 5	6.69	5.00
Year 6 to 10	47.97	35.84
Greater than 10 Years	281.72	227.98

- (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.

24 Finance costs

	For the year ended	
	31 March 2021	31 March 2020
Interest expense:		
-on lease liability	677.90	649.72
-on financial liabilities measured at amortized cost	267.02	291.10
-on statutory dues	23.00	19.39
	<u>967.92</u>	<u>960.21</u>

25 Depreciation and amortisation expense

	For the year ended	
	31 March 2021	31 March 2020
Depreciation on property, plant and equipment (refer note 3(a))	736.22	679.14
Amortisation of intangible assets (refer note 4(a))	88.68	87.55
Amortisation on Right-of-use asset (refer note 3(b))	856.86	856.02
Amortisation on contract assets	177.26	189.52
	<u>1,859.02</u>	<u>1,812.23</u>



NSPIRA Management Services Private Limited

Summary of significant accounting policies and other explanatory information

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

26 Other expenses

	For the year ended	
	31 March 2021	31 March 2020
Water charges	15.28	127.42
Security services	150.68	226.63
Power and fuel	93.59	282.43
Expenses for admission support services	737.45	763.04
Impairment of investments	-	16.03
Repairs and maintenance		
- Building	216.83	869.84
- Electrical equipment	39.43	93.01
- Vehicle	29.53	34.18
- Mess	24.64	85.62
- Others	74.42	102.34
Transportation charges	175.89	177.14
Rates and taxes	99.37	179.53
Corporate Social Responsibility (CSR) expenses (refer note (a) below)	56.00	-
Donations	29.70	0.10
Consultancy charges	42.87	136.15
Communication expenses	61.72	54.19
Functions and celebrations	13.37	107.89
Legal and professional fees	107.53	139.35
Rent expense	19.40	79.31
Printing and stationary	22.94	75.98
Bad-debts written off	-	60.95
Provision for doubtful advances (refer note (b))	92.72	320.41
Insurance charges	26.16	27.46
Bank charges	5.10	4.60
Impairment - Property, plant and equipment (refer note 3(a))	17.66	73.18
Payments to auditor		
- As auditor	4.00	4.00
- Other services	-	-
Miscellaneous expenses	28.15	34.01
	2,184.43	4,074.79

a) Details of CSR expenditure

	For the year ended	
	31 March 2021	31 March 2020
- Education	41.00	-
- Rural transformation	15.00	-
	56.00	-

Note

(i) CSR amount required to be spent as per Section 135 of the Companies Act, 2013 read with Schedule VII thereof by the company during the year is ₹38.36 (31 March 2020: 32.04)

b) Movements of provision for doubtful advances:

	As at	
	31 March 2021	31 March 2020
Balance at the beginning of year	442.51	122.10
Add: Additions during the year	92.72	320.41
Less: Amounts written off during the year	(202.12)	-
Balance at the end of year	333.11	442.51



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Summary of significant accounting policies and other explanatory information
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27 Income taxes

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

	For the year ended	
	31 March 2021	31 March 2020
Statement of profit and loss		
Current taxes	397.05	735.75
Deferred tax benefit	(168.53)	(261.79)
	<u>228.52</u>	<u>473.96</u>

(b) Reconciliation of tax expense and the accounting profit multiplied by India's domestic tax rate for 31 March 2021:

	For the year ended	
	31 March 2021	31 March 2020
Accounting profit before tax	770.77	1,705.41
At statutory income tax rate of 25.17 % (31 March 2020: 25.17%)	194.00	429.25
Permanent disallowances	35.74	5.09
Tax impact of reduction in tax rate	-	44.49
Taxes of earlier years	-	5.04
Other adjustments	(1.21)	(9.91)
At the effective income tax rates of 25.17% (31 March 2020: 25.17%)	<u>228.53</u>	<u>473.96</u>
Income tax expense reported in the statement of profit and loss	<u>228.52</u>	<u>473.96</u>

28 Deferred tax assets / (liabilities), net

	As at	
	31 March 2021	31 March 2020
The tax effects of significant temporary differences that resulted in deferred tax assets and liabilities are as follows:		
Property, plant and equipment	186.90	120.72
Fair valuation of security deposits	162.09	142.02
Right-of-use assets	(1,488.52)	(1,652.41)
Lease liabilities	1,575.95	1,654.47
Employee benefits	37.99	29.78
Provision for doubtful advances	83.84	109.52
Others	31.16	16.78
	<u>589.41</u>	<u>420.88</u>

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.



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:

	(Charged)/credited			(Charged)/credited		
	As at 1 April 2019	Statement of profit and loss	Other comprehen sive income	As at 31 March 2020	Statement of profit and loss	Other comprehensive income
Property plant and equipment	80.31	40.42	-	120.73	66.17	-
Fair valuation of security deposits	7.44	134.58	-	142.02	20.07	-
Provision for doubtful advances	40.09	69.43	-	109.52	(25.68)	-
Employee benefits	19.49	10.28	-	29.77	8.22	-
Others	11.76	5.02	-	16.78	14.38	-
Right-of-use assets	-	(1,652.41)	-	(1,652.41)	163.89	-
Lease liabilities	-	1,654.47	-	1,654.47	(78.52)	-
	159.09	261.79	-	420.88	168.53	-

29 Earnings per equity share ('EPES')

	For the year ended	
	31 March 2021	31 March 2020
Profit attributable to equity holders	542.25	1,231.45
Weighted average number of equity shares considered for computation of basic and diluted EPES *	435,299,839	435,299,839
Earnings per equity share (EPES)		
Basic EPES (In absolute ₹ terms)	1.25	2.83
Diluted EPES (In absolute ₹ terms)	1.25	2.83

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

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

30 Fair value hierarchy of financial assets and financial liabilities

	FVTPL	Amortised cost
As at 31 March 2021		
Financial assets		
Investments	1,455.52	-
Loans	-	1,775.96
Trade receivables	-	3,968.04
Cash and cash equivalents	-	726.08
Bank balances other than above	-	41.17
Financial liabilities		
Borrowings	-	2,247.13
Trade payables	-	507.28
Lease liabilities	-	6,811.18
Other financial liabilities	-	646.27
As at 31 March 2020		
Financial assets		
Loans	-	1,547.77
Trade receivables	-	3,803.91
Cash and cash equivalents	-	625.25
Bank balances other than above	-	52.49
Financial liabilities		
Non-current borrowings	-	2,104.93
Trade payables	-	671.97
Lease liabilities	-	6,573.19
Other financial liabilities	-	553.82

(i) The management assessed that the balance of cash and cash equivalents, bank balances, trade and other receivables, trade and other payables, and other current financial assets and other current financial liabilities approximate their fair values largely due to the short-term maturities of these instruments, and

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

(iii) **Valuation technique used to determine fair value**

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

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

(iv) **Fair value hierarchy:**

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

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

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

Level 3: Unobservable inputs for the asset or liability.

The following table shows the Levels within the hierarchy of financial assets and liabilities measured at fair value on a recurring basis at 31 March 2021 and 31 March 2020:

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

Particulars	Level 1	Level 2	Level 3	Total
Financial assets measured at FVTPL				
Investments in unquoted mutual funds	-	1,455.52	-	1,455.52

Quantitative disclosures of fair value measurement hierarchy for assets as at 31 March 2020:

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



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

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, investments, loans and borrowings. The sensitivity analysis in the following sections relate to the position as at 31 March 2021 and 31 March 2020.

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 2021 and 31 March 2020.

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 2021	31 March 2020
Borrowings:		
Variable rate instruments	881.95	2,104.93
Fixed rate instrument	1,365.18	-

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

Particulars*	For the year ended	
	31 March 2021	31 March 2020
Interest rates increase by 100 basis points	8.82	21.05
Interest rates decrease by 100 basis points	(8.82)	(21.05)

* Holding all other variables constant

Other price risk

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

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

Particulars	For the year ended	
	31 March 2021	31 March 2020
Net asset value sensitivity		
-Increase by 10%	145.55	-
-Decrease bt 10%	(145.55)	-



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

31 Financial risk management objectives and policies (continued)

(b) Credit risk

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

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

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

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

(c) Liquidity risk

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

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

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

	As at	
	31 March 2021	31 March 2020
Less than 1 year		
- Borrowings	614.73	433.75
- Trade payables	507.28	671.97
- Other financial liabilities	646.27	553.82
- Lease liabilities	2,031.16	1,369.72
2 to 5 years		
- Borrowings	1,660.28	1,671.18
- Lease liabilities	5,081.97	4,960.26
- Other financial liabilities	25.65	17.47
More than 5 years		
- Lease liabilities	8,905.15	9,398.28

32 Capital management

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

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

	As at	
	31 March 2021	31 March 2020
Non-current borrowings including current maturities	2,247.13	2,104.93
Less: Cash and bank balances including bank deposits presented as non-current financial assets	(767.25)	(677.74)
Net debt	1,479.88	1,427.19
Equity	10,235.98	9,698.00
Total capital	10,235.98	9,698.00
Capital and net debt	11,715.86	11,125.19
Gearing ratio	12.63%	12.83%



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 (continued)

In order to achieve this overall objective, the Company's capital management, amongst other things, aims to ensure that it meets financial covenants attached to the interest-bearing loans and borrowings that define capital structure requirements. Breaches in meeting the financial covenants would permit the bank to immediately call loans and borrowings. There have been no uncured breaches in the financial covenants of any interest-bearing loans and borrowing in the current year. No changes were made in the objectives, policies or processes for managing capital during the years ended 31 March 2021 and 31 March 2020.

33 Commitments

	As at	
	31 March 2021	31 March 2020
Estimated amount of contracts amounting to be executed on capital account and not provided for (net of advances)	278.78	345.09

34 Contingent liabilities and pending litigations

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

Financial year	As at	
	31 March 2021	31 March 2020
service tax matters (refer note (i))		
-2011-2012	23.44	23.44
-2012-2013	45.92	45.92
-2013-2014	42.36	42.36
-2014-2015	65.16	65.16
-2011-2012 to 2014-2015	37.73	37.73
-2015-16 to 2016-17	23.02	23.02
Other legal matters	45.95	45.95

Notes:

- (i) The Company had received various demands from service tax authorities, in respect of its coaching business which it acquired from Narayana Learning Private Limited, for sums aggregating to ₹237.63 (31 March 2020: ₹237.63) for the above mentioned financial years. Management has filed necessary appeals against the demands with the Customs, Excise and Service Tax Appellate Tribunal ("CESTAT"), Bangalore and Guntur, aggregating to ₹176.88 (31 March 2020: ₹176.88) and ₹60.75 (31 March 2020: ₹60.75) respectively, which are pending for disposal as at balance sheet date. However, on the basis of its internal assessment, the management is confident of these cases being settled in favour of the Company and accordingly do not foresee any adjustments to these financial statements in this regard.
- (ii) During the year ended 31 March 2021, the Company had received certain demands for sums aggregating to ₹615.53 from goods and services tax (GST) authorities of the state of Andhra Pradesh in connection with the levy of GST, including interest and penalties, on certain services rendered by it during the period June 2018 to August 2019. Management has made necessary representations with the GST authorities challenging the levy along with seeking a stay order from the Honourable High Court of the state of Andhra Pradesh on the execution of the demands. Pending receipt of further communication from the authorities, on the basis of an independent advise sought, its internal assessment of the nature of demands and the underlying provisions of the GST regulations, the management is confident of these demands being settled in favour of the Company and accordingly do not foresee any adjustments to these financial statements in this regard.
- (iii) Subsequent to 31 March 2021, the Company has received a demand from the income tax authorities for an amount of ₹699.60, including interest, in connection with the income tax assessment for the financial year ended 31 March 2018. These demands were primarily owing to disallowance of certain business expenditure claimed by the Company in its income tax return for the aforementioned period. Management is in the process of filing necessary appeals in relation to the said demand with the income tax authorities. However, on the basis of its internal assessment of the nature of demands, the availability of underlying information evidencing the expenditure incurred and an independent advise, the management is confident that said demand would not be tenable in accordance with the income tax regulations.



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

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35 Infrastructure provision services

Pursuant to the terms of the Master Service Agreement (MSA), the Company has leased certain assets to its related parties. The lease income recognised in the Statement of Profit and Loss during the year ended 31 March 2021 is ₹179.43 (31 March 2020: ₹575.43). These leases are subject to renewal on a yearly basis in accordance with the terms of the MSA.

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 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 2021, the Company has one customer with revenue of ₹5,069.06 (31 March 2020: ₹7,636.13) representing 59.32% (31 March 2020: 54.55%) 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
Puncet Kothapa Ponguru Sindhura Sambashiva Sastry Kambhampati	Key Managerial Personnel ('KMP')
Ponguru Sharani Ravi Teja Ganta	Shareholder with significant influence Relative of the above shareholder
Ponguru Indira Ponguru Narayana Ponguru Ramadevi	Relative of the KMP
Narayana Educational Society Narayana Learning Private Limited Rama Narayana Education Trust Narayana Educational Trust Narayana Education Trust Greatest Common Factor Private Limited	Entities in which KMP's have significant influence

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

37 Related party disclosures (continued)

(b) Transactions with related parties

	For the year ended	
	31 March 2021	31 March 2020
Narayana Educational Society		
Sale of services	4,384.03	5,935.29
Sale of goods	426.76	1,314.59
Interest earned on loan extended	28.52	-
Short term loans*	5,424.60	1,137.06
Reimbursement of security deposits on behalf of NES	335.70	67.29
Collections made on behalf of Nspira	1,763.50	3,522.56
Reimbursement of expenditure	97.38	170.95
Guarantees for security deposit given	256.85	889.99
Conversion of Security deposit into rental deposits(Refer Note-(h))	-	3,409.23
Security deposits transferred during the year	324.49	-
Narayana Education Trust		
Sale of services	137.36	201.98
Sale of goods	0.80	35.10
Loan given	-	20.00
Collections made on behalf of Nspira	72.65	109.02
Expenditure incurred on behalf of the Company	2.51	-
Reimbursement of expenditure	-	7.24
Guarantees for security deposit given	-	14.62
Conversion of Security deposit into rental deposits (Refer Note-(h)).	-	257.92
Rama Narayana Education Trust		
Collections made on behalf of Nspira	-	18.77
Provision for doubtful receivables	-	83.07
Narayana Educational Trust		
Sale of services	118.86	144.98
Sale of goods	1.24	4.18
Reimbursement of expenditure	-	14.51
Expenditure incurred on behalf of the Company	1.05	-
Guarantees for security deposit given	-	4.02
Collections made on behalf of Nspira	(0.04)	55.21
Conversion of Security deposit into rental deposits (Refer Note-(h))	-	278.67
Narayana Learning Private Limited		
Rent	76.45	86.89
Advances given	45.00	-
Greatest Common Factor Private Limited		
Provision for doubtful advances	38.00	-

*Loans to related parties represents the unsecured, demand loans of ₹5,424.60 to Narayana Educational Society (NES) at an interest rate of 4% per annum, as a financial support to meet their short-term working capital requirements. These amounts were granted pursuant to an approval from the management and were subsequently ratified by the Audit Committee and the Board of Directors at their meetings.



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

37 Related party disclosures (continued)

	For the year ended	
	31 March 2021	31 March 2020
Puneet Kothapa		
Remuneration	6.90	7.50
Advances given	1.50	3.00
Personal Guarantee against NCD's	1,400.00	-
Personal Guarantee against Security deposits	250.00	-
Sindhura Ponguru		
Remuneration	4.58	7.50
Rent	7.37	7.16
Personal Guarantee against NCD's	1,400.00	-
Personal Guarantee against Security deposits	250.00	-
Ponguru Sharani		
Advances given	0.80	1.50
Remuneration	5.53	7.50
Rent	1.81	1.74
Ravi Teja Ganta		
Remuneration	3.79	7.50
Advances given	0.51	-
Sambashiva Sastry Kambhampati		
Remuneration	5.08	5.74
Ponguru Narayana		
Rent	28.01	31.61
Ponguru Ramadevi		
Rent	25.08	27.81
Ponguru Indira		
Rent	3.31	3.28

(c) Balances receivable/(payable)

	As at 31 March	
	2021	2020
Narayana Educational Society	3,217.69	3,662.41
Narayana Education Trust	(33.81)	37.86
Rama Narayana Education Trust	(0.63)	32.01
Narayana Educational Trust	16.38	27.42
Narayana Learning Private Limited	302.91	15.84
Greatest Common Factor Private Limited*	-	38.00
Puneet Kothapa	8.38	2.59
Ponguru Sindhura	2.50	2.01
Ponguru Sharani	2.49	2.00
Ravi Teja Ganta	0.03	(0.42)
Ponguru Ramadevi	258.43	248.94
Ponguru Narayana	236.58	223.73
Ponguru Indira	159.96	160.59
Sambashiva Sastry Kambhampati	(0.36)	(0.41)

*Fully provided for



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) Guarantees outstanding

	As at 31 March	
	2021	2020
Narayana Educational Society	1,146.84	889.99
Narayana Education Trust	14.62	14.62
Narayana Educational Trust	4.02	4.02

- (e) As stated in note 15(b)(i) and 15(b)(ii), the term loans of the Company outstanding to the tune of ₹842.61 (31 March 2020: ₹2,050.50) have been secured by certain immovable properties of NES, Dr. Narayana, Mrs. P Ramadevi, Mrs. P Indira, Dr. Sindhura Ponguru and by personal guarantees of Dr. Narayana, Mrs. P Ramadevi, Mrs. P Indira, Dr. Sindhura Ponguru, Mr. Puneet Kothapa and Mrs. Sharani Ponguru and a corporate guarantee of NES.
- (f) Puneet Kothapa, Sindhura Ponguru and Sharani Ponguru have pledged 16% of the issued, subscribed and fully paid up-equity shares of the Company held by them with HFCL in respect of loans taken from it, along with a non-disposal undertaking ('NDU') (with HFCL as beneficiary) for additional 10% of equity shares held by them. In the event of any default in repayment of the aforesaid loan, HFCL will have a right to create pledge on the aggregate of 26% equity shares of the Company held by the aforesaid shareholders. The Pledged share has been released on account of repayment of outstanding balance during the year.
- (g) Sindhura Ponguru has pledged 13% of the issued, subscribed and fully paid up-equity shares of the Company held by her in favour of debenture trustee in respect of NCD's issued during the year.
- (h) Pursuant to the terms of the restated Master Services Agreement and the Security Deposits Agreement entered individually between the Company and Narayana Educational Society (NES), Narayana Education Trust (NET), Narayana Educational Trust (NETL) (Individually referred to as 'Institutions'), the aggregate amount of security deposit furnished by the Company to these institutions in the previous years and outstanding to the tune of ₹4,010.82 (31 March 2020: ₹3,945.82) has been converted from the performance security deposits to rental security deposits. These institutions have assigned the rental security deposits paid by it to the various landlords, including related parties, from whom it has taken properties under lease to the Company along with the transfer of the underlying credit risk of these landlords. Consequently, the fair value of the rental deposits, considered in accordance with the provisions of Ind AS, aggregating to ₹1,110.79 (31 March 2020: ₹1,081.13) as at the aforesaid date have been considered as rental security deposits in these Financial Statements of the Company and the balance amount of ₹2,754.90 (31 March 2020: ₹2,786.00), considered as a contract asset in accordance with the provisions of Ind AS 115. Further the contract asset are amortized over the tenure of the underlying rental agreements between these institutions and the landlord or the contract period as per the restated MSA, as the case may be.
- (i) Outstanding balance of NCD's and certain security deposits aggregating to ₹1,400 (31 March 2020: Nil) and ₹250 (31 March 2020: Nil), respectively, have been personally guaranteed by Puneet Kothapaa and Ponguru Sindhura.

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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)

- 38 Based on the information available with the Company, as at 31 March 2021, there are no suppliers who are registered as micro and small enterprises under the provisions of the Micro, Small and Medium Enterprises Development Act, 2006.
- 39 The outbreak of COVID-19 has impacted businesses around the world. In many countries, including India, there has been a widespread disruption caused to various businesses operating across various sectors, including the education sector, mainly due to imposition of lockdown, certain restrictions with respect to movement of people and gatherings and other emergency measures imposed by the Government of India and various state governments. Management has made a detailed assessment of its liquidity position, including assessment of the impact of the pandemic on its operation and the operations of its customers, including recoverability/carrying values of its tangible and intangible assets and other advances, trade receivables as at balance sheet date. However, the actual impact of COVID-19 pandemic on the Company's operations remains uncertain and dependent on steps taken by the Government to mitigate the economic impact and may differ from that estimated as at the date of approval of these financial statements.
- 40 Previous year comparatives have been regrouped/rearranged to conform to the current year classification.

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

For Walker Chandiok & Co LLP

Chartered Accountants

Firm's Registration No.: 001076N/N500013

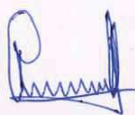


Sanjay Kumar Jain
Partner

Membership No.: 207660



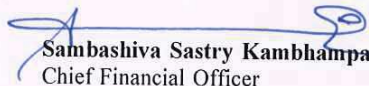
For and on behalf of the Board of Directors of
NSPIRA Management Services Private Limited



Puneet Kothapa
Managing Director & CEO
DIN: 06909621



Sindhura Ponguru
Director
DIN: 02755981



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



Rajani Panamgipalli
Company Secretary
Membership No.: A30933

Place: Hyderabad
Date: 28 September 2021

Place: Hyderabad
Date: 28 September 2021



