

**INDIAN INCOME TAX RETURN ACKNOWLEDGEMENT**

[Where the data of the Return of Income in Form ITR-1 (SAHAJ), ITR-2, ITR-3,  
ITR-4(SUGAM), ITR-5, ITR-6, ITR-7 filed and verified]  
(Please see Rule 12 of the Income-tax Rules, 1962)

Assessment Year  
**2020-21**

PAN	AAATN1672R		
Name	NARAYANA EDUCATIONAL SOCIETY		
Address	14/72, , HARANATHAPURAM, NELLORE, NELLORE, ANDHRA PRADESH, 524003		
Status	AOP/BOI	Form Number	ITR-7
Filed u/s	139(1)-On or before due date	e-Filing Acknowledgement Number	211737861150121
Taxable Income and Tax details	Current Year business loss, if any	1	0
	Total Income		0
	Book Profit under MAT, where applicable	2	0
	Adjusted Total Income under AMT, where applicable	3	0
	Net tax payable	4	0
	Interest and Fee Payable	5	0
	Total tax, interest and Fee payable	6	0
	Taxes Paid	7	46273550
	(+)Tax Payable /(-)Refundable (6-7)	8	-46273550
Dividend Distribution Tax details	Dividend Tax Payable	9	0
	Interest Payable	10	0
	Total Dividend tax and interest payable	11	0
	Taxes Paid	12	0
	(+)Tax Payable /(-)Refundable (11-12)	13	0
Accreted Income & Tax Details	Accreted Income as per section 115TD	14	0
	Additional Tax payable u/s 115TD	15	0
	Interest payable u/s 115TE	16	0
	Additional Tax and interest payable	17	0
	Tax and interest paid	18	0
	(+)Tax Payable /(-)Refundable (17-18)	19	0

Income Tax Return submitted electronically on 15-01-2021 11:30:18 from IP address 49.205.251.205 and verified by

PUNEET KOTHAPA

having PAN AWVPK2558G on 15-01-2021 11:30:18 from IP address 49.205.251.205 using

Digital Signature Certificate (DSC).

DSC details: 19953748CN=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 2020 and the **Income and expenditure account** for the period beginning from 01/04/2019 to ending on 31/03/2020 attached herewith, of **NARAYANA EDUCATIONAL SOCIETY 14/72, HARANATHAPURAM, HARANATHAPURAM, 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 **480** branches.

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

1) Opening balance has been taken from the Audited Financial statements of Financial year 2018-19 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 Chandiook and Co LLP, Hyderabad. 3) During the year society is running Junior colleges, 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 481. 4) In the financial year 2019-20 provision for fee collection provided for professional colleges as per no of days fee 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, 2020 ;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/receivables of Rs.72,63,82,576/- debited to income and expenditure account.
2	Others.	Provision for inventory of Rs.85,17,785/- was debited to the income and expenditure account during the year.
3	Others.	Provision for Gratuity for employees benefit is provided in the books of accounts of Rs.13,85,69,968/-

Place **NELLORE**  
Date **15/01/2021**

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



UDIN: 21203509AAAAF5187

**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, HARANATHAPURAM, 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		01/04/2019 to 31/03/2020			
7	Assessment Year		2020-21			
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				
8 a	Whether the assessee has opted for taxation under section 115BA/115BAA/115BAB					
	Section under which option exercised					
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					No
	Business		Sector		SubSector	
					Code	
11 a	Whether books of accounts are prescribed under section 44AA, if yes, list of books so prescribed					No
	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	PinCode
	DAY BOOK,CASH BOOK AND LEDGERS(COMPUTERISED BOOKS OFACCOUNTS)	14/72	HARANATHAPURAM	NELLORE	ANDHRA PRADESH	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(COMPUTERISED BOOKS OFACCOUNTS)					

12	Whether the profit and loss account includes any profits and gains assessable on presumptive basis, if yes, indicate the amount and the relevant section (44AD, 44AE, 44AF, 44B, 44BB, 44BBA, 44BBB, Chapter XII-G, First Schedule or any other relevant section).							No					
	Section Nil							Amount					
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 Percentage)	Opening WDV (A)	Adjustment to WDV u/s 115BAA	Adjustment written down value	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)				
	Plant & Machinery @ 15%	15%	917340 472		917340 472	542640 53	0	0	0	54264053	0	144946514	8266580 11

Plant & Machinery @ 40%	40%	706974 99	706974 99	454038 69	0	0	0	45403869	0	42742768	7335860 0
Furnitures & Fittings @ 10%	10%	128326 9630	128326 9630	223871 09	0	0	0	22387109	0	130016579	1175640 160
Building @ 10%	10%	304847 9802	304847 9802	486978 69	0	0	0	48697869	0	307282880	2789894 791

\* 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.
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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

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	12081590	15/05/2019	2444293	15/05/2019
Provident Fund	0	15/05/2019	9637297	16/05/2019
Provident Fund	10772994	15/06/2019	10772994	13/06/2019
Provident Fund	11085944	15/07/2019	2412484	10/07/2019
Provident Fund	0	15/07/2019	4745610	12/07/2019
Provident Fund	0	15/07/2019	513306	14/07/2019
Provident Fund	0	15/07/2019	3414544	15/07/2019
Provident Fund	12111492	15/08/2019	2679463	10/08/2019
Provident Fund	0	15/08/2019	244106	14/08/2019
Provident Fund	0	15/08/2019	9187923	15/08/2019
Provident Fund	12175694	15/09/2019	12175694	11/09/2019
Provident Fund	11743420	15/10/2019	11743420	14/10/2019
Provident Fund	5714172	15/11/2019	2819039	13/11/2019
Provident Fund	0	15/11/2019	2895133	14/11/2019
Provident Fund	25007966	15/12/2019	16012058	11/12/2019
Provident Fund	0	15/12/2019	8995908	12/12/2019
Provident Fund	18086068	15/01/2020	18086068	10/01/2020
Provident Fund	17964302	15/02/2020	4162018	12/02/2020
Provident Fund	0	15/02/2020	13802284	14/02/2020
Provident Fund	17814760	15/03/2020	17814760	13/03/2020
Provident Fund	17810133	15/04/2020	711340	15/04/2020
Provident Fund	0	15/04/2020	3445404	15/05/2020
Provident Fund	0	15/04/2020	13653389	22/06/2020
Any Fund set up under the provisions of ESI Act,1948	2508340	15/05/2019	2508340	20/05/2019
Any Fund set up under the provisions of ESI Act,1948	2191056	15/06/2019	2191056	15/06/2019
Any Fund set up under the provisions of ESI Act,1948	2340325	15/07/2019	2340325	15/07/2019
Any Fund set up under the provisions of ESI Act,1948	1137450	15/08/2019	1137450	14/08/2019
Any Fund set up under the provisions of ESI Act,1948	1147160	15/09/2019	1147160	09/09/2019
Any Fund set up under the provisions of ESI Act,1948	1102297	15/10/2019	1102297	14/10/2019
Any Fund set up under the provisions of ESI Act,1948	567677	15/11/2019	567677	15/11/2019
Any Fund set up under the provisions of ESI Act,1948	1671994	15/12/2019	1671994	11/12/2019
Any Fund set up under the provisions of ESI Act,1948	1100546	15/01/2020	1100546	08/01/2020
Any Fund set up under the provisions of ESI Act,1948	1097527	15/02/2020	1097527	13/02/2020
Any Fund set up under the provisions of ESI Act,1948	1080916	15/03/2020	1080916	13/03/2020
Any Fund set up under the provisions of ESI Act,1948	1088132	15/05/2020	1088132	23/06/2020

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 (ia)												
(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 payee	PAN of the payee, if available	Address Line 1	Address Line 2	City	Pincode				
(viii) payment to PF /other fund etc. under sub-clause (iv)												
(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 Number of the payee, if available	Account
(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 Number of the payee, if available	Account
(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	of Payment Made(Amount)	
PONGURU NARAYANA	ACOPP6950E	FOUNDER OF THE SOCIETY	RENT	26190208	
PONGURU RAMDEVI	ACSPP8838K	RELATIVE OF THE FOUNDER	RENT	22598471	
PONGURU INDIRA	AEIPP9170Q	RELATIVE OF THE FOUNDER	RENT	7434504	
PONGURU SINDHURA	AMKPP4750B	MEMBER OF THE SOCIETY	RENT	888471	
NARAYANA LEARNING PRIVATE LIMITED	AACCN4041K	WHERE KMP HAS SIGNIFICANT INFLUENCE	RENT	49897563	
NSPIRA MANAGEMENT SERVICES PRIVATE LIMITED	AAECN3984D	ENTIREY WHERE KMP HAS SIGNIFICANT INFLUENCE	REIMBURSEMENT OF EXPENSES	170739695	
NSPIRA MANAGEMENT SERVICES PRIVATE LIMITED	AAECN3984D	ENTIREY WHERE KMP HAS SIGNIFICANT INFLUENCE	PURCHASE OF MATERIAL	1314591016	
NSPIRA MANAGEMENT SERVICES PRIVATE LIMITED	AAECN3984D	ENTIREY WHERE KMP HAS SIGNIFICANT INFLUENCE	SERVICES	6324960414	
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		
	Nil				
26 (i)(A)(b)	Not paid during the previous year				
	Section	Nature of liability	Amount		
	provident,superannuation,gratuity,other fund	ESI	1629418		
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	PF	40869066		
	provident,superannuation,gratuity,other fund	ESI	5961689		
26 (i)(B)(b)	not paid on or before the aforesaid date				
	Section	Nature of liability	Amount		
	Nil				

(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.)		<b>No</b>	
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		<b>No</b>
	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)(viia)		
	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:		
	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:		
	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)		
	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
	Nil		
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
			If yes, whether the excess money has been repatriated within the prescribed time.
			If no, the amount (in Rs.) of imputed interest on such excess money which has not been repatriated within the prescribed time
			Expected date of repatriation of money



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							
		<b>(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)</b>							
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 clearing system through a 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	All losses/allowances not allowed under section 115BAA	Amount as adjusted by withdrawal of additional depreciation on account of opting for taxation under section 115BAA (To be filled in for assessment year 2020-21 only)	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 on which tax was 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)
Nil										

1	HYDN03008F	192	Salary	5771626467	1867276790	1867276790	230717900	0	0	0	
2	HYDN03008F	194A	Interest other than Interest on securities	359836017	96250414	96250414	9624866	0	0	0	
3	HYDN03008F	194C	Payments to contractors	8199110807	6861303302	6861303302	127220729	0	0	0	
4	HYDN03008F	194-I	Rent	3895147273	3584054183	3584054183	336185468	0	0	0	
5	HYDN03008F	194J	Fees for professional or technical services	312792387	309483048	309483048	30960396	0	0	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	31/07/2019	25/07/2019	Yes					
	2	HYDN03008F	26Q	31/07/2019	31/07/2019	Yes					
	3	HYDN03008F	24Q	31/10/2019	31/10/2019	Yes					
	4	HYDN03008F	26Q	31/10/2019	30/10/2019	Yes					
	5	HYDN03008F	24Q	31/01/2020	24/01/2020	Yes					
	6	HYDN03008F	26Q	31/01/2020	31/01/2020	Yes					
	7	HYDN03008F	24Q	31/07/2020	14/08/2020	Yes					
	8	HYDN03008F	26Q	31/07/2020	28/08/2020	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	14729124	14729124	2019-07-22						
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
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Nil

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

S.No	(a) Total amount of distributed profits	(b) Amount of reduction referred to in section 115-O(1A) (i)	(c) Amount of reduction as referred to in section 115-O(1A) (ii)	(d) Total tax paid thereon	(e) Total tax paid thereon Amount	Dates of payment
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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:-

Sl No.	Amount received (in Rs.)	Date of receipt
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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	22399850403	20209728995
b	Gross profit / Turnover	%	%
c	Net profit / Turnover	-125861461 22399850403	-0.56% -664254296 20209728995 -3.29%
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
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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 transactions which are required to be reported.	If not, please furnish list of the details/ transactions which are not reported.
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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				
	A(c) If Not due, please enter expected date of furnishing the report					
44	Break-up of total expenditure of entities registered or not registered under the GST:(This Clause is kept in abeyance till 31st March, 2021)					
	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 **15/01/2021**

Name **Srinivasa Rao Muvvala & Co.**  
Membership Number **203509**  
FRN (Firm Registration Number) **010318S**  
Address **18/223, SIKARAMVARI STREET, NEAR HEAD POST OFFICE, NELLORE, AND HRA PRADESH, 524003,**

**Srinivasa Rao Muvvala**  
**203509**  
**010318S**  
**18/223, SIKARAMVARI STREET, NEAR HEAD POST OFFICE, NELLORE, AND HRA PRADESH, 524003,**

UDIN: 21203509AAAAAF5187

Form Filing Details

Revision/Original Original

Addition Details(From Point No. 18)

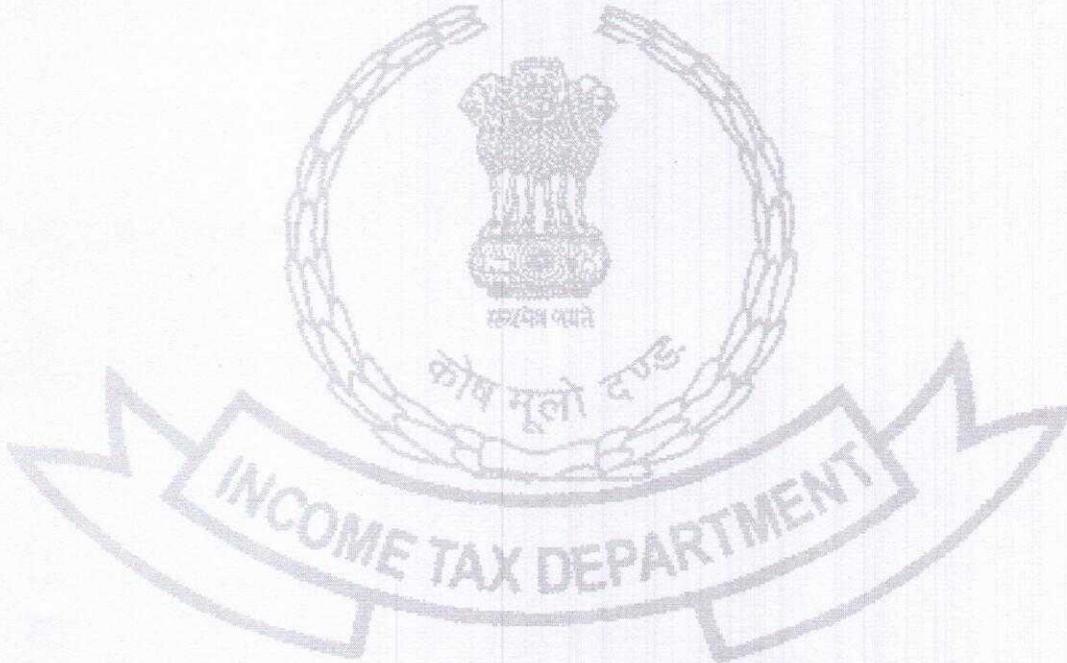
Description of Block of Assets	Sl.No.	Date of Purchase	Date put to use	Amount	Adjustment on account of			Total Amount
					MODVAT	Exchange Rate Change	Subsidy Grant	
Plant & Machinery @ 15%	1	30/09/2019	30/09/2019	43674743	0	0	0	43674743
	2	01/10/2019	01/10/2019	10589310	0	0	0	10589310
Total of Plant & Machinery @ 15%								54264053
Plant & Machinery @ 40%	1	30/09/2019	30/09/2019	26914985	0	0	0	26914985
	2	01/10/2019	01/10/2019	18488884	0	0	0	18488884
Total of Plant & Machinery @ 40%								45403869
Furnitures & Fittings @ 10%	1	30/09/2019	30/09/2019	11405402	0	0	0	11405402
	2	01/10/2019	01/10/2019	10981707	0	0	0	10981707
Total of Furnitures & Fittings @ 10%								22387109
Building @ 10%	1	01/10/2019	01/10/2019	48697869	0	0	0	48697869
Total of Building @ 10%								48697869

Deduction Details(From Point No. 18)

Description of Block of Assets	Sl.No.	Date of Sale etc.	Amount
Plant & Machinery @ 15%			

Total of Plant & Machinery @ 15%		0
Plant & Machinery @ 40%		
Total of Plant & Machinery @ 40%		0
Furnitures & Fittings @ 10%		
Total of Furnitures & Fittings @ 10%		0
Building @ 10%		
Total of Building @ 10%		0

This form has been digitally signed by **SRINIVASA RAO MUVVALA** having PAN **AFGPM9250D** from IP Address **49.205.251.205** on **2021-01-15 11:01:13.0** .  
Dsc SI No and issuer **18751774CN=e-Mudhra Sub CA for Class 2 Individual 2014.OU=Certifying Authority,O=eMudhra Consumer Services Limited,C=IN**



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 31/03/2020 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 480 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 31/03/2020 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 15/01/2021

Name MUVVALA & CO.  
Membership No. M.No. 203509  
FRN (Firm Registration Number) 010318S  
Address 18/223, SIKARAMVARI STREET, NELLORE, 524001

*M. Srinivas Rao*

Comments

UDIN: 21203509AAAAAE1480

We relied on the Financial Statements audited by M/S Walker Chandio & Co LLP, Hyderabad for the financial year 2019-20

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	HARANATHAPURAM
	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	2020 - 21
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)]	<b>EDUCATION</b>
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 ( ₹ )	22399850403
9.	Amount of income of the previous year applied during the year wholly and exclusively to the objects for which it is established ( ₹ )	21900723124
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. ( ₹ )	499127279
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?	<b>No</b>
	(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?	<b>No</b>
	(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?	<b>No</b>
	(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.	<b>No</b>
	(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?	<b>Yes</b>
	(b) whether separate books of account were maintained in respect of such business?	<b>Yes</b>
	(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 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	<b>No</b>

	(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 **NELLORE**  
Date **15/01/2021**

Name **M.SRINIVASA RAO**  
Membership No. **203509**  
FRN (Firm Registration Number) **010318S**  
Address **18/223, SIKARAMVARI STREET, NELLORE, 524001**

UDIN: **21203509AAAAAE1480.**

Form Filing Details	
Revision/Original	Original



## 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 **31/03/2020** 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 c 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 **31/03/2020** and

(ii) in the case of the profit and loss account, of the profit or loss of its accounting year ending on **31/03/2020**

The prescribed particulars are annexed hereto.

Place **NELLORE**

Date **15/01/2021**

Name

Membership Number

FRN (Firm Registration Number)

Address



**M SRINIVASA RAO**

203509

010318S

18/223, SIKARAMVARI STRE

ET, NELLORE, 524001

UDIN: 21203509 AAAAAD 8118

## 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 ( ₹ )	21900723124
2.	Whether the <b>trust</b> 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 <b>accumulated or set apart</b> 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 <b>wholly</b> 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
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**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 <b>trust</b> 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 <b>trust</b> 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	No
4.	Whether the services of the <b>trust</b> 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 <b>trust</b> 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 <b>trust</b> 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 <b>trust</b> 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 <b>trust</b> 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
<b>Total</b>					

Place **NELLORE**  
Date **15/01/2021**

Name  
Membership Number  
FRN (Firm Registration Number)  
Address



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

**UDIN: 21203509AAAAAD118**

Form Filing Details	
Revision/Original	Original

## 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 2020, the Income and Expenditure Account, 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 financial position of the Society as at 31 March 2020, its 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 fixed assets having a net book value of ₹923,931,879 as at 31 March 2020 (31 March 2019: ₹1,052,695,881), the Governing Body had undertaken the process of physical verification during the prior years and is currently in the process of reconciling the balances as per the fixed assets register with the books of account. Considering the nature of fixed assets and its continuing operations, Governing Body is confident of the existence of these fixed assets and is of the view that there may not be any material discrepancies impacting the accompanying financial statements. Pending completion of such reconciliation, we are unable to comment on the impact of discrepancies, if any, on the accompanying financial statements, that may arise on completion of such reconciliations. Our opinion on the financial statements for the year ended 31 March 2019 was also qualified in respect of this matter.

4. As stated in note 24 to the accompanying financial statements, certain trade receivables and loans and advances amounting to ₹533,880,674 and ₹1,350,351,820 respectively, outstanding as at 31 March 2020 (31 March 2019: ₹387,843,823 and ₹844,013,298 respectively) have been considered good and recoverable by the Governing Body on the basis of its internal assessment. However, in the absence of sufficient appropriate audit evidence supporting such assessment, we are of opinion that these balances should have been provided for in the accompanying financial statements in accordance with the principles 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 2020 would have been higher and the balance of reserves and surplus, trade receivables and loans and advances as at 31 March 2020 would have been lower to the extent of the aforesaid amounts. Our opinion on the financial statements for the year ended 31 March 2019 was also qualified in respect of this matter
5. As stated in note 28 to the accompanying financial statements regarding computation of the depreciation charge on 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 2020 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). The Society has not assessed the useful lives of the assets and had the Society adopted the minimum rates of depreciation as recommended in the Guidance Note, the depreciation charge for the year ended 31 March 2020 would have been higher by ₹322,552,014 (31 March 2019: ₹419,556,391). Consequently, the excess of expenditure over income for the year ended 31 March 2020 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 2020 would have been lower to the same extent. Our opinion on the financial statements for the year ended 31 March 2019 was also 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 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.

### **Emphasis of Matter -COVID-19**

7. We draw attention to Note 27 of the accompanying financial statements, which describes the uncertainties relating to the effects of Covid-19 pandemic outbreak and the Governing Body's evaluation of its impact on the operations and on the accompanying financial statements of the Society as at the balance sheet date, the extent of which is significantly dependent on future developments as they evolve. Our opinion is not modified in respect of this matter.

### **Responsibilities of Governing Body for the Financial Statements**

8. The Governing body is responsible for preparation of these financial statements that give a true and fair view of the state of affairs, results of operations 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 maintenance of adequate accounting records for safeguarding the assets of the society and for preventing and detecting fraud and other irregularities; selection and application of appropriate accounting policies; making judgements and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal control, that were operating effectively for ensuring the accuracy and completeness of accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

9. 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.
10. The Governing Body is responsible for overseeing the Society's financial reporting process.

### **Auditor's Responsibilities for the Audit of the Financial Statements**

11. 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.
12. 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.

# Walker Chandiok & Co LLP

13. 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 Chandiok & Co LLP**

Chartered Accountants

Firm's Registration No.: 001076N/N500013



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Kumar Jain  
Date:  
2021.01.14  
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**Sanjay Kumar Jain**

Partner

Membership No.: 207660

UDIN: 21207660AAAAAK1995

Place: Hyderabad

Date: 14 January 2021



**Narayana Educational Society**  
**Income and Expenditure Account for the year ended 31 March 2020**  
(All amounts in ₹, unless otherwise stated)

	Notes	For the year ended 31 March	
		2020	2019
<b>Income</b>			
Income from operations	15	22,114,907,372	19,972,173,490
Other income	16	284,943,031	237,555,505
<b>Total income</b>		<b>22,399,850,403</b>	<b>20,209,728,995</b>
<b>Expenditure</b>			
Purchases of medical supplies and consumables	17	265,445,297	287,094,090
Employee benefits expense	18	6,248,833,352	5,627,101,237
Finance costs	19	359,836,017	660,406,920
Depreciation expense	9	624,988,741	668,914,233
Other expenses	20	15,026,608,457	13,630,466,811
<b>Total expenditure</b>		<b>22,525,711,864</b>	<b>20,873,983,291</b>
<b>Excess of expenditure over income</b>		<b>(125,861,461)</b>	<b>(664,254,296)</b>

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 Chandiok & Co LLP**

Chartered Accountants

Firm's Registration No.: 001076N/N500013



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Kumar Jain  
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**Sanjay Kumar Jain**

Partner

Membership No.: 207660

Place: Hyderabad

Date: 14 January 2021

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

**PUNEET  
KOTHAPA**

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**Puneet Kothapa**

President

Place: Hyderabad

Date: 14 January 2021

## Narayana Educational Society

## Receipts and Payments Account for the year ended 31 March 2020

(All amounts in ₹, unless otherwise stated)

	For the year ended 31 March		
	2020	2019	
<b>A. Receipts</b>			
Fees from students	20,005,706,632	18,560,210,623	
Revenue from healthcare services and sale of pharmacy	717,989,114	714,499,708	
Interest on fixed deposits	26,201,200	13,858,858	
Interest earned on finance lease receivables	49,172,236	64,485,304	
Other income	84,459,640	76,344,088	
Proceeds from long-term borrowings	2,228,302,400	2,342,660,857	
Caution deposits received	459,737,712	413,129,005	
Amounts received towards assets given on lease	267,196,989	146,527,982	
Refund received from Income tax	45,227,250	-	
Proceeds from short-term borrowings, net	479,547,572	-	
Advances from related parties, net	2,474,405,230	-	
Repayment of loans/advances granted to related parties	816,893,750	-	
Recovery of staff advances	7,917,271	-	
Recovery of other advances	5,658,505	-	
Redemption of fixed deposits	-	48,098,884	
	<b>27,668,415,501</b>	<b>22,379,815,309</b>	
<b>B. Payments</b>			
Purchase of property, plant and equipment	606,595,779	548,940,777	
Employee benefits expense	6,119,834,126	5,653,492,846	
Finance costs	347,791,073	570,308,541	
Other expenses	15,025,331,891	10,632,083,283	
Purchase of consumables	291,347,747	238,614,140	
Advance taxes, net (tax deducted at source)	41,122,549	4,521,406	
Staff advances	-	4,509,684	
Other loans and advances	-	11,716,612	
Refund of caution deposits	529,739,964	331,180,302	
Security deposits paid	17,982,525	169,665,178	
Repayment of security deposits to related parties	-	149,549,978	
Loans/advances to related parties, net	740,485,681	420,420,958	
Repayment of loans to related parties	2,806,239,804	-	
Investment in fixed deposits, net	110,604,252	-	
Repayment of short-term borrowings, net	-	584,358,470	
Repayment of long-term borrowings	1,512,333,562	2,436,056,417	
	<b>28,149,408,953</b>	<b>21,755,418,592</b>	
<b>C. Net receipts / (payments) made during the year</b>	(A-B)	(480,993,452)	624,396,717
<b>D. Cash and cash equivalents at the beginning of the year</b>		984,102,956	359,706,239
<b>E. Cash and cash equivalents at the end of the year (refer note 1 below)</b>	(C+D)	<b>503,109,504</b>	<b>984,102,956</b>

**Narayana Educational Society**  
**Receipts and Payments Account for the year ended 31 March 2020**

(All amounts in ₹, unless otherwise stated)

	As at 31 March	
	2020	2019
<b>Note 1:</b>		
<b>Cash and cash equivalents comprise of: (refer note 14)</b>		
Balances with banks		
- in current accounts	440,741,204	925,093,822
Cash-on-hand	62,368,300	59,009,134
	<b>503,109,504</b>	<b>984,102,956</b>

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



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by Sanjay  
Kumar Jain  
Date:  
2021.01.14  
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Place: Hyderabad

Date: 14 January 2021

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

**PUNEET  
KOTHAPA**

**Puneet Kothapa**

President

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Place: Hyderabad

Date: 14 January 2021

## 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 and accounting estimates

##### (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 fixed assets, impairment of fixed assets 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, library fee, and other fees 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 fixed assets**

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

*Depreciation on tangible fixed assets*

Depreciation on fixed 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:

<b>Nature of assets</b>	<b>Rate of depreciation</b>
Buildings	10%
Furniture and fixtures	10%
Plant and machinery	15%
Computers	60%
Library books	60%
Vehicles	15%

**(e) Impairment of assets**

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

**(f) Leases**

**i) Where the 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) 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.

**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)**

**(l) Taxes on income**

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). Pursuant to the approval granted under section 12AA of the IT Act the Society is classified as a non-taxable entity in accordance with the Indian Income Tax Regulations.

**(m) 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.

**(n) 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.

**(o) Going concern**

The Society’s expenditure had exceeded its income during the year ended 31 March 2020 and its current liabilities exceeds its current assets as at 31 March 2020. The Governing Body has made an assessment of the Society’s ability to continue as a going concern on the basis of its assessment of the future profitability of its operations, the ability to realize monies from the trade and other receivables and certain cost saving measures introduced by them subsequent to the year ended 31 March 2020. Accordingly, these financial statements have been prepared on a going concern basis.

**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	
	2020	2019
Balances as per the last audited financial statements*	239,426,872	239,426,872
	<b>239,426,872</b>	<b>239,426,872</b>

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

**4. Reserves and surplus**

	As at 31 March	
	2020	2019
<b>(Deficit) /excess in the Income and Expenditure Account</b>		
Balance at the beginning of the year	(53,905,116)	610,349,180
Add: Excess of expenditure over income for the year	(125,861,461)	(664,254,296)
<b>Balance at the end of the year</b>	<b>(179,766,577)</b>	<b>(53,905,116)</b>

**5. Long-term borrowings**

		As at 31 March	
		2020	2019
<b>Secured</b>			
₹ term loans from			
- Banks		1,778,651,942	1,073,695,820
Vehicle and equipment term loans from			
- Banks		686,056,532	585,549,727
- Others		86,616,615	110,386,474
	(a)	2,551,325,089	1,769,632,021
Other vehicle and equipment loans from			
- Banks		5,775,516	17,553,132
- Others		88,096,093	142,042,707
	(b)	93,871,609	159,595,839
<b>Unsecured</b>			
Loans from related parties (refer note 5(c))	(c)	17,340,000	570,200,000
		17,340,000	570,200,000
<b>Total borrowings</b>	(a+b+c)	<b>2,662,536,698</b>	<b>2,499,427,860</b>
Less: Current maturities of long-term borrowings (refer note 8(b))		288,723,548	530,412,310
<b>Total long-term borrowings</b>		<b>2,373,813,150</b>	<b>1,969,015,550</b>

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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)*

(a) Terms loans from banks and other outstanding to the tune of:

(i) ₹68,972 (31 March 2019: ₹1,073,695,820) is 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 the Society; c) by personal guarantees of Shri Puneet Kothapa, Smt. Ponguru Sindhura, Smt. Ponguru Ramadevi, Shri R. Sambasiva Rao, Shri Y. Vinay Kumar, Shri R. Koteshwara Rao and Dr. Ponguru Narayana; c) 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.

(ii) ₹1,778,582,970 (31 March 2019: ₹Nil) 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) mortgage on land and building on Nellore campus of NES, Narayana Mahila Residential Kalashala & Narayana Residential high School c) by personal guarantees of Shri Puneet Kothapa, Smt. Ponguru Sindhura, Smt. Ponguru Ramadevi, Smt. Ponguru Sharani, Smt. Ponguru Indira and Dr. Ponguru Narayana; c) 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 2019: 8.90% 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 ₹8,616,615 (31 March 2019: ₹110,386,474) have been personally guaranteed by Shri R. Koteshwara Rao;

- an amount of ₹104,722,789 (31 March 2019: ₹122,151,107) have been personally guaranteed by Shri Puneet Kothapa; and

- an amount of ₹46,909,530 (31 March 2019: ₹55,603,037) 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 7.87% to 11.60% (31 March 2019: 7.77% to 10.18%).

##### b. Terms of repayment

	As at 31 March	
	2020	2019
Within one year	288,723,548	530,412,310
Two to three years	961,496,037	1,575,265,208
Above three years	1,412,317,113	393,750,342
	<b>2,662,536,698</b>	<b>2,499,427,860</b>

##### 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%).

d. In accordance with the directives of the Reserve Bank of India dated 27 March 2020, the Society has availed the moratorium of five months in respect of payment of the underlying instalments of its outstanding balance of borrowings from the period beginning 1 April 2020 and until the 31 August 2020. The balance of current maturities has been accordingly adjusted to this effect.

## Narayana Educational Society

### Summary of significant accounting policies and other explanatory information

(All amounts in ₹, unless otherwise stated)

#### 6. Provisions

	As at 31 March	
	2020	2019
Provision for employee benefits, unfunded (refer note 18(b))		
<b>a. Long-term</b>		
- Gratuity	245,855,552	125,408,310
	<b>245,855,552</b>	<b>125,408,310</b>
<b>b. Short-term</b>		
- Gratuity	34,436,631	16,613,905
	<b>34,436,631</b>	<b>16,613,905</b>

#### 7. Short-term borrowings

	As at 31 March	
	2020	2019
<b>Secured</b>		
Working capital loan from banks	1,351,677,074	872,129,502
<b>Unsecured</b>		
<b>Working capital loan:</b>		
From related parties	939,315,016	746,069,074
From others	15,685,705	15,685,705
	<b>2,306,677,795</b>	<b>1,633,884,281</b>

#### a. Details of short-term borrowings

##### *Secured*

The working capital loans of the Society are secured: a) by way of a first charge on the entire stocks and receivables of the Society, both present and future; b) 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. Koteshwara Rao, and Dr. Ponguru Narayana amounting to ₹201,677,074 (31 March 2019: ₹872,129,502) and personal guarantee of Shri Puneet Kothapa, Smt. Ponguru Sindhura, Smt. Ponuguru Ramadevi, Smt. Ponguru Sharani, Smt. Ponguru Indira and Dr. Ponguru Narayana to the tune of ₹1,150,000,000 (31 March 2019: ₹Nil). These loans are repayable on demand and carry an annual interest rate in the range of 8.90% to 10.00% (31 March 2019: 8.90% to 10.25%).

##### *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.

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

(All amounts in ₹, unless otherwise stated)

**8. Other liabilities**

	As at 31 March	
	2020	2019
<b>a. Non-current</b>		
Caution deposit	519,247,662	464,628,546
Security deposit from a related party (refer note 10)	906,154,441	3,089,219,937
	<b>1,425,402,103</b>	<b>3,553,848,483</b>
<b>b. Current</b>		
Creditors for capital expenditure	51,261,759	43,597,123
Statutory dues	223,208,074	251,314,978
Current maturities of long-term borrowings (refer note 5)	288,723,548	530,412,310
Interest accrued to related parties	9,110,931	346,250,561
Interest accrued but not due	29,171,929	-
Fees received in advance	444,074,873	1,225,608,207
Unearned revenue	541,441,388	469,863,424
Caution deposit	263,699,602	189,816,406
Dues to employees	374,245,518	383,516,260
Liabilities for expenses	460,609,525	531,943,815
Dues to students	514,993,907	394,630,065
Book overdraft	49,490,458	85,331,302
Other payables	55,289,078	19,712,492
	<b>3,305,320,590</b>	<b>4,471,996,943</b>

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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
<b>Gross block</b>								
<b>Balance as at 1 April 2018</b>	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
<b>Balance as at 31 March 2019</b>	<b>49,490,902</b>	<b>5,940,796,006</b>	<b>2,563,654,086</b>	<b>2,631,557,935</b>	<b>506,708,021</b>	<b>220,902,117</b>	<b>284,893,816</b>	<b>12,198,002,883</b>
Additions	-	119,878,702	53,507,704	46,799,906	17,895,519	21,490,042	13,482,370	273,054,243
<b>Balance as at 31 March 2020</b>	<b>49,490,902</b>	<b>6,060,674,708</b>	<b>2,617,161,790</b>	<b>2,678,357,841</b>	<b>524,603,540</b>	<b>242,392,159</b>	<b>298,376,186</b>	<b>12,471,057,126</b>
<b>Accumulated depreciation</b>								
<b>Up to 1 April 2018</b>	-	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
<b>Up to 31 March 2019</b>	<b>-</b>	<b>2,892,538,251</b>	<b>1,280,303,193</b>	<b>1,757,712,809</b>	<b>477,581,339</b>	<b>194,103,011</b>	<b>219,209,356</b>	<b>6,821,447,959</b>
Depreciation charge**	-	307,282,880	130,016,579	144,656,195	14,389,567	16,834,473	11,809,047	624,988,741
<b>Up to 31 March 2020</b>	<b>-</b>	<b>3,199,821,131</b>	<b>1,410,319,772</b>	<b>1,902,369,004</b>	<b>491,970,906</b>	<b>210,937,484</b>	<b>231,018,403</b>	<b>7,446,436,700</b>
<b>Net block</b>								
<b>As at 31 March 2020</b>	<b>49,490,902</b>	<b>2,860,853,577</b>	<b>1,206,842,018</b>	<b>775,988,837</b>	<b>32,632,634</b>	<b>31,454,675</b>	<b>67,357,783</b>	<b>5,024,620,426</b>
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

\*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	
	2020	2019
<b>a. Long-term</b>		
(Unsecured, considered good)		
Capital advances (refer note 24)*	632,647,427	300,408,162
Security deposits (refer note 24)*	1,125,179,013	2,994,979,033
Security deposits with related parties**	554,902,291	1,173,895,576
Balances with government authorities	14,533,896	23,169,229
Advance tax, net (tax deducted at source)	103,081,195	107,185,896
	<b>2,430,343,822</b>	<b>4,599,637,896</b>
(Unsecured, considered doubtful)		
Security deposits	70,482,404	-
	<b>70,482,404</b>	-
Less: Provision for doubtful advances	(70,482,404)	-
	-	-
	<b>2,430,343,822</b>	<b>4,599,637,896</b>
<b>b. Short-term</b>		
(Unsecured, considered good)		
Prepaid expenses	11,044,318	15,924,001
Security deposits	23,095,629	107,873,629
Advances to		
- Suppliers	146,163,277	157,100,079
- Related parties (refer note 24)	456,542,693	514,957,477
- Staff	12,086,122	15,271,235
- Others	33,302,790	38,226,888
	<b>682,234,829</b>	<b>849,353,309</b>
(Unsecured, considered doubtful)		
Security deposits	93,466,863	93,466,863
Advances to		
- Suppliers	177,044,837	64,730,402
- Staff	21,029,439	25,761,597
- Others	22,674,325	23,408,732
	<b>314,215,464</b>	<b>207,367,594</b>
Less: Provision for doubtful advances	(314,215,464)	(207,367,594)
	-	-
	<b>682,234,829</b>	<b>849,353,309</b>

## Narayana Educational Society

### Summary of significant accounting policies and other explanatory information

(All amounts in ₹, unless otherwise stated)

#### 10. Loans and advances (contd.)

\*Pursuant to the terms of the restated Master Services Agreement and the Security Deposits Agreement entered between Narayana Educational Society (NES) and Nspira Management Services Private Limited (Nspira), the Society has transferred rental security deposit and capital advances outstanding to the tune of ₹3,293,071,799 and ₹100,000,000, respectively, to NSPIRA with effect from 1 April 2019 along with the transfer of underlying credit risk associated with these landlords. These amounts have been agreed to be adjusted against the balance of security deposits received from related party and outstanding to the tune of ₹3,393,071,799. Further, pursuant to terms of the deed of guarantee entered into between the aforementioned parties, the Society has also guaranteed the recoverability of outstanding security deposits and capital advances to the tune of ₹789,993,658 and ₹100,000,000, respectively to NSPIRA. Consequently, the aforementioned balance of security deposits aggregating to ₹2,503,078,141, duly adjusted for the amounts guaranteed by Society and the amount of security deposit received from related party to the same extent, has been derecognised in these financial statements.

\*\*Represents security deposit granted to related party to the tune of ₹554,902,291 for properties to be occupied in future. These deposits have been personally guaranteed by Mr. Puneet Kothapa and Mrs. Ponguru Sindhura.

#### 11. Other assets

	As at 31 March	
	2020	2019
<b>a. Non-current</b>		
(Unsecured, considered good)		
Receivables on account of finance lease	259,619,807	488,271,101
Bank deposits with maturity period of more than 12 months*	180,749,167	170,130,589
Interest accrued but not due on fixed deposits	23,699,995	27,865,485
	<b>464,068,969</b>	<b>686,267,175</b>
<b>b. Current</b>		
(Unsecured, considered good)		
Receivables on account of finance lease	123,881,607	183,177,816
Interest accrued but not due on fixed deposits	35,606,829	21,522,111
	<b>159,488,436</b>	<b>204,699,927</b>
(Unsecured, considered doubtful)		
Receivables on account of finance lease	24,372,787	3,622,273
	<b>24,372,787</b>	<b>3,622,273</b>
Less: Provision for doubtful receivables	(24,372,787)	(3,622,273)
	-	-
	<b>159,488,436</b>	<b>204,699,927</b>

\*Represents deposits pledged with lenders of Society in respect of amounts borrowed.

**Narayana Educational Society**

**Summary of significant accounting policies and other explanatory information**

(All amounts in ₹, unless otherwise stated)

**12. Trade receivables** (refer note 24)

	As at 31 March	
	2020	2019
Outstanding for a period exceeding six months from the date they are due for payment		
Unsecured, considered good	2,147,508,454	1,955,963,124
Unsecured, considered doubtful	1,137,672,651	686,571,165
	<u>3,285,181,105</u>	<u>2,642,534,289</u>
Less: Provision for doubtful receivables	(1,137,672,651)	(686,571,165)
	<u><b>2,147,508,454</b></u>	<u><b>1,955,963,124</b></u>
Other debts		
Unsecured, considered good	1,832,655,001	1,505,164,023
Unsecured, considered doubtful	86,616,301	9,415,998
	<u>1,919,271,302</u>	<u>1,514,580,021</u>
Less: Provision for doubtful receivables	(86,616,301)	(9,415,998)
	<u><b>1,832,655,001</b></u>	<u><b>1,505,164,023</b></u>
	<u><b>3,980,163,455</b></u>	<u><b>3,461,127,147</b></u>

**13. Inventories, at cost**

	As at 31 March	
	2020	2019
Consumables	82,190,928	56,288,478
	<u><b>82,190,928</b></u>	<u><b>56,288,478</b></u>

**14. Cash and bank balances**

	As at 31 March	
	2020	2019
<b>Cash and cash equivalents</b>		
Balances with banks		
- in current accounts	440,741,204	925,093,822
Cash-on-hand	62,368,300	59,009,134
	<u><b>503,109,504</b></u>	<u><b>984,102,956</b></u>
<b>Other bank balances:</b>		
Bank deposits with maturity of 3 months to 12 months	228,215,264	128,229,590
Bank deposits with maturity period of more than 12 months	180,749,167	170,130,589
	<u><b>408,964,431</b></u>	<u><b>298,360,179</b></u>
Less: Amounts reclassified to other non-current assets	(180,749,167)	(170,130,589)
	<u><b>731,324,768</b></u>	<u><b>1,112,332,546</b></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	
	2020	2019
<b>Fees from students</b>		
Tuition and other fees	19,900,731,772	17,719,814,645
Examination fees	268,717,386	283,810,273
Transportation fees	436,490,100	399,292,131
Other operating revenues	809,643,048	854,590,735
<b>Revenue from healthcare services</b>	699,325,066	714,665,706
	<b>22,114,907,372</b>	<b>19,972,173,490</b>

**16. Other income**

	For the year ended 31 March	
	2020	2019
Interest on finance lease receivables	49,172,236	64,485,304
Interest on fixed deposits	36,120,428	27,643,525
Dividend income	16,729,843	-
Liabilities no longer required written back	115,190,727	77,432,588
Other receipts	67,729,797	67,994,088
	<b>284,943,031</b>	<b>237,555,505</b>

**17. Purchase of medical supplies and consumables**

	For the year ended 31 March	
	2020	2019
Purchase of medical supplies and consumables	265,445,297	287,094,090
	<b>265,445,297</b>	<b>287,094,090</b>

**Narayana Educational Society**

**Summary of significant accounting policies and other explanatory information**

(All amounts in ₹, unless otherwise stated)

**18. Employee benefits expense**

	For the year ended 31 March	
	2020	2019
Salaries and wages	5,771,626,467	5,370,325,354
Contribution to provident and other funds	337,836,917	238,265,107
Gratuity expense (refer note b)	138,569,968	16,825,174
Staff welfare expenses	800,000	1,685,602
	<b>6,248,833,352</b>	<b>5,627,101,237</b>

**a. Defined contribution plan**

During the year ended 31 March 2020, the Society contributed ₹275,416,320 (31 March 2019: ₹142,754,764) to provident fund and ₹62,420,597 (31 March 2019: ₹95,510,343) 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	
	2020	2019
Obligation at the beginning of the year	142,022,215	127,697,041
Current service cost	41,398,179	14,191,727
Interest cost	10,893,031	7,574,696
Benefits paid	-	(2,500,000)
Actuarial (gain) / loss recognised in the year	85,978,758	(4,941,249)
Obligation at the end of the year	<b>280,292,183</b>	<b>142,022,215</b>

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

	As at 31 March	
	2020	2019
Retirement age	60 years	60 years
Salary escalation rate	For first year: 0% and thereafter 3%	1%
Attrition rate	Upto 4 years of service: 80% and thereafter 3%	Upto 4 years of service: 70% and thereafter 2%
Discount rate	6%	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 2020. 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)

**19. Finance costs**

	For the year ended 31 March	
	2020	2019
Interest expense	269,908,607	595,354,940
Other borrowing costs	89,927,410	65,051,980
	<b>359,836,017</b>	<b>660,406,920</b>

**20. Other expenses**

	For the year ended 31 March	
	2020	2019
Rent* (refer note 26(a))	3,895,147,273	3,304,563,938
Mess expenses	1,760,695,561	1,672,790,577
Campaigning and advertisement	2,185,872,202	1,899,105,445
Repairs and maintenance		
- Building	1,193,214,255	1,116,460,351
- Others	962,390,907	879,695,698
Printing charges	2,461,649	139,503,030
Examination fees	942,762,316	863,879,549
Power and fuel	506,378,247	511,618,196
Administrative support services	472,371,982	452,700,298
Security charges	315,328,030	286,880,783
Professional fees	295,108,494	323,144,106
Travelling and conveyance	1,079,281,682	1,163,086,310
Loss on sale of asset	8,491,043	-
Provision for doubtful advances/receivables	726,382,576	126,409,468
Provision for inventory	8,517,785	22,051,802
Software subscription fees	-	191,215,927
Reimbursement of expense for services**	174,419,949	186,585,499
Stipend expense	186,021,666	124,566,170
Telephone expenses	22,535,369	27,708,798
Paper and stationery	47,624,405	46,568,355
Bank charges	102,809,213	64,114,338
Functions and celebrations	4,802,480	42,998,402
Affiliation fees	44,077,381	32,494,383
Legal and professional charges	7,342,529	12,099,172
Rates and taxes	14,571,793	78,116,100
Water expense	7,307,196	7,780,733
Insurance charges	2,079,001	1,901,686
Payments to auditor		
- As auditor	4,602,000	5,076,000
- Out of pocket expenses	82,446	100,000
Miscellaneous expenses	53,929,027	47,251,697
	<b>15,026,608,457</b>	<b>13,630,466,811</b>

\*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)

#### 21. 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	Relative of founder
Ponguru Indira	
Ponguru Subbamma	
R. Sambasiva Rao	Member of the Governing Body
Y. Vinay Kumar	
Narayana Education Trust	Entities where KMP has significant influence
Narayana Educational Trust	
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	
	2020	2019
<b>Rent</b>		
Ponguru Narayana	31,428,256	30,463,488
Ponguru Ramadevi	27,118,172	24,451,056
Ponguru Indira	8,921,404	8,298,977
Ponguru Sindhura	1,066,168	991,791
Narayana Learning Private Limited	59,877,076	54,771,276
<b>Rental deposits paid</b>		
Ponguru Narayana	293,220	-
<b>Advances given</b>		
R. Sambasiva Rao	-	1,050,000
<b>Advances received</b>		
NSPIRA Management Services Private Limited	-	964,600,000
<b>Unsecured loan received</b>		
<b><i>Interest free</i></b>		
Narayana Education Trust	1,270,627,009	1,068,895,565
Narayana Educational Trust	66,719,281	462,531,995
NSPIRA Management Services Private Limited	1,137,058,940	-
Narayana Learning Private Limited	-	33,100,000
<b><i>Interest bearing</i></b>		
Ponguru Ramadevi	-	70,000,000
Ponguru Sindhura	-	45,000,000

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

(All amounts in ₹, unless otherwise stated)

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

	For the year ended 31 March	
	2020	2019
<b>Reimbursement received of the security deposits made</b>		
NSPIRA Management Services Private Limited	67,286,655	111,376,421
<b>Interest on security deposit</b>		
NSPIRA Management Services Private Limited	-	278,029,794
<b>Purchase of material</b>		
NSPIRA Management Services Private Limited	1,314,591,016	1,461,703,151
Narayana Learning Private Limited	110,370,777	113,126,196
<b>Services availed from</b>		
NSPIRA Management Services Private Limited	6,324,960,414	5,774,577,037
<b>Short-term interest free loan given</b>		
Rama Narayana Education Trust	-	35,000,000
Narayana Learning Private Limited	51,204,962	309,147,831
Narayana Educational Trust	689,280,719	290,881,697
Ponguru Narayana	-	8,779,190
<b>Interest on loan taken</b>		
Ponguru Ramadevi	33,857,729	46,531,372
Ponguru Sindhura	3,226,604	1,922,761
<b>Amounts collected on behalf of the Society</b>		
Narayana Education Trust	52,054,991	48,126,858
Rama Narayana Education Trust	41,700	1,987,450
Narayana Educational Trust	1,127,950	539,715
<b>Amounts paid by the Society on behalf of</b>		
Narayana Education Trust	7,139,588	12,588,248
Narayana Educational Trust	870,200	-
Narayana Learning Private Limited	155,554	238,102
<b>Amounts paid on behalf of the Society</b>		
Narayana Learning Private Limited	155,554	-
Narayana Education Trust	23,450,830	37,346,229
<b>Guarantees given to Society</b>		
Puneet Kothapa and Ponguru Sindhura**	554,733,541	-
<b>Corporate guarantees given on behalf of</b>		
NSPIRA Management Services Private Limited	-	1,700,000,000
<b>Corporate guarantees given to</b>		
NSPIRA Management Services Private Limited	889,993,658	-

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

(All amounts in ₹, unless otherwise stated)

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

	For the year ended 31 March	
	2020	2019
<b>Amounts collected by the Society on behalf of</b>		
Narayana Education Trust	10,953,174	3,770,500
Narayana Educational Trust	27,502,334	6,819,600
Rama Narayana Education Trust	970,560	125,150
NSPIRA Management Services Private Limited	3,522,563,797	4,309,840,919
<b>Transfer of security deposits</b>		
NSPIRA Management Services Private Limited	2,503,078,141	-
<b>Reimbursement of expenses</b>		
NSPIRA Management Services Private Limited	170,739,695	196,324,909

**c. Balances receivable / (payable)**

	As at 31 March	
	2020	2019
Sri Sarvani Educational Society	259,950,000	259,950,000
Narayana Education Trust	(926,148,774)	(699,020,036)
Narayana Educational Trust	116,080,870	174,550,640
Rama Narayana Education Trust	76,169,423	77,098,283
NSPIRA Management Services Private Limited*	(4,568,566,829)	(7,654,903,666)
Narayana Learning Private Limited	450,058,482	452,826,195
Ponguru Narayana	(9,313,698)	232,287,492
Ponguru Ramadevi	(24,629,855)	(286,359,846)
Ponguru Indira	(5,211,304)	61,993,439
Ponguru Sindhura	(10,428,352)	(35,064,361)
R. Sambasiva Rao	-	1,050,000
Ponguru Sharani	(555,527)	(555,527)
Ponguru Subbamma	(329,432)	(329,432)
<b>NSPIRA Management Services Private Limited</b>		
Outstanding guarantee	2,589,993,658	1,700,000,000

\*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.

\*\*The balance of security deposit to related party to the tune of ₹554,902,291 has been guaranteed by Mr. Puneet Kothapa and Mrs. Ponguru Sindhura.

## Narayana Educational Society

### Summary of significant accounting policies and other explanatory information

(All amounts in ₹, unless otherwise stated)

#### 21. Related party disclosures (contd.)

##### d. Disclosure of guarantees given for the borrowings availed by the Society:

	As at 31 March	
	2020	2019
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	201,746,046	1,945,825,322
Shri Puneet Kothapa, Smt. Ponguru Sindhura, Smt. Ponuguru Ramadevi, Smt. Ponguru Sharani, Smt. Ponguru Indira and Dr. Ponguru Narayana	2,928,582,970	-
Shri R. Koteshwara Rao	8,616,615	110,386,474
Shri Puneet Kothapa	104,722,789	122,151,107
Shri Puneet Kothapa and Smt. Ponguru Sindhura.	46,909,530	55,603,037

#### 22. Contingent liabilities

	As at 31 March	
	2020	2019
a. Claims against the Society not acknowledged as debt		
(i) Matters under dispute:		
(a) Employees State Insurance Corporation ('ESI Act')	67,431,459	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	62,980,323
(ii) Guarantees given to NSPIRA Management Services Private Limited	889,993,658	-
(iii) Guarantees given on behalf of NSPIRA Management Services Private Limited	1,700,000,000	1,700,000,000

#### 23. 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	
	2020	2019
Not later than one year	143,082,440	241,303,514
Later than one year and not later than five years	284,532,007	556,606,789
	<b>427,614,447</b>	<b>797,910,303</b>

## Narayana Educational Society

### Summary of significant accounting policies and other explanatory information

(All amounts in ₹, unless otherwise stated)

#### 23. Leases (contd.)

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

	As at 31 March	
	2020	2019
Not later than one year	123,881,607	183,177,816
Later than one year and not later than five years	259,619,807	488,271,101
	<b>383,501,414</b>	<b>671,448,917</b>

##### 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	
	2020	2019
Total gross investment	427,614,447	797,910,303
Less: unearned finance income	44,113,033	126,461,386
Present value of minimum lease payments receivables	<b>383,501,414</b>	<b>671,448,917</b>

24. Trade receivables, loans and advances and security deposits outstanding as at 31 March 2020 includes amounts aggregating to ₹1,884,232,494 (31 March 2019: ₹1,231,857,121), representing the receivables from students, rental deposits to landlords and other contractual advances to related and other parties to the tune of ₹533,880,674 (31 March 2019: ₹387,843,823), ₹789,993,658 (31 March 2019: ₹383,655,136) and ₹560,358,162 (31 March 2019: ₹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.

25. Based on the Society's business model and considering the internal financial reporting to the Governing Body, 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.

#### 26. Commitments

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

	As at 31 March	
	2020	2019
Not later than one year	3,283,211,359	2,899,451,430
Later than one year and not later than five years	13,402,226,226	10,269,003,134
Later than five years	25,741,937,612	20,700,444,799

**Note:** As at 31 March 2020, the Society had entered into certain cancellable lease agreement for the lease of premises against which security deposits have already been made. However, as the underlying premises are yet to be handed over to the Society 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	
	2020	2019
Capital and other commitments	29,788,893	14,187,040
Commitments towards security deposits to landlords	-	32,313,598
	<b>29,788,893</b>	<b>46,500,638</b>

## Narayana Educational Society

### Summary of significant accounting policies and other explanatory information

(All amounts in ₹, unless otherwise stated)

27. With the recent and rapid development of the COVID-19 outbreak, many countries have implemented restrictions and quarantine measures to contain the spread of the virus. As a precautionary measure, Government of India has also imposed a countrywide lockdown with effect from 25 March 2020 onwards, thereby impacting the operations of the Society adversely particularly by way of closures due to complete lockdown. Operations have since resumed in a staggered manner beginning mid of May 2020 with adequate precautions being taken in accordance with the Government guidelines.

The Society's business is expected to be impacted by decrease in demand in the short to medium term and accordingly, the Governing Body has undertaken/is undertaking various cost saving initiatives to maximize operating cash flows in the given situation. The extent to which the Covid-19 will impact the Society's operations will depend on the spread of Covid-19, steps taken by the government to mitigate the economic impact, the time it takes for economic activities to resume at normal levels.

The Society has made detailed assessment of the impact of the pandemic on the carrying value of its assets as at 31 March 2020, including its liquidity position for the next one year and has recognised a provision of ₹537,717,787 in respect of realisability of its trade receivables on the bases of its internal review. Accordingly, Management is confident that the Society has and it would generate sufficient funds for its operations and will continue to operate as a going concern and will be able to discharge its liabilities and realise the carrying amount of its assets as on 31 March 2020.

The Society is closely monitoring the developments and possible effects that may result from the current pandemic on its financial condition, liquidity and operations and is actively working to minimize the impact of this unprecedented situation. As the situation is continuously evolving, the eventual impact may be different from the estimates made as of the date of approval of these financial statements.

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.

29. The comparative information has been regrouped/rearranged to conform to the current period presentation.

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

For **Walker Chandiok & Co LLP**

Chartered Accountants

Firm's Registration No.: 001076N/N500013

**Sanjay Kumar Jain**

Partner

Membership No.: 207660



Digitally signed  
by Sanjay  
Kumar Jain  
Date:  
2021.01.14  
21:13:12 +05:30

Place: Hyderabad

Date: 14 January 2021

For and on behalf of the Governing Body of

**Narayana Educational Society**

**PUNEET**

**KOTHAPA**

**Puneet Kothapa**

President

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Place: Hyderabad

Date: 14 January 2021