

INDIAN INCOME TAX RETURN ACKNOWLEDGEMENT

[Where the data of the Return of Income in Form ITR-1 (SAHAJ), ITR-2, ITR-3, ITR-4, ITR-5, ITR-6, ITR-7 filed and verified electronically]

Assessment Year
2019-20

PERSONAL INFORMATION AND THE ACKNOWLEDGEMENT NUMBER	Name NARAYANA EDUCATIONAL SOCIETY			PAN AAATN1672R			
	Flat/Door/Block No 14/72	Name Of Premises/Building/Village			Form Number. ITR-7		
	Road/Street/Post Office HARANATHAPURAM	Area/Locality NELLORE					
	Town/City/District NELLORE	State ANDHRA PRADESH	Pin/ZipCode 524003	Status AOP/BOI Filed u/s 139(1)-On or before due date			
	Assessing Officer Details (Ward/Circle) EXEMPTION CIRCLE 1(1)HYD						
	e-filing Acknowledgement Number 244606191311019						
	COMPUTATION OF INCOME AND TAX THEREON	1	Gross total income			1	0
		2	Total Deductions under Chapter-VI-A			2	0
		3	Total Income			3	0
		3a	Deemed Total Income under AMT/MAT			3a	0
3b		Current Year loss, if any			3b	0	
4		Net tax payable			4	0	
5		Interest and Fee Payable			5	0	
6		Total tax, interest and Fee payable			6	0	
7		Taxes Paid	a	Advance Tax	7a	0	
			b	TDS	7b	30694849	
	c		TCS	7c	5044925		
	d		Self Assessment Tax	7d	0		
	e		Total Taxes Paid (7a+7b+7c +7d)				
8	Tax Payable (6-7e)			7e	35739774		
9	Refund (7e-6)			8	0		
10	Exempt Income	Agriculture		9	35739770		
		Others				10	0

Income Tax Return submitted electronically on 31-10-2019 19:30:16 from IP address 183.83.91.189 and verified by PUNEET KOTHAPA having PAN AWVPK2558G on 31-10-2019 19:30:16 from IP address 183.83.91.189 using Digital Signature Certificate (DSC)

DSC details: 15379102CN=e-Mudhra Sub CA for Class 2 Individual 2014,OU=Certifying Authority,O=eMudhra Consumer Services Limited,C=IN

DO NOT SEND THIS ACKNOWLEDGEMENT TO CPC, BENGALURU

FORM NO. 3CB

[See rule 6G(1)(b)]

Audit report under section 44AB of the Income-tax Act, 1961 in the case of a person referred to in clause (b) of sub-rule (1) of rule 6G

1. I have examined the balance sheet as at 31st March 2019 and the Income and expenditure account for the period beginning from 01/04/2018 to ending on 31/03/2019 attached herewith, of NARAYANA EDUCATIONAL SOCIETY 14/72, HARANA THAPURAM, NELLORE, ANDRA PRADESH, NELLORE, ANDHRA PRADESH, 524003 AAATN1672R,

2. I certify that the balance sheet and the Income and expenditure account are in agreement with the books of account maintained at the head office at NELLORE, and 470 branches.

3. (a) I report the following observations/comments/discrepancies/inconsistencies; if any:

1) Opening balances has been taken from the Audited Financial statements of Financial year 2017-18 audited by the Statutory auditors of the Society. 2) We relied upon the audited financial statements of Narayana Educational Society audited by the statutory auditors M/s Walker Chandiok and Co LLP, Hyderabad. 3) During the year Society is running Junior college, Degree Colleges and Schools at various places spread across India and Professional Colleges like Medical, Dental, Engineering, Nursing, Pharmacy Colleges, Nursing School, Hospital attached to Medical College at Nellore and another Engineering College at Gudur total no. of institutions run by the Society including the Head Office books 471. 4) In the financial year 18-19 provision for fee collection provided for the professional colleges as per the no of days fell outside the financial year and the amount shown under the head Fee received in advance.

(b) Subject to above,-

(A) I have obtained all the information and explanations which, to the best of My knowledge and belief, were necessary for the purposes of the audit.

(B) In My opinion, proper books of account have been kept by the head office and branches of the assessee so far as appears from My knowledge and belief, were necessary for the examination of the books.

(C) In My opinion and to the best of My information and according to the explanations given to Me the said accounts, read with notes thereon, if any, give a true and fair view:-

(i) in the case of the balance sheet, of the state of the affairs of the assessee as at 31st March, 2019 ;and

(ii) in the case of the Income and expenditure account of the Deficit of the assessee for the year ended on that date.

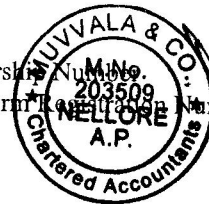
4. The statement of particulars required to be furnished under section 44AB is annexed herewith in Form No. 3CD.

5. In My opinion and to the best of My information and according to explanations given to Me the particulars given in the said Form No. 3CD and the Annexure thereto are true and correct subject to following observations/qualifications, if any:-

Sl No.	Qualification Type	Observations/Qualifications
1	Others.	During the Year provision for doubtful advances /reccivables of Rs.12,64,09,468/-debited to income and expenditure acxcount.
2	Others.	Provision for Gratuity for employees benefit is provided in the books of accounts of Rs.1,68,25,174/-
3	Others.	Provision for inventory of Rs.2,20,51,802/- was debited to the income and expenditure account during the year

Place NELLORE
Date 31/10/2019

Name
Membership No.
FRN (Firm Registration Number)
Address



SRINIVASA RAO MUVVALA
203509
010318S
18/223, SIKARAMVARI STREET,, NEAR
HEAD POST OFFICE, NELLORE, AND
HRA PRADESH, 524003

19203509A AAAAM 37 25

FORM NO. 3CD

[See rule 6G(2)]

Statement of particulars required to be furnished under section 44AB of the Income-tax Act, 1961

1	Name of the assessee	NARAYANA EDUCATIONAL SOCIETY				
2	Address	14/72, HARANATHAPURAM, , NELLORE, ANDRA PRADESH, NELLORE, ANDHRA PRADESH, 524003				
3	Permanent Account Number (PAN)	AAATN1672R				
4	Whether the assessee is liable to pay indirect tax like excise duty, service tax, sales tax, goods and services tax, customs duty, etc. if yes, please furnish the registration number or, GST number or any other identification number allotted for the same	Yes				
	Sl No.	Type	Registration Number			
	1	Sales VAT/Tax ANDHRA PRADESH	37280263055			
5	Status	Trust				
6	Previous year from	01/04/2018 to 31/03/2019				
7	Assessment Year	2019-20				
8	Indicate the relevant clause of section 44AB under which the audit has been conducted					
	Sl No.	Relevant clause of section 44AB under which the audit has been conducted				
	1	Clause 44AB(a)-Total sales/turnover/gross receipts of business exceeding specified limits				
9	a	If firm or Association of Persons, indicate names of partners/members and their profit sharing ratios. In case of AOP, whether shares of members are indeterminate or unknown ?				
		Name				Profit Sharing Ratio (%)
9	b	If there is any change in the partners or members or in their profit sharing ratio since the last date of the preceding year, the particulars of such change.				
		Date of change	Name of Partner/Member	Type of change	Old profit sharing ratio	New profit Sharing Ratio
						Remarks
10	a	Nature of business or profession (if more than one business or profession is carried on during the previous year, nature of every business or profession).				
		Sector	Sub Sector	Code		
		EDUCATION SERVICES	Primary education	17001		
		EDUCATION SERVICES	Secondary/ senior secondary education	17002		
		EDUCATION SERVICES	Higher education	17004		
		EDUCATION SERVICES	Technical and vocational secondary/ senior secondary education	17003		
		HEALTH CARE SERVICES	General hospitals	18001		
		HEALTH CARE SERVICES	Speciality and super speciality hospitals	18002		
		HEALTH CARE SERVICES	Medical suppliers, agencies and stores	18009		
10	b	If there is any change in the nature of business or profession, the particulars of such change				
		Business	Sector	SubSector	Code	
11	a	Whether books of accounts are prescribed under section 44AA, if yes, list of books so prescribed				
		Books prescribed				
11	b	List of books of account maintained and the address at which the books of accounts are kept. (In case books of account are maintained in a computer system, mention the books of account generated by such computer system. If the books of accounts are not kept at one location, please furnish the addresses of locations along with the details of books of accounts maintained at each location.) Same as 11(a) above				
		Books maintained	Address Line 1	Address Line 2	City or Town or District	State
		DAY BOOK, CASH BOOK AND LEDGERS (COMPUTERISED BOOKS OF ACCOUNTS)	14/72	HARANATHAPURAM	NELLORE	ANDHRA PRADESH
						PinCode
						524003
11	c	List of books of account and nature of relevant documents examined. Same as 11(b) above				
		Books Examined				
		DAY BOOK, CASH BOOK AND LEDGERS (COMPUTER GENERATED BOOKS OF ACCOUNTS)				
12		Whether the profit and loss account includes any profits and gains assessable on presumptive basis, if yes, indicate the				
		No				

Section		Amount								
Nil										
13 a	Method of accounting employed in the previous year	Mercantile system								
13 b	Whether there has been any change in the method of accounting employed vis-a-vis the method employed in the immediately preceding previous year.	No								
13 c	If answer to (b) above is in the affirmative, give details of such change, and the effect thereof on the profit or loss.									
Particulars		Increase in profit(Rs.) Decrease in profit(Rs.)								
13 d	Whether any adjustment is required to be made to the profits or loss for complying with the provisions of income computation and disclosure standards notified under section 145(2).	No								
13 e	If answer to (d) above is in the affirmative, give details of such adjustments.									
ICDS		Increase in profit(Rs.) Decrease in profit(Rs.) Net effect(Rs.)								
Total										
13 f	Disclosure as per ICDS.									
ICDS		Disclosure								
14 a	Method of valuation of closing stock employed in the previous year.	COST OR NET REALIZABLE VALUE WHICH EVER IS LESS								
14 b	In case of deviation from the method of valuation prescribed under section 145A, and the effect thereof on the profit or loss, please furnish:	No								
Particulars		Increase in profit(Rs.) Decrease in profit(Rs.)								
15	Give the following particulars of the capital asset converted into stock-in-trade									
(a) Description of capital asset		(b) Date of acquisition (c) Cost of acquisition (d) Amount at which the asset is converted into stock-in trade								
Nil										
16	Amounts not credited to the profit and loss account, being:-									
16 a	The items falling within the scope of section 28									
Description		Amount								
Nil										
16 b	The proforma credits, drawbacks, refund of duty of customs or excise or service tax, or refund of sales tax or value added tax, where such credits, drawbacks or refund are admitted as due by the authorities concerned									
Description		Amount								
16 c	Escalation claims accepted during the previous year									
Description		Amount								
Nil										
16 d	Any other item of income									
Description		Amount								
Nil										
16 e	Capital receipt, if any									
Description		Amount								
Nil										
17	Where any land or building or both is transferred during the previous year for a consideration less than value adopted or assessed or assessable by any authority of a State Government referred to in section 43CA or 50C, please furnish:									
Details of property	Address Line 1	Address Line 2 City/Town State Pincode Consideration received or accrued Value adopted or assessed or assessable								
18	Particulars of depreciation allowable as per the Income-tax Act, 1961 in respect of each asset or block of assets, as the case may be, in the:-									
Description of Block of Assets/Class of Assets	Rate of depreciation (In Percent-age)	Opening WDV (A)	Additions					Deductions (C)	Depreciation Allowable (D)	Written Down Value at the end of the year (A+B-C-D)
			Purchase Value (1)	MOD-VAT (2)	Change in Rate of Exchange (3)	Subsidy/Grant (4)	Total Value of Purchases (B) (1+2+3+4)			
Building @ 10%	10%	324093969	138511653	0	0	0	138511653	0	331052904	3048398445
Plant & Machinery @ 15%	15%	999305325	573936413	0	0	0	573936413	498584414	157316685	917340639
Furnitures & Fittings	10%	140585322	19401637	0	0	0	19401637	0	141903956	1283350907

Plant & Machinery @ 40%	40%	74382971	34955225	0	0	0	34955225	0	38640688	70697508
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* For Addition and Deduction Details refer Addition and Deduction Detail Tables At the End of the Page

19 Amounts admissible under sections :

S.No	Section	Amount debited to profit and loss account	Amounts admissible as per the provisions of the Income-tax Act, 1961 and also fulfils the conditions, if any specified under the relevant 14 provisions of Income-tax Act, 1961 or Income-tax Rules, 1962 or any other guidelines, circular, etc., issued in this behalf.
Nil			

20 a Any sum paid to an employee as bonus or commission for services rendered, where such sum was otherwise payable to him as profits or dividend. [Section 36(1)(ii)]

Description	Amount
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20 b Details of contributions received from employees for various funds as referred to in section 36(1)(va):

Nature of fund	Sum received from employees	Due date for payment	The actual amount paid	The actual date of payment to the concerned authorities
Provident Fund	11404676	15/05/2018	2396334	15/05/2018
Provident Fund	0	15/05/2018	221995	22/05/2018
Provident Fund	0	15/05/2018	8786347	28/05/2018
Provident Fund	10686003	15/06/2018	10686003	15/06/2018
Provident Fund	11267081	15/07/2018	11267081	16/07/2018
Provident Fund	11724896	15/08/2018	2564235	13/08/2018
Provident Fund	0	15/08/2018	8710661	14/08/2018
Provident Fund	12034570	15/09/2018	2344132	15/09/2018
Provident Fund	0	15/09/2018	9690438	27/09/2019
Provident Fund	11814544	15/10/2018	2736606	13/10/2018
Provident Fund	0	15/10/2018	300060	16/10/2018
Provident Fund	0	15/10/2018	8777878	25/10/2018
Provident Fund	11739831	15/11/2018	2434222	14/11/2018
Provident Fund	0	15/11/2018	1017998	26/12/2018
Provident Fund	0	15/11/2018	294992	21/01/2019
Provident Fund	0	15/11/2018	7992619	21/02/2019
Provident Fund	11616718	15/12/2018	2431858	14/12/2018
Provident Fund	0	15/12/2018	294810	21/12/2018
Provident Fund	0	15/12/2018	1011338	26/12/2018
Provident Fund	0	15/12/2018	6155324	20/02/2019
Provident Fund	0	15/12/2018	1723388	21/02/2019
Provident Fund	11631972	15/01/2019	2462718	12/01/2019
Provident Fund	0	15/01/2019	532004	21/01/2019
Provident Fund	0	15/01/2019	742122	19/02/2019
Provident Fund	0	15/01/2019	6138560	20/02/2019
Provident Fund	0	15/01/2019	1756568	21/02/2019
Provident Fund	12368360	15/02/2019	2253712	11/02/2019
Provident Fund	0	15/02/2019	179758	13/02/2019
Provident Fund	0	15/02/2019	195656	19/02/2019
Provident Fund	0	15/02/2019	6628715	20/02/2019
Provident Fund	0	15/02/2019	3110519	22/02/2019
Provident Fund	12339644	15/03/2019	2481674	12/03/2019
Provident Fund	0	15/03/2019	527442	16/03/2019
Provident Fund	0	15/03/2019	4428428	03/04/2019
Provident Fund	0	15/03/2019	4902100	22/04/2019
Provident Fund	12342178	15/04/2019	2375804	13/04/2019
Provident Fund	0	15/04/2019	184488	17/04/2019
Provident Fund	0	15/04/2019	247954	23/04/2019
Provident Fund	0	15/04/2019	9533932	30/04/2019
Any Fund set up under the provisions of ESI Act,1948	2457558	21/05/2018	2457558	15/05/2018
Any Fund set up under the provisions of ESI Act,1948	2246007	21/06/2018	2246007	20/06/2018
Any Fund set up under the provisions of ESI Act,1948	2472117	21/07/2018	2472117	16/07/2018
Any Fund set up under the provisions of ESI Act,1948	2655657	21/08/2018	2655657	14/08/2018
Any Fund set up under the provisions of ESI Act,1948	2708271	21/09/2018	2708271	21/09/2018
Any Fund set up under the provisions of ESI Act,1948	2660542	21/10/2018	2660542	27/10/2018
Any Fund set up under the provisions of ESI Act,1948	2640115	21/11/2018	2640115	20/02/2019
Any Fund set up under the provisions of ESI Act,1948	2604048	21/12/2018	2604048	20/02/2019

Any Fund set up under the provisions of ESI Act,1948		2678671	21/04/2019	2678671	30/04/2019							
21	a	Please furnish the details of amounts debited to the profit and loss account, being in the nature of capital, personal, advertisement expenditure etc										
		Capital expenditure										
		Particulars			Amount in Rs.							
		Personal expenditure										
		Particulars			Amount in Rs.							
		Advertisement expenditure in any souvenir, brochure, tract, pamphlet or the like published by a political party										
		Particulars			Amount in Rs.							
		Expenditure incurred at clubs being entrance fees and subscriptions										
		Particulars			Amount in Rs.							
		Expenditure incurred at clubs being cost for club services and facilities used.										
		Particulars			Amount in Rs.							
		Expenditure by way of penalty or fine for violation of any law for the time being force										
		Particulars			Amount in Rs.							
		Expenditure by way of any other penalty or fine not covered above										
		Particulars			Amount in Rs.							
		Expenditure incurred for any purpose which is an offence or which is prohibited by law										
		Particulars			Amount in Rs.							
	(b)	Amounts inadmissible under section 40(a):-										
		(i) as payment to non-resident referred to in sub-clause (i)										
		(A) Details of payment on which tax is not deducted:										
		Date of payment	Amount of payment	Nature of payment	Name of the payee	PAN of the payee, if available	Address Line 1	Address Line 2	City or Town or District	Pincode		
		(B) Details of payment on which tax has been deducted but has not been paid during the previous year or in the subsequent year before the expiry of time prescribed under section 200(1)										
		Date of payment	Amount of payment	Nature of payment	Name of the payee	PAN of the payee, if available	Address Line 1	Address Line 2	City or Town or District	Pincode	Amount of tax deducted	
		(ii) as payment referred to in sub-clause (ia)										
		(A) Details of payment on which tax is not deducted:										
		Date of payment	Amount of payment	Nature of payment	Name of the payee	PAN of the payee, if available	Address Line 1	Address Line 2	City or Town or District	Pincode		
		(B) Details of payment on which tax has been deducted but has not been paid on or before the due date specified in sub-section (1) of section 139.										
		Date of payment	Amount of payment	Nature of payment	Name of the payer	PAN of the payee, if available	Address Line 1	Address Line 2	City or Town or District	Pincode	Amount of tax deducted	Amount out of (VI) deposited, if any
		(iii) as payment referred to in sub-clause (ib)										
		(A) Details of payment on which levy is not deducted:										
		Date of payment	Amount of payment	Nature of payment	Name of the payee	PAN of the payee, if available	Address Line 1	Address Line 2	City or Town or District	Pincode		
		(B) Details of payment on which levy has been deducted but has not been paid on or before the due date specified in sub-section (1) of section 139.										
		Date of payment	Amount of payment	Nature of payment	Name of the payer	PAN of the payee, if available	Address Line 1	Address Line 2	City or Town or District	Pincode	Amount of levy deducted	Amount out of (VI) deposited, if any
		(iv) fringe benefit tax under sub-clause (ic)										
		(v) wealth tax under sub-clause (iia)										
		(vi) royalty, license fee, service fee etc. under sub-clause (iib).										
		(vii) salary payable outside India/to a non resident without TDS etc. under sub-clause (iii).										
		Date of payment	Amount of payment	Name of the payer	PAN of the payee, if available	Address Line 1	Address Line 2	City	Pincode			

(ix) tax paid by employer for perquisites under sub-clause (v)						
(c) Amounts debited to profit and loss account being, interest, salary, bonus, commission or remuneration inadmissible under section 40(b)/40(ba) and computation thereof;						
	Particulars	Section	Amount debited to P/L A/C	Amount Admissible	Amount Inadmissible	Remarks
(d) Disallowance/deemed income under section 40A(3):						
(A) On the basis of the examination of books of account and other relevant documents/evidence, whether the expenditure covered under section 40A(3) read with rule 6DD were made by account payee cheque drawn on a bank or account payee bank draft. If not, please furnish the details:						Yes
	Date Of Payment	Nature Of Payment	Amount in Rs	Name of the payee	Permanent Account Number of the payee, if available	
(B) On the basis of the examination of books of account and other relevant documents/evidence, whether the payment referred to in section 40A(3A) read with rule 6DD were made by account payee cheque drawn on a bank or account payee bank draft. If not, please furnish the details of amount deemed to be the profits and gains of business or profession under section 40A(3A)						Yes
	Date Of Payment	Nature Of Payment	Amount in Rs	Name of the payee	Permanent Account Number of the payee, if available	
(e) Provision for payment of gratuity not allowable under section 40A(7)						
(f) Any sum paid by the assessee as an employer not allowable under section 40A(9)						
(g) Particulars of any liability of a contingent nature						
	Nature Of Liability				Amount in Rs.	
(h) Amount of deduction inadmissible in terms of section 14A in respect of the expenditure incurred in relation to income which does not form part of the total income						
	Nature Of Liability				Amount in Rs.	
(i) Amount inadmissible under the proviso to section 36(1)(iii)						
22	Amount of interest inadmissible under section 23 of the Micro, Small and Medium Enterprises Development Act, 2006					
23	Particulars of any payment made to persons specified under section 40A(2)(b).					
	Name of Related Person	PAN of Related Person	Relation	Nature of transaction	Payment Made(Amount)	
	PONGURU NARAYANA	ACOPP6950E	FOUNDER OF THE SOCIETY	RENT	30463488	
	PONGURU RAMADEVI	ACSPP8838K	RELATIVE OF THE FOUNDER	RENT	24451056	
	PONGURU INDIRA	AEIPP9170Q	RELATIVE OF THE FOUNDER	RENT	8298977	
	PONGURU SINDHURA	AMKPP4750B	MEMBER OF THE SOCIETY	RENT	991791	
	NARAYANA LEARNING PRIVATE LIMITED	AACCN4041K	Where KMP has Significant influence	RENT	54771276	
	R Sambasiva Rao	ADZPR8923R	Member of the Society	Remuneration and Professional fee	900000	
	Nspira Management Services Pvt Ltd	AAECN3984D	Entry where KMP has Significant influence	Reimbursement of expenses	196324909	
	Nspira Management Services Private Ltd	AAECN3984D	Entry where KMP has Significant influence	Purchase of Material	1461703151	
	Nspira Management Services Private Ltd	AAECN3984D	Entry where KMP has Significant influence	Interest	278029794	
	Nspira Management Services Pvt. Ltd.	AAECN3984D	Entry where KMP has Significant Influence	Services	5774577037	
24	Amounts deemed to be profits and gains under section 32AC or 32AD or 33AB or 33AC or 33ABA.					
	Section	Description			Amount	
	Nil					
25	Any amount of profit chargeable to tax under section 41 and computation thereof.					
	Name of Person	Amount of income	Section	Description of Transaction	Computation if any	
	Nil					
26	(i)*	In respect of any sum referred to in clause (a),(c),(d),(e),(f) or (g) of section 43B the liability for which:-				
26	(i)A	pre-existed on the first day of the previous year but was not allowed in the assessment of any preceding previous year and was :-				
26	(i)(A)(a)	Paid during the previous year				
	Section	Nature of liability			Amount	

	Section	Nature of liability		Amount								
	Nil											
26	(i)B	was incurred in the previous year and was										
26	(i)(B)(a)	Paid on or before the due date for furnishing the return of income of the previous year under section 139(1)										
	Section	Nature of liability		Amount								
	provident,superannuation,gratuity,other fund	PROVIDENT FUND		28617539								
	provident,superannuation,gratuity,other fund	ESI		11260731								
26	(i)(B)(b)	not paid on or before the aforesaid date										
	Section	Nature of liability		Amount								
	provident,superannuation,gratuity,other fund	ESI		13698948								
(State whether sales tax, goods & service Tax, customs duty, excise duty or any other indirect tax, levy, cess, impost, etc., is passed through the profit and loss account.)												
27	a	Amount of Central Value Added Tax Credits/ Input Tax Credit(ITC) availed of or utilised during the previous year and its treatment in profit and loss account and treatment of outstanding Central Value Added Tax Credits/ Input Tax Credit(ITC) in accounts		No								
	CENVAT/ITC	Amount		Treatment in Profit and Loss/Accounts								
	Opening Balance											
	Credit Availed											
	Credit Utilized											
	Closing/Outstanding Balance											
27	b	Particulars of income or expenditure of prior period credited or debited to the profit and loss account :-										
	Type	Particulars	Amount	Prior period to which it relates (Year in yyyy-yy format)								
	Nil											
28	Whether during the previous year the assessee has received any property, being share of a company not being a company in which the public are substantially interested, without consideration or for inadequate consideration as referred to in section 56(2)(viiia)											
	Name of the person from which shares received	PAN of the person, if available	Name of the company from which shares received	CIN of the company	No. of Shares Received	Amount of consideration paid	Fair Market value of the shares					
	Nil											
29	Whether during the previous year the assessee received any consideration for issue of shares which exceeds the fair market value of the shares as referred to in section 56(2)(viib). If yes, please furnish the details of the same											
	Name of the person from whom consideration received for issue of shares	PAN of the person, if available	No. of Shares	Amount of consideration received	Fair Market value of the shares							
	Nil											
A(a)	Whether any amount is to be included as income chargeable under the head Income from other sources as referred to in clause (ix) of sub-section (2) of section 56? (b) If yes, please furnish the following details:				No							
	Sl No.	Nature of Income		Amount								
	Nil											
B(a)	Whether any amount is to be included as income chargeable under the head Income from other sources as referred to in clause (x) of sub-section (2) of section 56?(Yes/No) (b) If yes, please furnish the following details:				No							
	Sl No.	Nature of Income		Amount								
	Nil											
30	Details of any amount borrowed on hundi or any amount due thereon (including interest on the amount borrowed) repaid, otherwise than through an account payee cheque, (Section 69D)				No							
	Name of the person from whom amount borrowed or repaid on hundi	PAN of the person, if available	Address Line 1	Address Line 2	City or Town or District	State	Pincode	Amount borrowed	Date of Borrowing	Amount due including interest	Amount repaid	Date of Repayment

A(a)	Whether primary adjustment to transfer price, as referred to in sub-section (1) of section 92CE, has been made during the previous year.								
	(b) If yes, please furnish the following details								
	Sl No.	Under which clause of sub-section (1) of section 92CE primary adjustment is made ?	Amount (in Rs.) of primary adjustment	Whether the excess money available with the associated enterprise is repatriated to India as per the provisions of sub-section (2) of section 92CE.	If yes, whether the excess money has been repatriated within the prescribed time.	If no, the amount (in Rs.) of imputed interest income on such excess money which has not been repatriated within the prescribed time	Expected date of repatriation of money		
	Nil								
B(a)	Whether the assessee has incurred expenditure during the previous year by way of interest or of similar nature exceeding one crore rupees as referred to in sub-section (1) of section 94B.								
	(b) If yes, please furnish the following details								
	Sl No.	Amount (in Rs.) of expenditure by way of interest or of similar nature incurred	Earnings before interest, tax, depreciation and amortization (EBITDA) during the previous year (in Rs.)	Amount (in Rs.) of expenditure by way of interest or of similar nature as per (i) above which exceeds 30% of EBITDA as per (ii) above.	Details of interest expenditure brought forward as per sub-section (4) of section 94B.		Details of interest expenditure carried forward as per sub-section (4) of section 94B:		
					Assessment Year	Amount (in Rs.)	Assessment Year	Amount (in Rs.)	
	Nil								
C(a)	Whether the assessee has entered into an impermissible avoidance arrangement, as referred to in section 96, during the previous year. (This Clause is kept in abeyance till 31st March, 2020).								
	(b) If yes, please furnish the following details								
	Sl No.	Nature of the impermissible avoidance arrangement			Amount (in Rs.) of tax benefit in the previous year arising, in aggregate, to all the parties to the arrangement				
	Nil								
31 a	Particulars of each loan or deposit in an amount exceeding the limit specified in section 269SS taken or accepted during the previous year :-								
	S.No	Name of the lender or depositor	Address of the lender or depositor	Permanent Account Number (if available with the assessee) of the lender or the depositor	Amount of loan or deposit taken or accepted	Whether the loan or deposit was squared up during the previous year	Maximum amount outstanding in the account at any time during the previous year	Whether the loan or deposit was taken or accepted by cheque or bank draft or use of electronic clearing system through a bank account.	In case the loan or deposit was taken or accepted by cheque or bank draft, whether the same was taken or accepted by an account payee cheque or an account payee bank draft.
	Nil								
31 b	Particulars of each specified sum in an amount exceeding the limit specified in section 269SS taken or accepted during the previous year:-								
	S.No.	Name of the person from whom specified sum is received	Address of the person from whom specified sum is received	Permanent Account Number (if available with the assessee) of the person from whom specified sum is received	Amount of specified sum taken or accepted	Whether the specified sum was taken or accepted by cheque or bank draft or use of electronic clearing system through a bank account	In case the specified sum was taken or accepted by cheque or bank draft, whether the same was taken or accepted by an account payee cheque or an account payee bank draft.		
	Nil								
(Particulars at (a) and (b) need not be given in the case of a Government company, a banking company or a corporation established by a Central, State or Provincial Act.)									

		during the previous year, where such receipt is otherwise than by a cheque or bank draft or use of electronic clearing system through a bank account							
		S.No.	Name of the Payer	Address of the Payer	Permanent Account Number (if available with the assessee) of the Payer	Nature of transaction	Amount of receipt	Date Of receipt	
		Nil							
31	b(b)	Particulars of each receipt in an amount exceeding the limit specified in section 269ST, in aggregate from a person in a day or in respect of a single transaction or in respect of transactions relating to one event or occasion from a person, received by a cheque or bank draft, not being an account payee cheque or an account payee bank draft, during the previous year :-							
		S.No.	Name of the Payer	Address of the Payer	Permanent Account Number (if available with the assessee) of the Payer	Amount of receipt			
		Nil							
31	b(c)	Particulars of each payment made in an amount exceeding the limit specified in section 269ST, in aggregate to a person in a day or in respect of a single transaction or in respect of transactions relating to one event or occasion to a person, otherwise than by a cheque or bank draft or use of electronic clearing system through a bank account during the previous year							
		S.No.	Name of the Payer	Address of the Payer	Permanent Account Number (if available with the assessee) of the Payer	Nature of transaction	Amount of Payment	Date Of Payment	
		Nil							
31	b(d)	Particulars of each payment in an amount exceeding the limit specified in section 269ST, in aggregate to a person in a day or in respect of a single transaction or in respect of transactions relating to one event or occasion to a person, made by a cheque or bank draft, not being an account payee cheque or an account payee bank draft, during the previous year							
		S.No.	Name of the Payee	Address of the Payee	Permanent Account Number (if available with the assessee) of the Payee	Amount of Payment			
		Nil							
		(Particulars at (ba), (bb), (bc) and (bd) need not be given in the case of receipt by or payment to a Government company, a banking Company, a post office savings bank, a cooperative bank or in the case of transactions referred to in section 269SS or in the case of persons referred to in Notification No. S.O. 2065(E) dated 3rd July, 2017)							
31	c	Particulars of each repayment of loan or deposit or any specified advance in an amount exceeding the limit specified in section 269T made during the previous year :-							
		S.No.	Name of the payee	Address of the payee	Permanent Account Number (if available with the assessee) of the payee	Amount of the repayment	Maximum amount outstanding in the account at any time during the previous year	Whether the repayment was made by cheque or bank draft or use of electronic clearing system through a bank account.	In case the repayment was made by cheque or bank draft, whether the same was repaid by an account payee cheque or an account payee bank draft.
		Nil							
31	d	Particulars of repayment of loan or deposit or any specified advance in an amount exceeding the limit specified in section 269T received otherwise than by a cheque or bank draft or use of electronic clearing system through a bank account during the previous year:—							
		S.No.	Name of the lender, or depositor or person from whom specified advance is received	Address of the lender, or depositor or person from whom specified advance is received	Permanent Account Number (if available with the assessee) of the lender, or depositor or person from whom specified advance is received	Amount of repayment of loan or deposit or any specified advance received otherwise than by a cheque or bank draft or use of electronic			

					bank account during the previous year	
		Nil				
31	e	Particulars of repayment of loan or deposit or any specified advance in an amount exceeding the limit specified in section 269T received by a cheque or bank draft which is not an account payee cheque or account payee bank draft during the previous year:—				
		S.No	Name of the lender, or depositor or person from whom specified advance is received	Address of the lender, or depositor or person from whom specified advance is received	Permanent Account Number (if available with the assessee) of the lender, or depositor or person from whom specified advance is received	Amount of repayment of loan or deposit or any specified advance received otherwise than by a cheque or bank draft or use of electronic clearing system through a bank account during the previous year
		Nil				

Note: (Particulars at (c), (d) and (e) need not be given in the case of a repayment of any loan or deposit or any specified advance taken or accepted from Government, Government company, banking company or a corporation established by a Central, State or Provincial Act)

32	a	Details of brought forward loss or depreciation allowance, in the following manner, to extent available						
		S.No	Assessment Year	Nature of loss/allowance	Amount as returned	Amount as assessed	Order U/S and Date	Remarks
		Nil						
32	b	Whether a change in shareholding of the company has taken place in the previous year due to which the losses incurred prior to the previous year cannot be allowed to be carried forward in terms of section 79.						Not Applicable
32	c	Whether the assessee has incurred any speculation loss referred to in section 73 during the previous year.						No
		If yes, please furnish the details below						
32	d	Whether the assessee has incurred any loss referred to in section 73A in respect of any specified business during the previous year						No
		If yes, please furnish details of the same						
32	e	In case of a company, please state that whether the company is deemed to be carrying on a speculation business as referred in explanation to section 73						No
		If yes, please furnish the details of speculation loss if any incurred during the previous year						

33	Section-wise details of deductions, if any admissible under Chapter VIA or Chapter III (Section 10A, Section 10AA)						No
	S.No	Section	Amount				
	Nil						

34	a	Whether the assessee is required to deduct or collect tax as per the provisions of Chapter XVII-B or Chapter XVII-BB, if yes please furnish									Yes	
		S.No	Tax deduction and collection Account Number (TAN)	Section	Nature of payment	Total amount of payment or receipt of the nature specified in column (3)	Total amount on which tax was required to be deducted or collected out of (4)	Total amount on which tax was deducted or collected at specified rate out of (5)	Amount of tax deducted or collected out of (6)	Total amount of tax deducted or collected at less than specified rate out of (7)	Amount of tax deducted or collected on (8)	Amount of tax deducted or collected not deposited to the credit of the Central Government out of (6) and (8)
		1	HYDN03008F	192	Salary	5370325354	1963761987	1963761987	174409238	0	0	0
		2	HYDN03008F	194-I	Rent	3304563938	3096468074	3096468074	298082488	0	0	0
		3	HYDN03008F	194J	Fees for professional or technic	350915544	342912394	342912394	34323277	0	0	0

4	HYDN03008F	194C	Payments to contractors	8750937639	6622897617	6622897617	121703477	0	0	0
5	HYDN03008F	194A	Interest other than Interest on securities	660406920	373550327	373550327	37354997	1169460	83186	0

34 b Whether the assessee is required to furnish the statement of tax deducted or tax collected. If yes, please furnish the details: **Yes**

S.No	Tax deduction and collection Account Number (TAN)	Type of Form	Due date for furnishing	Date of furnishing, if furnished	Whether the statement of tax deducted or collected contains information about all details/transactions which are required to be reported.	If not, please furnish list of details/transactions which are not reported.
1	HYDN03008F	24Q	31/07/2018	25/07/2018	Yes	
2	HYDN03008F	24Q	31/10/2018	29/10/2018	Yes	
3	HYDN03008F	24Q	31/01/2019	21/02/2019	Yes	
4	HYDN03008F	24Q	31/05/2019	20/05/2019	Yes	
5	HYDN03008F	26Q	31/07/2018	31/07/2018	Yes	
6	HYDN03008F	26Q	31/10/2018	30/10/2018	Yes	
7	HYDN03008F	26Q	31/01/2019	21/02/2019	Yes	
8	HYDN03008F	26Q	31/05/2019	28/05/2019	Yes	

34 c Whether the assessee is liable to pay interest under section 201(1A) or section 206C(7). If yes, please furnish **Yes**

S.No	Tax deduction and collection Account Number (TAN)	Amount of interest under section 201(1A)/206C(7) is payable	Amount	Dates of payment
1	HYDN03008F	2500000	2500000	2018-11-28

35 a In the case of a trading concern, give quantitative details of principal items of goods traded

S.No	Item Name	Unit	Opening stock	Purchases during the previous year	Sales during the previous year	Closing stock	Shortage/excess, if any
Nil							

35 b In the case of a manufacturing concern, give quantitative details of the principal items of raw materials, finished products and by-products :-

35 bA Raw materials :

S.No	Item Name	Unit	Opening stock	Purchases during the previous year	Consumption during the previous year	Sales during the previous year	Closing stock	*Yield of finished products	*Percentage of yield	Shortage/excess, if any
Nil										

35 bB Finished products :

S.No	Item Name	Unit	Opening stock	Purchases during the previous year	Quantity manufactured during the previous year	Sales during the previous year	Closing stock	Shortage/excess, if any
Nil								

35 bC By products :

S.No	Item Name	Unit	Opening stock	Purchases during the previous year	Quantity manufactured during the previous year	Sales during the previous year	Closing stock	Shortage/excess, if any
Nil								

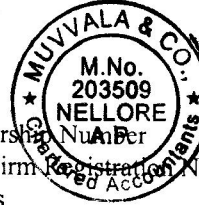
36 In the case of a domestic company, details of tax on distributed profits under section 115-O in the following forms :-

		section 115-O(1A) (i)	section 115-O(1A) (ii)				
		Nil					
A(a)	Whether the assessee has received any amount in the nature of dividend as referred to in sub-clause (e) of clause (22) of section 2. If yes, please furnish the following details:-						No
	Sl No.	Amount received (in Rs.)				Date of receipt	
	Nil						
37	Whether any cost audit was carried out						Not Applicable
	If yes, give the details, if any, of disqualification or disagreement on any matter/item/value/quantity as may be reported/identified by the cost auditor						
38	Whether any audit was conducted under the Central Excise Act, 1944						Not Applicable
	If yes, give the details, if any, of disqualification or disagreement on any matter/item/value/quantity as may be reported/identified by the auditor						
39	Whether any audit was conducted under section 72A of the Finance Act, 1994 in relation to valuation of taxable services as may be reported/identified by the auditor						Not Applicable
	If yes, give the details, if any, of disqualification or disagreement on any matter/item/value/quantity as may be reported/identified by the auditor						
40	Details regarding turnover, gross profit, etc., for the previous year and preceding previous year:						
Sl No	Particulars	Previous Year			Preceding previous Year		
a	Total turnover of the assessee	20209728995			18202012573		
b	Gross profit / Turnover			%			%
c	Net profit / Turnover	-664254296	20209728995	-3.29%	-1490918051	18202012573	-8.19%
d	Stock-in-Trade / Turnover			%			%
e	Material consumed/ Finished goods produced			%			%
(The details required to be furnished for principal items of goods traded or manufactured or services rendered)							
41	Please furnish the details of demand raised or refund issued during the previous year under any tax laws other than Income-tax Act, 1961 and Wealth tax Act, 1957 alongwith details of relevant proceedings						
	Financial year to which demand/refund relates to	Name of other Tax law	Type (Demand raised/Refund received)	Date of demand raised/refund received	Amount	Remarks	
	Nil						
42	Whether the assessee is required to furnish statement in Form No.61 or Form No. 61A or Form No. 61B? If yes, please furnish						No
	Sl No.	Income-tax Department Reporting Entity Identification Number	Type of Form	Due date for furnishing	Date of furnishing, if furnished	Whether the Form contains information about all details/ transactions which are required to be reported.	If not, please furnish list of the details/ transactions which are not reported.
	Nil						
43	(a) Whether the assessee or its parent entity or alternate reporting entity is liable to furnish the report as referred to in sub-section (2) of section 286						No
	Sl No.	Whether report has been furnished by the assessee or its parent entity or an alternate reporting entity	Name of parent entity	Name of alternate reporting entity (if applicable)	Date of furnishing of report		
	Nil						

44	Break-up of total expenditure of entities registered or not registered under the GST:(This Clause is kept in abeyance till 31st March, 2020)						
	Sl No.	Total amount of Expenditure incurred during the year	Expenditure in respect of entities registered under GST				Expenditure relating to entities not registered under GST
			Relating to goods or services exempt from GST	Relating to entities falling under composition scheme	Relating to other registered entities	Total payment to registered entities	
		Nil					

Place **NELLORE**
Date **31/10/2019**

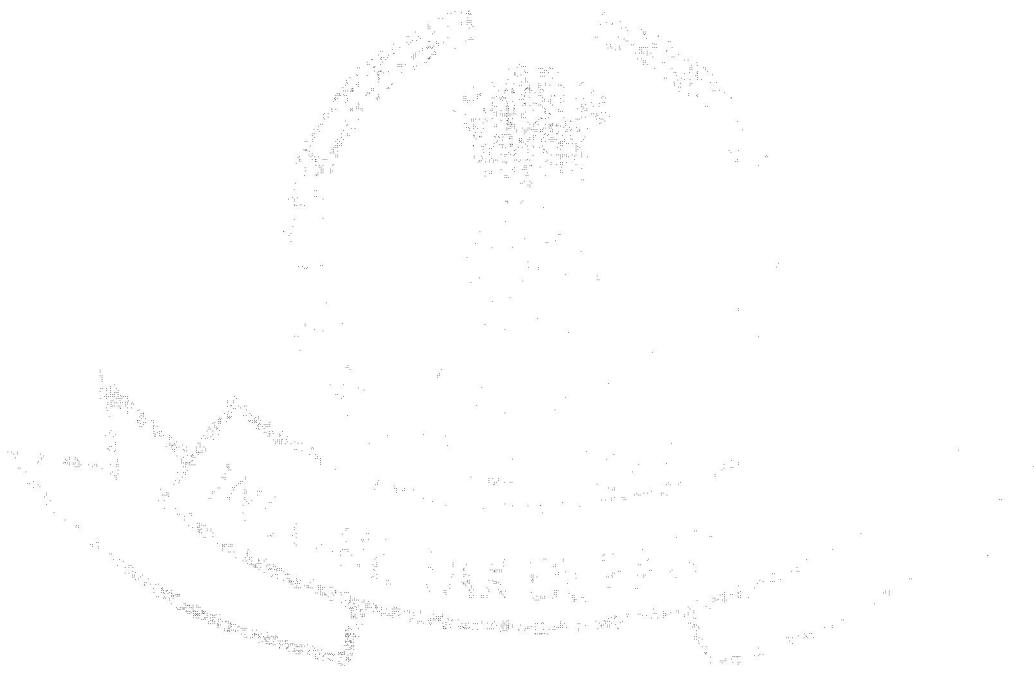
Name **SRINIVASA RAO MUVVALA**
Membership Number **203509**
FRN (Firm Registration Number) **010318S**
Address **18/223, SIKARAMVARI STREET,, NEAR HEAD POST OFFICE, NELLORE, AND HRA PRADESH, 524003,**



Form Filing Details	
Revision/Original	Original

Addition Details(From Point No. 18)								
Description of Block of Assets	Sl.No.	Date of Purchase	Date put to use	Amount	Adjustment on account of			Total Amount
					MODVAT	Exchange Rate Change	Subsidy Grant	
Building @ 10%	1	01/08/2018	01/08/2018	664966	0	0	0	664966
	2	01/10/2018	01/10/2018	137846687	0	0	0	137846687
Total of Building @ 10%								138511653
Plant & Machinery @ 15%	1	01/08/2018	01/08/2018	522177567	0	0	0	522177567
	2	01/10/2018	01/10/2018	51758846	0	0	0	51758846
Total of Plant & Machinery @ 15%								573936413
Furnitures & Fittings @ 10%	1	01/08/2018	01/08/2018	6971036	0	0	0	6971036
	2	01/10/2018	01/10/2018	12430601	0	0	0	12430601
Total of Furnitures & Fittings @ 10%								19401637
Plant & Machinery @ 40%	1	01/08/2018	01/08/2018	9482275	0	0	0	9482275
	2	01/10/2018	01/10/2018	25472950	0	0	0	25472950
Total of Plant & Machinery @ 40%								34955225

Deduction Details(From Point No. 18)			
Description of Block of Assets	Sl.No.	Date of Sale etc.	Amount
Building @ 10%			
Total of Building @ 10%			0
Plant & Machinery @ 15%	1	01/08/2018	498584414
Total of Plant & Machinery @ 15%			498584414
Furnitures & Fittings @ 10%			
Total of Furnitures & Fittings @ 10%			0
Plant & Machinery @ 40%			
Total of Plant & Machinery @ 40%			0



FORM NO. 10BB

[See rule 16CC]

Audit report under section 10(23C) of the Income-tax Act, 1961, in the case of any fund or trust or institution or any university or other educational institution or any hospital or other medical institution referred to in sub-clause (iv) or sub-clause (v) or sub-clause (vi) or sub-clause (via) of section 10(23C).

(i) I have examined the Balance Sheet as at 31/03/2019 and the Income and Expenditure or Profit and Loss Account for the year ended on that date attached herewith of **NARAYANA EDUCATIONAL SOCIETY , AAATN1672R** (name and PAN of fund or trust or institution or any university or other educational institution or any hospital or other medical institution).

(ii) I certify that the Balance Sheet and the Income and Expenditure Account or Profit and Loss Account are in agreement with the books of account maintained by the head office at **NELLORE** and **470** branches.

(iii) Subject to comments below

(a) I have obtained all the information and explanations which to the best of **my** knowledge and belief were necessary for the purpose of the audit.

(b) In **my** opinion, proper books of account have been kept by the head office and branches of the above-named fund, or trust, or institution or any university or other educational institution or any hospital or other medical institution so far as appears from **my** examination of the books of account.

(c) In **my** opinion and to the best of **my** information and according to the information given to **me** , the said accounts read with notes thereon, if any, give a true and fair view -

(1) In the case of the Balance Sheet, of the state of affairs of the above-named fund, or trust, or institution or any university or other educational institution or any hospital or other medical institution as at **31/03/2019** and

(2) In the case of Income and Expenditure Account or Profit and Loss Account, surplus or deficit or profit or loss for the year ended on that date.

The prescribed particulars are annexed herewith:

Place **NELLORE**
Date **31/10/2019**

Name **M. SRINIVASA RAO**
Membership **203509**
FRN (Firm Registered Account Number) **010318S**
Address **18/223, SIKARAMVARI STREET ,
NELLORE, 524001**



Comments

19203503AAAAM3725

We relied on the Financial Statements audited by M/S Walker Chandio & Co LLP, Hyderabad for the financial year 2018-19

**ANNEXURE
Statement of particulars
PART A
GENERAL**

1.	Name of the fund or trust or institution or any university or other educational institution or any hospital or other medical institution.	NARAYANA EDUCATIONAL SOCIETY
2.	Address	
	Flat/ Door/ Block No.	14/72
	Name of premises/ Building/ Village	
	Road/ Street /Post Office	
	Area/ Locality	HARANATHAPURAM
	Town/ City / District	NELLORE
	State	ANDHRA PRADESH
	Pin Code	524003
3.	Permanent Account Number	AAATN1672R
4.	Assessment Year	2019 - 20
5.	Sub-clause of section 10(23C) under which the fund or trust or institution or any university or other educational institution or any hospital or other medical institution is seeking exemption.	(vi)
6.	Number and date of notification/approval of the fund or trust or institution or any university or other educational institution or any hospital or other medical institution.	
	Number of notification /approval	Date of notification/approval
	CCIT-III/TECH/ExemU/s. 10(23C)(VI)/08-09	2008-06-30

APPLICATION OF INCOME FOR CHARITABLE OR RELIGIOUS OR EDUCATIONAL OR PHILANTHROPIC PURPOSES

7.	Nature of charitable/ religious/ educational/ philanthropic activity [as referred to in sub-clauses (iv),(v),(vi) or (via) of section 10(23C)]	EDUCATION
8.	Total income of the previous year of the fund or trust or institution or any university or other educational institution or any hospital or other medical institution (₹)	20209728995
9.	Amount of income of the previous year applied during the year wholly and exclusively to the objects for which it is established (₹)	20205069058
10.	Amount of income of the previous year accumulated for application, wholly and exclusively, to the objects for which it is established, to the extent it does not exceed 15% of income of that year. (₹)	4659937
11.	Amount of income, exceeding 15% of income of the year, accumulated in accordance with clause (a) of the third proviso to section 10(23C). (₹)	0
12.	(a) Whether, during the previous year, any part of the income, not exceeding 15% of income accumulated in any earlier year, was applied for purposes other than to the objects for which it is established or has ceased to be accumulated for application thereto?	No
	(b) If the answer to (a) above is 'yes', then give details of income so applied or ceased to be so accumulated	
13.	(a) Whether, during the previous year, any part of the income of any earlier year exceeding 15% of the income, that was accumulated in accordance with clause (a) of the third proviso to section 10(23C) in that year, was applied for purposes other than to the objects for which it is established or has ceased to be accumulated for application thereto?	No
	(b) If the answer to (a) above is 'yes', then give details of income so applied or ceased to be so accumulated	
14.	(a) Whether, during the previous year, any part of the income of any earlier year exceeding 15% of the income, that was accumulated in accordance with clause (a) of the third proviso to section 10(23C) in that year, was not utilised for purposes for which it was accumulated during the period for which it was to be accumulated?	No
	(b) If the answer to (a) above is 'yes', then give details thereof, together with amount of income not so utilised.	

**PART C -
OTHER INFORMATION**

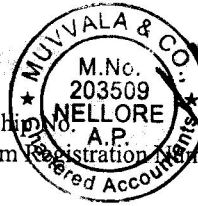
15.	(a) Whether any funds, other than the assets or voluntary contributions referred to in clause (b) of the third proviso to section 10(23C), were invested or deposited for any period during the previous year, otherwise than in the forms and modes specified in sub-section (5) of section 11.	No
	(b)	
16.	In relation to any income being profits and gains of business, -	
	(a) whether the business was incidental to the attainment of the objectives of the fund or trust or institution or university or other educational institution or hospital or other medical institution?	Yes
	(b) whether separate books of account were maintained in respect of such business?	Yes
	(c) if the answer to (a) and/or (b) above is 'no', then state the amount of such income. (₹)	
17.	(a) whether during the previous year, any part of the accumulated income was paid or credited to any trust or institution registered under section 12AA or to any	No

	(v) or sub-clause (vi) or sub-clause (via) of clause (23C) of section 10?	
	(b) if the answer to (a) above is 'yes', then give details thereof, together with the amount of income so paid or credited.	
18	(a) Whether any voluntary contribution, other than voluntary contribution in cash or voluntary contribution of the nature referred to in clause (b) of the third proviso to section 10(23C), was held during the previous year, otherwise than in any of the forms or modes specified in sub-section (5) of section 11, after the expiry of one year from the end of the previous year in which such voluntary contribution was received?	No
	(b) if the answer to (a) above is 'yes', then give details thereof, including the amount of such voluntary contribution.	
19	(a) whether any anonymous donation referred to in section 115 BBC was received during the year? (See notes 2 &3)	No
	(b) if the answer to (a) above is 'yes', then state the amount of such anonymous donation. (₹)	

Place
Date

NELLORE
31/10/2019

Name
Membership No.
FRN (Firm Registration Number)
Address



(Signature)

M. SRINIVASA RAO
203509
010318S
18/223, SIKARAMVARI STREET,
NELLORE, 524001

Form Filing Details

Revision/Original Original

NELLORE TAX DEPARTMENT

FORM NO. 10B

[See rule 17B]

Audit report under section 12A(b) of the Income-tax Act, 1961, in the case of charitable or religious trusts or institutions

I have examined the balance sheet of **NARAYANA EDUCATIONAL SOCIETY**, **AAATN1672R** [name and PAN of the trust or institution] as at **31/03/2019** and the Profit and loss account for the year ended on that date which are in agreement with the books of account maintained by the said trust or institution.

I have obtained all the information and explanations which to the best of **my** knowledge and belief were necessary for the purposes of the audit. In **my** opinion, proper books of account have been kept by the head office and the branches of the abovenamed **trust** visited by **me** so far as appears from **my** examination of the books, and proper Returns adequate for the purposes of audit have been received from branches not visited by **me**, subject to the comments given below:

We relied the audited financial statements of Narayana Educational Society certified by the statutory auditors M/s Walker & handiok Co LLP, Hyderabad.

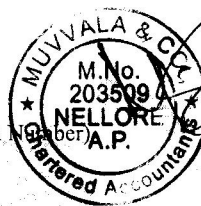
In **my** opinion and to the best of **my** information, and according to information given to **me**, the said accounts give a true and fair view-

- (i) in the case of the balance sheet, of the state of affairs of the above named **trust** as at **31/03/2019** and
(ii) in the case of the profit and loss account, of the profit or loss of its accounting year ending on **31/03/2019**

The prescribed particulars are annexed hereto.

Place **NELLORE**
Date **31/10/2019**

Name **M. SRINIVASA RAO**
Membership Number **203509**
FRN (Firm Registration Number) **010318S**
Address **18/223, SIKARAMVARI STRE
ET NELLORE 524001**



ANNEXURE

Statement of particulars

I. APPLICATION OF INCOME FOR CHARITABLE OR RELIGIOUS PURPOSES

1.	Amount of income of the previous year applied to charitable or religious purposes in India during that year (₹)	20205069058
2.	Whether the trust has exercised the option under clause (2) of the Explanation to section 11(1) ? If so, the details of the amount of income deemed to have been applied to charitable or religious purposes in India during the previous year (₹)	No
3.	Amount of income accumulated or set apart for application to charitable or religious purposes, to the extent it does not exceed 15 per cent of the income derived from property held under trust wholly for such purposes. (₹)	Not Applicable
4.	Amount of income eligible for exemption under section 11(1)(c) (Give details)	No
5.	Amount of income, in addition to the amount referred to in item 3 above, accumulated or set apart for specified purposes under section 11(2) (₹)	0
6.	Whether the amount of income mentioned in item 5 above has been invested or deposited in the manner laid down in section 11(2)(b) ? If so, the details thereof.	Not Applicable
7.	Whether any part of the income in respect of which an option was exercised under clause (2) of the Explanation to section 11(1) in any earlier year is deemed to be income of the previous year under section 11(1B) ? If so, the details thereof (₹)	Not Applicable
8.	Whether, during the previous year, any part of income accumulated or set apart for specified purposes under section 11(2) in any earlier year-	
(a)	has been applied for purposes other than charitable or religious purposes or has ceased to be accumulated or set apart for application thereto, or	No
(b)	has ceased to remain invested in any security referred to in section 11(2)(b)(i) or deposited in any account referred to in section 11(2)(b)(ii) or section 11(2)(b)(iii), or	No

(c)	has not been utilised for purposes for which it was accumulated or set apart during the period for which it was to be accumulated or set apart, or in the year immediately following the expiry thereof? If so, the details thereof	No
-----	---	----

II. APPLICATION OR USE OF INCOME OR PROPERTY FOR THE BENEFIT OF PERSONS REFERRED TO IN SECTION 13(3)

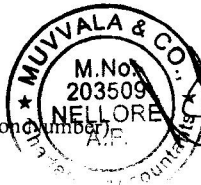
1.	Whether any part of the income or property of the trust was lent, or continues to be lent, in the previous year to any person referred to in section 13(3) (hereinafter referred to in this Annexure as such person)? If so, give details of the amount, rate of interest charged and the nature of security, if any.	No
2.	Whether any part of the income or property of the trust was made, or continued to be made, available for the use of any such person during the previous year? If so, give details of the property and the amount of rent or compensation charged, if any.	No
3.	Whether any payment was made to any such person during the previous year by way of salary, allowance or otherwise? If so, give details	Yes
	Details	Amount(₹)
	R SAMBA SIVA RAO	900000
4.	Whether the services of the trust were made available to any such person during the previous year? If so, give details thereof together with remuneration or compensation received, if any	No
5.	Whether any share, security or other property was purchased by or on behalf of the trust during the previous year from any such person? If so, give details thereof together with the consideration paid	No
6.	Whether any share, security or other property was sold by or on behalf of the trust during the previous year to any such person? If so, give details thereof together with the consideration received	No
7.	Whether any income or property of the trust was diverted during the previous year in favour of any such person? If so, give details thereof together with the amount of income or value of property so diverted	No
8.	Whether the income or property of the trust was used or applied during the previous year for the benefit of any such person in any other manner? If so, give details	No

III. INVESTMENTS HELD AT ANY TIME DURING THE PREVIOUS YEAR(S) IN CONCERNS IN WHICH PERSONS REFERRED TO IN SECTION 13(3) HAVE A SUBSTANTIAL INTEREST

S. No	Name and address of the concern	Where the concern is a company, number and class of shares held	Nominal value of the investment(₹)	Income from the investment(₹)	Whether the amount in col. 4 exceeded 5 per cent of the capital of the concern during the previous year-say. Yes/No
Total					

Place NELLORE
Date 31/10/2019

Name
Membership Number
FRN (Firm Registration Number)
Address



S. RAO
M. SRINIVASA RAO
203509
010318S
18/223, SIKARAMVARI STRE
ET NELLORE 524001

Form Filing Details	
Revision/Original	Original

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Independent Auditor's Report

To the Governing Body of Narayana Educational Society

Report on the Financial Statements

Qualified Opinion

1. We have audited the accompanying financial statements of Narayana Educational Society ('the Society'), which comprise the Balance Sheet as at 31 March 2019, the Income and Expenditure Account, and the Receipts and Payments Account 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, except for the possible effects of the matters described in paragraph 3 and the effects of the matters as described in paragraph 4 and 5 of the basis for qualified opinion section of our report, the aforesaid financial statements give a true and fair view in conformity with the accounting principles generally accepted in India, including the Accounting Standards issued by the Institute of Chartered Accountants of India ('ICAI') of the state of affairs (financial position) of the Society as at 31 March 2019, its excess of Expenditure over Income (financial performance) and its Receipts and Payments for the year ended on that date.

Basis for Qualified Opinion

3. We report that in respect of certain tangible property, plant and equipment, acquired by the Society prior to 31 March 2014, and having a net book value of ₹1,052,695,881 as at 31 March 2019 (31 March 2018: ₹1,200,586,944), the Governing Body had undertaken the process of physical verification during the prior years. However, the reconciliation of the balances of these property, plant and equipment as per the physical count and the books of account is yet to be made. In view of the nature of property, plant and equipment and its use in continuing operations, the Governing Body is confident of the existence thereof. Pending completion of such reconciliation, we are unable to comment on the impact of discrepancies, if any, on the accompanying financial statements. Our opinion on the financial statements for the year ended 31 March 2018 was qualified in respect of this matter.



Chartered Accountants

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

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

4. We draw attention to note 25 to the accompanying financial statements regarding realisability of certain trade receivables and loans and advances amounting to ₹387,843,823 and ₹844,013,298 respectively, outstanding as at 31 March 2019 (31 March 2018: ₹224,079,643 and ₹757,567,820, respectively). These amounts have been considered good and recoverable by the Governing Body on the basis of its internal assessment. However, in the absence of sufficient appropriate evidence supporting such assessment, we are of opinion that these balances as at 31 March 2019 aggregating to ₹1,231,857,121 (31 March 2018: ₹224,079,643) should have been provided for in the accompanying financial statements in accordance with the requirements of prudence as per AS 1, Disclosure of Accounting Policies. Had the Society accounted for the provision for these amounts, the expenditure for the year ended 31 March 2019 and balance in the accumulated losses as at 31 March 2019 would have been higher and the balance of trade receivables and loans and advances would have been lower by these amounts. Our opinion on the financial statements for the year ended 31 March 2018 was qualified in respect of this matter.
5. We draw attention to note 28 to the accompanying financial statements regarding computation of the depreciation charge for the tangible property, plant and equipment used by the Society. Presently, the Governing Body has computed the depreciation charge for the year ended 31 March 2019 in accordance with the rates mentioned in the Income Tax Act, 1961, which is not in line with the accounting principles as mentioned in the Guidance Note on Accounting by Schools (Guidance Note). Had the Society adopted the rates of depreciation as prescribed in the Guidance Note, the depreciation charge for the year ended 31 March 2019 would have been higher to the tune of ₹419,556,391 (31 March 2018: ₹512,020,325). Consequently, the excess of expenditure over income for the year ended 31 March 2019 would have been higher and the balance of reserves and surplus and the net block of tangible property, plant and equipment as at 31 March 2019 would have been lower to the said extent. Our opinion on the financial statements for the year ended 31 March 2018 was qualified in respect of this matter.
6. We conducted our audit in accordance with the Standards on Auditing (SAs) issued by the ICAI. 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 Society in accordance with the Code of Ethics issued by the ICAI and we have fulfilled our 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 qualified opinion.

Responsibilities of Governing Body for the Financial Statements

7. The Governing Body is responsible for preparation of these financial statements that give a true and fair view of the state of affairs (financial position), excess of Expenditure over Income (financial performance) and receipts and payments of the Society in accordance with the accounting principles generally accepted in India, including the Accounting Standards issued by the ICAI. This responsibility includes the design, implementation and maintenance of adequate internal control 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.
8. In preparing the financial statements, the Governing Body is responsible for assessing the Society's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Governing Body either intends to liquidate the Society or to cease operations, or has no realistic alternative but to do so.

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 SAs 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.

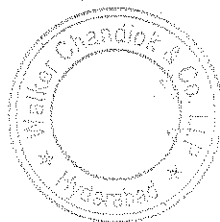


Walker Chandiook & Co LLP

10. As part of an audit in accordance with SAs, 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, but not for the purpose of expressing an opinion on whether the Society has in place an adequate internal financial controls system over financial reporting 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 the Governing Body.
 - Conclude on the appropriateness of Governing Body'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 Society'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 Society 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 the Governing Body 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.

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


Sanjay Kumar Jain
Partner
Membership No.: 207660
UDIN: 19207660AAAAEG6348



Place: Hyderabad
Date: 31 October 2019

Narayana Educational Society
Balance Sheet as at 31 March 2019

(All amounts in ₹, unless otherwise stated)

	Notes	As at 31 March	
		2019	2018
Corpus and liabilities			
Corpus			
Capital fund	3	239,426,872	239,426,872
Reserves and surplus	4	(53,905,116)	610,349,180
		185,521,756	849,776,052
Non-current liabilities			
Long-term borrowings	5	1,969,015,550	2,114,990,954
Long-term provisions	6(a)	125,408,310	121,393,710
Other non-current liabilities	8(a)	3,553,848,483	3,708,906,360
		5,648,272,343	5,945,291,024
Current liabilities			
Short-term borrowings	7	1,633,884,281	2,110,225,553
Trade payables		4,512,973,009	1,911,331,231
Short-term provisions	6(b)	16,613,905	6,303,331
Other current liabilities	8(b)	4,471,996,943	3,616,713,046
		10,635,468,138	7,644,573,161
		16,469,262,237	14,439,640,237
Assets			
Non-current assets			
Property, plant and equipment			
- Tangible assets	9	5,376,554,924	5,776,770,020
- Capital work-in-progress		123,000,835	108,892,736
Long-term loans and advances	10(a)	4,315,039,810	4,453,464,856
Other non-current assets	11(a)	686,267,175	280,322,785
		10,500,862,744	10,619,450,397
Current assets			
Trade receivables	12	3,461,127,147	2,426,914,780
Inventories	13	56,288,478	104,768,428
Cash and bank balances	14	1,112,332,546	652,707,793
Short-term loans and advances	10(b)	1,133,951,395	503,567,805
Other current assets	11(b)	204,699,927	132,231,034
		5,968,399,493	3,820,189,840
		16,469,262,237	14,439,640,237

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

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

For **Walker Chandlok & Co LLP**

Chartered Accountants

Firm's Registration No.: 001076N/N500013

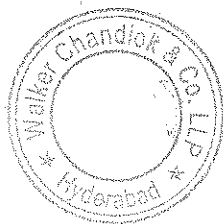
Sanjay Kumar Jain

Partner

Membership No.: 207660


Place: Hyderabad

Date: 31 October 2019



For and on behalf of the Governing Body of
Narayana Educational Society


Puneet Kothapa
 President


Sambashiva Sastry Kambhampati
 Chief Financial Officer

Place: Hyderabad

Date: 31 October 2019

Narayana Educational Society
Income and Expenditure Account for the year ended 31 March 2019
(All amounts in ₹, unless otherwise stated)

	Notes	For the year ended 31 March	
		2019	2018
Income			
Income from operations	15	19,972,173,490	17,861,967,725
Other income	16	237,555,505	340,044,848
Total income		20,209,728,995	18,202,012,573
Expenditure			
Purchases of medical supplies and consumables	17	287,094,090	248,270,749
Changes in inventories of medical supplies	18	-	15,755,197
Employee benefits expense	19	5,627,101,237	5,486,423,401
Finance costs	20	660,406,920	676,486,313
Depreciation expense	9	668,914,233	719,660,130
Other expenses	21	13,630,466,811	12,546,334,834
Total expenditure		20,873,983,291	19,692,930,624
Excess of expenditure over income		(664,254,296)	(1,490,918,051)

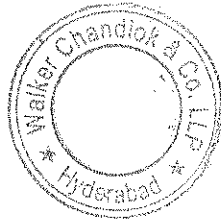
The accompanying notes form an integral part of these financial statements.

This is the Income and Expenditure Account referred to in our report of even date.

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

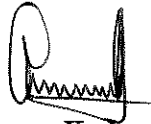

Sanjay Kumar Jain

Partner
Membership No.: 207660




Place: Hyderabad
Date: 31 October 2019

For and on behalf of the Governing Body of
Narayana Educational Society


Puneet Kothapa
President

Place: Hyderabad
Date: 31 October 2019


Sambashiva Sastry Kambhampati
Chief Financial Officer

	For the year ended 31 March	
	2019	2018
A. Receipts		
Fees from students	18,560,210,623	16,394,921,289
Revenue from healthcare services and sale of pharmacy	714,499,708	613,886,144
Interest on fixed deposits	13,858,858	62,013,311
Interest earned on finance lease receivables	64,485,304	35,628,818
Miscellaneous income	76,344,088	94,688,679
Proceeds from long-term borrowings	2,342,660,857	924,346,058
Proceeds from short-term borrowings, net	-	263,636,603
Caution deposits received	413,129,005	454,005,357
Security deposits received from related party	-	1,248,169,915
Amounts received towards assets given on lease	146,527,982	185,740,151
Proceeds from sale of assets	-	35,036,279
Advances from related parties, net	-	44,827,217
Other loans and advances	-	4,970,111
Redemption of fixed deposits	48,098,884	7,079,538
	22,379,815,309	20,368,949,470
B. Payments		
Purchase of property, plant and equipment	548,940,777	644,073,339
Employee benefits expense	5,653,492,846	5,190,055,544
Finance costs	570,308,541	569,884,108
Other expenses	10,632,083,283	11,718,095,237
Purchase of consumables	238,614,140	291,280,811
Advance taxes, net (tax deducted at source)	4,521,406	7,424,088
Staff advances	4,509,684	2,891,277
Other loans and advances	11,716,612	-
Refund of caution deposits	331,180,302	231,140,576
Security deposits paid	169,665,178	17,247,839
Repayment of security deposits to related parties	149,549,978	-
Advances to related parties, net	420,420,958	-
Repayment of short-term borrowings, net	584,358,470	-
Repayment of long-term borrowings	2,436,056,417	1,936,831,610
	21,755,418,592	20,608,924,429
C. Net receipts / (payments) made during the year	(A-B)	624,396,717 (239,974,959)
D. Cash and cash equivalents at the beginning of the year		359,706,239 599,681,198
E. Cash and cash equivalents at the end of the year (refer note 1 below)	(C+D)	984,102,956 359,706,239




Narayana Educational Society
Receipts and Payments Account for the year ended 31 March 2019
(All amounts in ₹, unless otherwise stated)

	As at 31 March	
	2019	2018
Note 1:		
Cash and cash equivalents comprise of: (refer note 14)		
Balances with banks		
- in current accounts	925,093,822	317,911,743
Cash-on-hand	59,009,134	41,794,496
	984,102,956	359,706,239

This is the Receipts and Payments Account referred to in our report of even date.


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


Sanjay Kumar Jain
Partner
Membership No.: 207660




Place: Hyderabad
Date: 31 October 2019

For and on behalf of the Governing Body of
Narayana Educational Society


Puneet Kothapa
President

Place: Hyderabad
Date: 31 October 2019


Sambashiva Sastry Kambhampati
Chief Financial Officer

Narayana Educational Society
Summary of significant accounting policies and other explanatory information

(All amounts in ₹, unless otherwise stated)

1. Society overview

Narayana Educational Society (‘the Society’) is an autonomous non-profit organisation domiciled in India and registered under the provisions of the Societies Registration Act, 1860 (the ‘Act’). The Society was incorporated in the year 1996 to promote, establish, maintain and assist educational institutions to impart education for the promotion of literature, arts, science and technology.

2. Summary of significant accounting policies

(a) Basis of preparation of financial statements

The financial statements are prepared under historical cost convention on the accrual basis of accounting in accordance with the generally accepted accounting principles in India (‘Indian GAAP’) and comply in all respects with the Guidance Note on Accounting by Schools (‘the Guidance note’), the mandatory Accounting Standards (‘AS’) and other pronouncements issued by the Institute of Chartered Accountants of India (‘ICAI’), unless otherwise stated. The Society is a level one enterprise in accordance with the guidelines issued by the ICAI. The accounting policies applied by the Society are consistent with those used in the prior year.

All assets and liabilities have been classified as current or non-current as per the Society’s normal operating cycle, purpose and expected realization. Based on the nature of work, the Society has ascertained its operating cycle as up to twelve months for the purpose of current and non-current classification of assets and liabilities.

(b) Use of estimates

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

(c) Revenue recognition

Income from fee

Revenue from student fee which includes tuition fee, examination fee, hostel fee, mess fee, transport fee and library fee is recognized on accrual basis over the period of instruction.

Revenue from healthcare services and pharmacy

Revenue from healthcare services and pharmacy is recognized as and when the services are rendered/pharmacy items are sold. Income from other healthcare related services is recognized as per the terms of the arrangement with respective customers.

Interest income

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

Dividend income

Dividend from investment in mutual fund is recognized when the right to receive the payment is established.



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

2. Summary of significant accounting policies (continued)

(d) Tangible assets

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

Depreciation on tangible assets

Depreciation on tangible assets is provided on written-down value method in accordance with the method prescribed under Income Tax Act, 1961. The rates of depreciation used for different classes of assets are as follows:

Nature of assets	Rate of depreciation
Buildings	10%
Furniture and fixtures	10%
Plant and machinery	15%
Computers	40%
Library books	60%
Vehicles	15%

(e) Impairment of assets

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

(f) Leases

i) Where the Society is the lessee

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

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

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



Narayana Educational Society

Summary of significant accounting policies and other explanatory information

(All amounts in ₹, unless otherwise stated)

2. Summary of significant accounting policies (continued)

(f) Leases (continued)

ii) Where the Society is the lessor

Leases which effectively transfer to the lessee substantially all the risks and benefits incidental to ownership of the leased item are classified and accounted for as finance lease. Lease rental receipts are apportioned between the finance income and capital repayment based on implicit rate of return.

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

(g) Cash and cash equivalents

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

(h) Inventories

Inventories are valued at lower of cost and net realizable value. Cost consist of purchase price including duties and taxes (other than those subsequently recoverable by the Society from the taxing authorities), freight inwards and other costs incurred in bringing such inventories to their present location and condition. Cost is determined on the basis of first-in-first-out method ("FIFO") method. Net realizable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and estimated costs necessary to make sale.

(i) Employee benefits

Provident fund

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

Gratuity

Gratuity is a post-employment defined benefit plan. Short-term and long-term liability recognized in the Balance Sheet represents the present value of the defined benefit obligation at the reporting date less the fair value of plan assets. Gratuity is provided for on the basis of an actuarial valuation on projected unit credit method at the end of each financial year. Actuarial gains and losses are recognized in full in the Income and Expenditure Account for the period in which they occur.

(j) Receipts and Payments Account

Receipts and payments are reported using the direct method, whereby major classes of gross cash receipts and gross cash payments are disclosed by the Society.

(k) Foreign currency transactions

Initial recognition

Foreign currency transactions are recorded in the reporting currency, by applying to the foreign currency amount the exchange rate between the reporting currency and foreign currency at the date of the transaction.

Conversion

Foreign currency monetary items are reported at year-end rates. Non-monetary items which are carried in terms of historical cost denominated in foreign currency are reported using the exchange rate at the date of the transaction.



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

2. Summary of significant accounting policies (continued)

k) Foreign currency transactions (continued)

Exchange differences

Exchange differences arising on the settlement of monetary items or on reporting Society's monetary items at rates different from those at which they were initially recorded during the year, or reported in previous financial statements, are recognized as income or as expenses in the year in which they arise.

(l) Investments

Investments that are readily realizable and intended to be held for more than a year are classified as current investments. All other investments are classified as long-term investments. Current investments are carried at lower of cost and fair value determined on an individual investment basis. Long-term investments are carried at cost. However, provision for diminution in value is made to recognize a decline other than temporary in the value of investments.

(m) Taxes on income

Tax expense comprises of current and deferred tax.

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

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

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

(n) Segment reporting

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

(o) Provisions and contingent liabilities

Provisions

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

Contingent liabilities

A disclosure of the contingent liability is made when there is a possible or a present obligation that may, but probably will not, require an outflow of resources.



Narayana Educational Society

Summary of significant accounting policies and other explanatory information

(All amounts in ₹, unless otherwise stated)

3. Capital fund

	As at 31 March	
	2019	2018
Balances as per the last audited financial statements*	239,426,872	239,426,872
	<u>239,426,872</u>	<u>239,426,872</u>

*Represents amounts collected from students towards the corpus of the Society.

4. Reserves and surplus

	As at 31 March	
	2019	2018
(Deficit) / excess in the Income and Expenditure Account		
Balance at the beginning of the year	610,349,180	2,101,267,231
Less: Excess of expenditure over income for the year	(664,254,296)	(1,490,918,051)
Balance at the end of the year	<u>(53,905,116)</u>	<u>610,349,180</u>

5. Long-term borrowings

	As at 31 March	
	2019	2018
Secured		
₹ term loans from		
- Banks	460,707,611	1,339,007,857
- Others	612,988,209	-
Vehicle and equipment term loans from		
- Banks	585,549,727	597,675,125
- Others	110,386,474	-
	(a) <u>1,769,632,021</u>	<u>1,936,682,982</u>
Other vehicle and equipment loans from		
- Banks	17,553,132	58,384,562
- Others	142,042,707	27,555,876
	(b) <u>159,595,839</u>	<u>85,940,438</u>
Unsecured		
Loans from related parties (refer note 5(c))	(c) <u>570,200,000</u>	<u>620,000,000</u>
	<u>570,200,000</u>	<u>620,000,000</u>
Total borrowings	(a+b+c) <u>2,499,427,860</u>	<u>2,642,623,420</u>
Less: Current maturities of long-term borrowings (refer note 8(b))	<u>530,412,310</u>	<u>527,632,466</u>
Total long-term borrowings	<u>1,969,015,550</u>	<u>2,114,990,954</u>

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Narayana Educational Society

Summary of significant accounting policies and other explanatory information

(All amounts in ₹, unless otherwise stated)

5. Long-term borrowings (contd.)

a. Details of security

Term loans (other than vehicle and equipment loans)

Term loans from banks and others outstanding to the tune of ₹1,073,695,820 (31 March 2018: ₹1,339,007,857) are secured: a) by a charge on the immovable and movable property, plant and equipment and current assets and on the assets procured from the proceeds of the loan, both present and future, belonging to Narayana Educational Society; b) by personal guarantees of Shri Puneet Kothapa, Smt. Ponguru Sindhura, Smt. Ponuguru Ramadevi, Shri R. Sambasiva Rao, Shri Y. Vinay Kumar, Shri R. Koteshwara Rao, and Dr. Ponguru Narayana; c) collateral securities for the credit facilities include the entire property, plant and equipment of the Society present and future and on the residual value of the primary security, belonging to Narayana Educational Society; and d) corporate guarantee of Narayana Mahila Residential Kalasala and Narayana Residential High School represented by Dr. Ponguru Narayana and Smt. Ponguru Ramadevi respectively. These loans carry an annual interest rate in the range of 8.90% to 11.60% (31 March 2018: 10.35% to 11.60%).

Vehicle and equipment loans

Loans availed from banks and others are fully secured by way of hypothecation of specific vehicles and equipments against which the loan is availed. Further, out of the total secured long-term vehicles and equipments loans:

- an amount of ₹110,386,474 (31 March 2018: Nil) have been personally guaranteed by Shri R. Koteshwara Rao;
- an amount of ₹122,151,107 (31 March 2018: ₹15,967,881) have been personally guaranteed by Shri Puneet Kothapa; and
- an amount of ₹55,603,037 (31 March 2018: ₹63,470,438) have been personally guaranteed by Shri Puneet Kothapa and have been personally guaranteed by Smt. Ponguru Sindhura.

These loans carry an annual interest rate in the range of 7.77% to 10.18% (31 March 2018: 8.30% to 10.50%).

b. Terms of repayment

	As at 31 March	
	2019	2018
Within one year	530,412,310	527,632,466
Two to three years	1,575,265,208	1,452,766,933
Above three years	393,750,342	662,224,021
	2,499,427,860	2,642,623,420

c. Details of unsecured long-term loans

The Society has availed unsecured loans from related parties for the purpose of its working capital requirements. The facility carries an annual interest rate of 9.00% (31 March 2018: 9.00%).

6. Provisions

	As at 31 March	
	2019	2018
Provision for employee benefits, unfunded (refer note 19(b))		
a. Long-term		
- Gratuity	125,408,310	121,393,710
	125,408,310	121,393,710
b. Short-term		
- Gratuity	16,613,905	6,303,331
	16,613,905	6,303,331



Narayana Educational Society

Summary of significant accounting policies and other explanatory information

(All amounts in ₹, unless otherwise stated)

7. Short-term borrowings

	As at 31 March	
	2019	2018
Secured		
Working capital loan from banks	872,129,502	1,456,486,212
Unsecured		
Working capital loan:		
From related parties	746,069,074	638,051,876
From others	15,685,705	15,687,465
	1,633,884,281	2,110,225,553

a. Details of short-term borrowings

Secured

Secured short-term borrowings comprise of borrowings for the purpose of meeting working capital requirements of the Society and are secured: a) by way of a first charge on the entire stocks and receivables of the Society, both present and future; b) collateral securities for the credit facilities include the entire property, plant and equipment of the Society, present and future, and on the residual value of the primary security, belonging to Narayana Educational Society; and c) personal guarantee of Shri Puneet Kothapa, Smt. Ponguru Sindhura, Smt. Ponuguru Ramadevi, Shri R. Sambasiva Rao, Shri Y. Vinay Kumar, Shri R. Koteswara Rao, and Dr. Ponguru Narayana. These loans are repayable on demand and carry an annual interest rate in the range of 8.90% to 10.25% (31 March 2018: 9.40% to 10.55%).

Unsecured

The Society has availed interest free unsecured loans from related parties and others for meeting the working capital requirements. These amounts are repayable on demand.

8. Other liabilities

	As at 31 March	
	2019	2018
a. Non-current		
Caution deposit	464,628,546	456,255,777
Security deposit from a related party	3,089,219,937	3,238,769,915
Fees received in advance	-	13,880,668
	3,553,848,483	3,708,906,360
b. Current		
Creditors for capital expenditure	43,597,123	70,832,569
Statutory dues	251,314,978	136,592,359
Current maturities of long-term borrowings (refer note 5)	530,412,310	527,632,466
Interest accrued to related parties	346,250,561	256,152,182
Fees received in advance	1,225,608,207	799,660,312
Unearned revenue	469,863,424	398,567,004
Caution deposit	189,816,406	159,032,761
Dues to employees	383,516,260	424,233,043
Liabilities for expenses	531,943,815	346,896,328
Dues to students	394,630,065	427,707,309
Book overdraft	85,331,302	44,534,940
Other payables	19,712,492	24,871,773
	4,471,996,943	3,616,713,046



Narayana Educational Society

Summary of significant accounting policies and other explanatory information

(All amounts in ₹, unless otherwise stated)

9. Tangible assets

	Land	Buildings	Furniture and fixtures	Plant and machinery	Computers	Library books	Vehicles	Total
Gross block								
Balance as at 1 April 2017	45,076,902	5,596,116,672	2,524,975,332	2,458,501,773	483,326,423	181,479,090	247,526,427	11,537,002,619
Additions	4,414,000	206,167,681	19,277,117	107,940,045	10,453,142	18,416,846	275,751,370	642,420,201
Adjustments*	-	-	-	-	-	-	250,119,074	250,119,074
Balance as at 31 March 2018	49,490,902	5,802,284,353	2,544,252,449	2,566,441,818	493,779,565	199,895,936	273,158,723	11,929,303,746
Additions	-	138,511,653	19,401,637	65,116,117	12,928,456	21,006,181	509,840,884	766,804,928
Adjustments*	-	-	-	-	-	-	498,105,791	498,105,791
Balance as at 31 March 2019	49,490,902	5,940,796,006	2,563,654,086	2,631,557,935	506,708,021	220,902,117	284,893,816	12,198,002,883
Accumulated depreciation								
Up to 1 April 2017	-	2,212,788,363	982,891,968	1,411,966,055	454,553,361	172,400,137	198,273,712	5,432,873,596
Depreciation charge**	-	348,697,086	155,507,255	184,662,852	11,806,903	8,666,248	10,319,786	719,660,130
Up to 31 March 2018	-	2,561,485,449	1,138,399,223	1,596,628,907	466,360,264	181,066,385	208,593,498	6,152,533,726
Depreciation charge**	-	331,052,802	141,903,970	161,083,902	11,221,075	13,036,626	10,615,858	668,914,233
Up to 31 March 2019	-	2,892,538,251	1,280,303,193	1,757,712,809	477,581,339	194,103,011	219,209,356	6,821,447,959
Net block								
As at 31 March 2019	49,490,902	3,048,257,755	1,283,350,893	873,845,126	29,126,682	26,799,106	65,684,460	5,376,554,924
As at 31 March 2018	49,490,902	3,240,798,904	1,405,853,226	969,812,911	27,419,301	18,829,551	64,565,225	5,776,770,020

*Represents adjustments on account of vehicles given on finance lease.

**Refer note 28.



Narayana Educational Society

Summary of significant accounting policies and other explanatory information

(All amounts in ₹, unless otherwise stated)

10. Loans and advances

	As at 31 March	
	2019	2018
a. Long-term		
(Unsecured, considered good)		
Capital advances (refer note 25)	300,408,162	559,615,858
Security deposits (refer note 25)	2,994,979,033	2,904,263,525
Security deposits with related parties*	889,297,490	878,730,838
Balances with government authorities	23,169,229	8,190,145
Advance tax, net (tax deducted at source)	107,185,896	102,664,490
	4,315,039,810	4,453,464,856
b. Short-term		
(Unsecured, considered good)		
Prepaid expenses	15,924,001	15,252,298
Security deposits	107,873,629	28,923,959
Advances to		
- Suppliers	157,100,079	90,635,662
- Related parties (refer note 25)	799,555,563	331,484,059
- Staff	15,271,235	14,843,937
- Others	38,226,888	22,427,890
	1,133,951,395	503,567,805
(Unsecured, considered doubtful)		
Security deposits	93,466,863	93,466,863
Advances to		
- Suppliers	64,730,402	81,770,701
- Staff	25,761,597	21,679,211
- Others	23,408,732	27,491,118
	207,367,594	224,407,893
Less: Provision for doubtful advances	(207,367,594)	(224,407,893)
	1,133,951,395	503,567,805

*Represents interest free security deposit given to related parties towards premises taken on rent by the Society and towards premises extended by the related party as security to the lenders of Society in relation to the borrowings availed by it.

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Narayana Educational Society

Summary of significant accounting policies and other explanatory information

(All amounts in ₹, unless otherwise stated)

11. Other assets

	As at 31 March	
	2019	2018
a. Non-current		
(Unsecured, considered good)		
Receivables on account of finance lease	488,271,101	219,383,741
Bank deposits with maturity period of more than 12 months	170,130,589	53,457,509
Interest accrued but not due on fixed deposits	27,865,485	7,481,535
	686,267,175	280,322,785
b. Current		
(Unsecured, considered good)		
Receivables on account of finance lease	183,177,816	104,109,640
Interest accrued but not due on fixed deposits	21,522,111	28,121,394
	204,699,927	132,231,034
(Unsecured, considered doubtful)		
Receivables on account of finance lease	3,622,273	-
	3,622,273	-
Less: Provision for doubtful receivables	(3,622,273)	-
	-	-
	204,699,927	132,231,034

12. Trade receivables

	As at 31 March	
	2019	2018
Outstanding for a period exceeding six months from the date they are due for payment		
Unsecured, considered good	1,955,963,124	1,209,897,955
Unsecured, considered doubtful	686,571,165	582,449,968
	2,642,534,289	1,792,347,923
Less: Provision for doubtful receivables	(686,571,165)	(582,449,968)
	1,955,963,124	1,209,897,955
Other debts		
Unsecured, considered good	1,505,164,023	1,217,016,825
Unsecured, considered doubtful	9,415,998	-
	1,514,580,021	1,217,016,825
Less: Provision for doubtful receivables	(9,415,998)	-
	1,505,164,023	1,217,016,825
	3,461,127,147	2,426,914,780



Narayana Educational Society

Summary of significant accounting policies and other explanatory information

(All amounts in ₹, unless otherwise stated)

13. Inventories, at cost

	As at 31 March	
	2019	2018
Consumables	56,288,478	104,768,428
	<u>56,288,478</u>	<u>104,768,428</u>

14. Cash and bank balances

	As at 31 March	
	2019	2018
Cash and cash equivalents		
Balances with banks		
- in current accounts	925,093,822	317,911,743
Cash-on-hand	59,009,134	41,794,496
	<u>984,102,956</u>	<u>359,706,239</u>
Other bank balances:		
Bank deposits with maturity of 3 months to 12 months	128,229,590	293,001,554
Bank deposits with maturity period of more than 12 months	170,130,589	53,457,509
	<u>298,360,179</u>	<u>346,459,063</u>
Less: Amounts reclassified to other non-current assets	(170,130,589)	(53,457,509)
	<u>1,112,332,546</u>	<u>652,707,793</u>

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Narayana Educational Society

Summary of significant accounting policies and other explanatory information

(All amounts in ₹, unless otherwise stated)

15. Income from operations

	For the year ended 31 March	
	2019	2018
Fees from students		
Tuition and other fees	17,719,814,645	16,093,334,547
Examination fees	283,810,273	266,812,579
Transportation fees	399,292,131	334,056,891
Others	854,590,735	547,202,226
Revenue from healthcare services	714,665,706	563,509,166
Income from sale of pharmacy items	-	57,052,316
	19,972,173,490	17,861,967,725

16. Other income

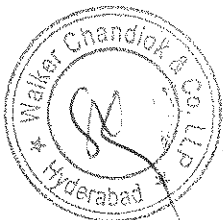
	For the year ended 31 March	
	2019	2018
Interest on finance lease receivables	64,485,304	35,628,818
Interest on fixed deposits	27,643,525	42,318,358
Liabilities no longer required written back	77,432,588	180,036,968
Other receipts	67,994,088	82,060,704
	237,555,505	340,044,848

17. Purchase of medical supplies and consumables

	For the year ended 31 March	
	2019	2018
Medical supplies	-	47,105,546
Consumables	287,094,090	201,165,203
	287,094,090	248,270,749

18. Changes in inventories of medical supplies

	For the year ended 31 March	
	2019	2018
Inventory at the beginning of the year	-	15,755,197
Less: Inventory at the end of the year	-	-
	-	15,755,197



Narayana Educational Society

Summary of significant accounting policies and other explanatory information

(All amounts in ₹, unless otherwise stated)

19. Employee benefits expense

	For the year ended 31 March	
	2019	2018
Salaries and wages	5,370,325,354	5,189,704,034
Contribution to provident and other funds	238,265,107	241,910,647
Gratuity expense (refer note b)	16,825,174	53,889,720
Staff welfare expenses	1,685,602	919,000
	5,627,101,237	5,486,423,401

a. Defined contribution plan

During the year ended 31 March 2019, the Society contributed ₹142,754,764 (31 March 2018: ₹153,188,796) to provident fund and ₹95,510,343 (31 March 2018: ₹88,721,851) towards employee state insurance fund.

b. Defined benefit plan

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 Payment of Gratuity Act, 1972.

Details of obligation at the end of the year

	As at 31 March	
	2019	2018
Obligation at the beginning of the year	127,697,041	74,807,321
Current service cost	14,191,727	6,983,256
Interest cost	7,574,696	3,835,252
Benefits paid	(2,500,000)	(2,000,000)
Actuarial (gain)/loss recognised in the year	(4,941,249)	44,071,212
Obligation at the end of the year	142,022,215	127,697,041

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

	As at 31 March	
	2019	2018
Retirement age	60 years	60 years
Salary escalation rate	1%	1%
Attrition rate	Upto 4 years of service: 70% and thereafter 2%	25%
Discount rate	7%	7%

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. However, the Society has not invested the accrued liability as of 31 March 2019. The Society evaluates these assumptions annually based on its long-term plans of growth and industry standards.



Narayana Educational Society

Summary of significant accounting policies and other explanatory information

(All amounts in ₹, unless otherwise stated)

20. Finance costs

	For the year ended 31 March	
	2019	2018
Interest expense	595,354,940	621,502,644
Other borrowing costs	65,051,980	54,983,669
	660,406,920	676,486,313

21. Other expenses

	For the year ended 31 March	
	2019	2018
Rent* (refer note 27(a))	3,304,563,938	2,917,906,449
Mess expenses	1,672,790,577	1,613,825,286
Campaigning and advertisement	1,899,105,445	1,621,549,086
Repairs and maintenance		
- Building	1,116,460,351	1,024,092,336
- Others	879,695,698	913,849,797
Printing charges	139,503,030	141,764,025
Examination fees	863,879,549	729,885,013
Power and fuel	511,618,196	513,355,523
Administrative support services	452,700,298	382,028,150
Security charges	286,880,783	243,455,525
Professional fees	323,144,106	378,019,624
Travelling and conveyance	1,163,086,310	974,258,850
Contract settlement charges	-	55,028,656
Loss on sale of asset	-	36,777,394
Provision for doubtful advances/receivables	126,409,468	194,424,891
Provision for inventory	22,051,802	-
Software subscription fees	191,215,927	-
Reimbursement of expense for services**	186,585,499	146,714,901
Stipend expense	124,566,170	102,590,345
Telephone expenses	27,708,798	48,829,046
Paper and stationery	46,568,355	38,762,107
Bank charges	64,114,338	92,804,058
Functions and celebrations	42,998,402	37,084,702
Affiliation fees	32,494,383	88,045,847
Legal and professional charges	12,099,172	21,159,151
Rates and taxes	78,116,100	101,359,289
Water expense	7,780,733	8,202,911
Insurance charges	1,901,686	756,905
Payments to auditor		
- As auditor	5,076,000	3,658,000
- Out of pocket expenses	100,000	100,000
Miscellaneous expenses	47,251,697	116,046,967
	13,630,466,811	12,546,334,834

*The rental expenditure includes expenditure in relation to operating lease agreements entered into by the Society.

**Represents amount payable for the services availed from NSPIRA Management Services Private Limited.



Narayana Educational Society

Summary of significant accounting policies and other explanatory information

(All amounts in ₹, unless otherwise stated)

22. Related party disclosures

a. Names of the related parties and nature of relationship

Names of related parties	Nature of relationship
Ponguru Narayana	Founder of the Society
Puneet Kothapa	Key Managerial Personnel ('KMP')
R. Koteswara Rao	
Ponguru Sindhura	Member of the Governing Body and Relative of founder and KMP
Ponguru Sharani	
Ponguru Ramadevi	
Ponguru Indira	Relative of founder
Ponguru Subbamma	
R. Sambasiva Rao	Member of the Governing Body
Y. Vinay Kumar	
Narayana Education Trust	
Narayana Educational Trust	Entities where KMP has significant influence
Rama Narayana Education Trust	
Sri Sarvani Educational Society	
Narayana Learning Private Limited	
NSPIRA Management Services Private Limited	

b. Transactions with related parties

	For the year ended 31 March	
	2019	2018
Rent		
Ponguru Narayana	30,463,488	29,247,707
Ponguru Ramadevi	24,451,056	24,077,124
Ponguru Indira	8,298,977	7,541,339
Ponguru Sindhura	991,791	911,442
Narayana Learning Private Limited	54,771,276	61,766,937
Advances given		
R. Sambasiva Rao	1,050,000	1,650,000
Advances received		
NSPIRA Management Services Private Limited	964,600,000	-
Unsecured loan received		
Interest free		
Narayana Education Trust	1,068,895,565	1,027,826,099
Narayana Educational Trust	462,531,995	377,795,500
Narayana Learning Private Limited	33,100,000	-
Ponguru Narayana	-	4,500,000
Ponguru Ramadevi	-	221,816,329
Ponguru Sindhura	-	33,600,000
Interest bearing		
Ponguru Ramadevi	70,000,000	620,000,000
Ponguru Sindhura	45,000,000	-



Narayana Educational Society**Summary of significant accounting policies and other explanatory information**

(All amounts in ₹, unless otherwise stated)

22. Related party disclosures (contd.)**b. Transactions with related parties (contd.)**

	For the year ended 31 March	
	2019	2018
Reimbursement received of the security deposits made		
NSPIRA Management Services Private Limited	111,376,421	467,250,303
Security deposit received		
NSPIRA Management Services Private Limited	-	1,098,619,938
Interest on security deposit		
NSPIRA Management Services Private Limited	278,029,794	250,235,853
Purchase of material		
NSPIRA Management Services Private Limited	1,461,703,151	1,320,929,279
Narayana Learning Private Limited	113,126,196	-
Services availed from		
NSPIRA Management Services Private Limited	5,774,577,037	4,693,888,305
Short-term interest free loan given		
Rama Narayana Education Trust	35,000,000	25,000,000
Narayana Learning Private Limited	309,147,831	1,793,802,502
Narayana Educational Trust	290,881,697	29,648,076
Ponguru Narayana	8,779,190	-
Interest on loan taken		
Ponguru Ramadevi	46,531,372	-
Ponguru Sindhura	1,922,761	-
Amounts collected on behalf of the Society		
Narayana Education Trust	48,126,858	13,328,112
Narayana Learning Private Limited	-	1,436,453
Rama Narayana Education Trust	1,987,450	9,952,551
Narayana Educational Trust	539,715	-
Amounts paid by the Society on behalf of		
Narayana Education Trust	12,588,248	39,334,903
Rama Narayana Education Trust	-	12,420
Narayana Learning Private Limited	238,102	824,764
Amounts paid on behalf of the Society		
Narayana Learning Private Limited	-	113,170
Narayana Education Trust	37,346,229	-
Corporate guarantees given on behalf of		
NSPIRA Management Services Private Limited	1,700,000,000	-



Narayana Educational Society**Summary of significant accounting policies and other explanatory information**

(All amounts in ₹, unless otherwise stated)

22. Related party disclosures (contd.)**b. Transactions with related parties (contd.)**

	For the year ended 31 March	
	2019	2018
Amounts collected by the Society on behalf of		
Narayana Education Trust	3,770,500	6,817,050
Narayana Educational Trust	6,819,600	-
Rama Narayana Education Trust	125,150	279,600
NSPIRA Management Services Private Limited	4,309,840,919	1,717,489,430
Reimbursement of expenses		
NSPIRA Management Services Private Limited	196,324,909	146,714,901

c. Balances receivable / (payable)

	As at 31 March	
	2019	2018
Sri Sarvani Educational Society	259,950,000	259,950,000
Narayana Education Trust	(699,020,036)	(445,736,909)
Narayana Educational Trust	174,550,640	29,648,076
Rama Narayana Education Trust	77,098,283	40,235,983
NSPIRA Management Services Private Limited*	(7,654,903,666)	(5,119,143,675)
Narayana Learning Private Limited	452,826,195	75,371,166
Ponguru Narayana	232,287,492	218,546,496
Ponguru Ramadevi	(286,359,846)	(373,829,399)
Ponguru Indira	61,993,439	58,793,439
Ponguru Sindhura	(35,064,361)	4,185,637
R. Sambasiva Rao	1,050,000	1,650,000
Ponguru Sharani	(555,527)	(555,527)
Ponguru Subbamma	(329,432)	(329,432)
Outstanding guarantee	1,700,000,000	4,000,000,000

*Represents security deposit, interest on security deposit and amount payable for the services availed towards admission, examination support, building and other maintenance, etc. in pursuant to master service agreement entered with NSPIRA Management Services Private Limited.

d. Out of the total secured long-term and short-term borrowings of the Society, an amount of ₹1,073,695,820 (31 March 2018: ₹1,339,007,857) and ₹872,129,502 (31 March 2018: ₹1,456,486,212), respectively, have been personally guaranteed by Dr. Ponguru Narayana, Smt. Ponguru Ramadevi, Smt. Ponguru Indira, Smt. Ponguru Sindhura, Shri Puneet Kothapa, Shri R. Koteshwara Rao, Shri R. Sambasiva Rao and Shri Y. Vinay Kumar. Further, out of the total secured long-term vehicles and equipments loans:

- an amount of ₹110,386,474 (31 March 2018: Nil) have been personally guaranteed by Shri R. Koteshwara Rao;
- an amount of ₹122,151,107 (31 March 2018: ₹15,967,881) have been personally guaranteed by Shri Puneet Kothapa; and
- an amount of ₹55,603,037 (31 March 2018: ₹63,470,438) have been personally guaranteed by Shri Puneet Kothapa and have been personally guaranteed by Smt. Ponguru Sindhura.



Narayana Educational Society

Summary of significant accounting policies and other explanatory information

(All amounts in ₹, unless otherwise stated)

23. Contingent liabilities

	As at 31 March	
	2019	2018
a. Claims against the Society not acknowledged as debt		
(i) Matters under dispute:		
(a) Employees State Insurance Corporation ('ESI Act')	67,431,459	-
(b) The Society, in isolation and together with other parties, as the case may be, is party to various litigations at certain levels of the judiciary system in relation to certain alleged non-compliances with the prevailing regulations for setting-up of certain schools and colleges, compliances with the applicable regulations governing admission of students. Management of the Society, on the basis of its assessment of litigations/disputes/claims, is of the view that the ultimate outcome of the aforesaid may not have any material impact on the Society.	Not ascertainable	Not ascertainable
(c) Others	62,980,323	33,234,446
(ii) Guarantees given on behalf of NSPIRA Management Services Private Limited	1,700,000,000	4,000,000,000

24. Leases

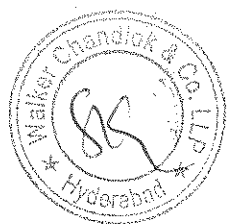
The Society has entered into hire cum purchase agreements with certain transport service providers for leasing and sales of the vehicles owned by it. Pursuant to the terms of the agreement, the vehicles shall be leased to the service providers for consideration which would accrue to the Society over a period of time, ranging from two to five years with the ultimate ownership being transferred at the end of the lease period.

a. Future minimum lease rentals receivable under the non-cancellable finance leases are as follows:

	As at 31 March	
	2019	2018
Not later than one year	241,303,514	135,388,242
Later than one year and not later than five years	556,606,789	294,567,167
	797,910,303	429,955,409

b. Present value of future minimum lease rentals receivable under the non-cancellable finance leases are as follows:

	As at 31 March	
	2019	2018
Not later than one year	183,177,816	104,109,640
Later than one year and not later than five years	488,271,101	219,383,741
	671,448,917	323,493,381



Narayana Educational Society**Summary of significant accounting policies and other explanatory information**

(All amounts in ₹, unless otherwise stated)

24. Leases (contd.)**c. Reconciliation between total gross investment in the lease as at the balance sheet date and present value of minimum lease payment receivable at the balance sheet date:**

	As at 31 March	
	2019	2018
Total gross investment	797,910,303	429,955,409
Less: unearned finance income	126,461,386	106,462,028
Present value of minimum lease payments receivables	671,448,917	323,493,381

25. Trade receivables, loans and advances and security deposits outstanding as at 31 March 2019 includes amounts aggregating to ₹1,231,857,121 (31 March 2018: ₹981,647,463), representing the receivables from students, rental deposits to landlords and other contractual advances to related and other parties to the tune of ₹387,843,823 (31 March 2018: ₹224,079,643), ₹383,655,136 (31 March 2018: ₹297,209,658) and ₹460,358,162 (31 March 2018: ₹460,358,162), respectively. These amounts have been considered good and recoverable by management on the basis of their assessment of the ageing schedule of receivables, their past history and their contractual ability to claim these dues. Management has already initiated necessary actions in the form of withholding certain exit documents of students, negotiations with the landlords and assessing the business environment of the related parties. Pending completion of these actions, management is of the view that no further adjustments are required to these financial statements.

26. Based on the Society's business model and considering the internal financial reporting to the management, the 'education and ancillary services' has been considered as the only reportable segment. Further, all the services are rendered only in India. Hence, no separate financial disclosures have been provided for segment reporting.

27. Commitments**a. The Society's future minimum lease obligations under the operating lease arrangements is as given below:**

	As at 31 March	
	2019	2018
Not later than one year	2,899,451,430	2,456,194,898
Later than one year and not later than five years	10,269,003,134	7,466,001,795
Later than five years	20,700,444,799	12,554,354,926

Note: As at 31 March 2019, the Society had entered into cancellable certain lease agreement for the lease of premises against which security deposits have already been made. However, as the underlying premises is in the process of being constructed and considering that the arrangements are cancellable, the rental amounts as per the aforesaid arrangements have not been considered for the purposes of the above disclosure.

b. Capital and other commitments

	As at 31 March	
	2019	2018
Capital and other commitments	14,187,040	305,121,536
Commitments towards security deposits to landlords	32,313,598	123,443,117
	46,500,638	428,564,653



Narayana Educational Society

Summary of significant accounting policies and other explanatory information

(All amounts in ₹, unless otherwise stated)

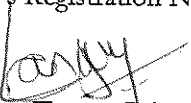
28. On the basis of assessment of the estimated useful lives of its existing tangible property, plant and equipment, the management is of the view that the rates currently adopted, which is in line with the provisions of the Income Tax Act, 1961 does represent a fair approximation of the utilization pattern of these assets. Accordingly, no additional charge for depreciation, in accordance with the rates mentioned in the Guidance Note on Accounting by Schools have been deemed necessary to be made to these financial statements.

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

For **Walker Chandiook & Co LLP**

Chartered Accountants

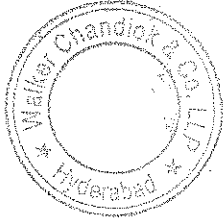
Firm's Registration No.: 001076N/N500013



Sanjay Kumar Jain

Partner

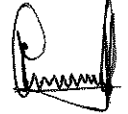
Membership No.: 207660



Place: Hyderabad

Date: 31 October 2019

For and on behalf of the Governing Body of
Narayana Educational Society



Puneet Kothapa

President

Place: Hyderabad

Date: 31 October 2019



Sambashiva Sastry Kambhampati

Chief Financial Officer