

**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  
2022-23

PAN	AAATN1672R		
Name	NARAYANA EDUCATIONAL SOCIETY		
Address	14/72 , HARANATHAPURAM , NELLORE , NELLORE , 02-Andhra Pradesh , 91-India , 524003		
Status	AOP/BOI	Form Number	ITR-7
Filed u/s	139(1) - Return filed on or before due date	e-Filing Acknowledgement Number	722912550141022
	Current Year business loss, if any	1	0
	Total Income		0
and Tax details	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
Taxable In	Total tax, interest and Fee payable	6	0
	Taxes Paid	7	3,02,80,700
	(+)Tax Payable /(-)Refundable (6-7)	8	(-) 3,02,80,700
Accreted Income & Tax Detail	Accreted Income as per section 115TD	9	0
	Additional Tax payable u/s 115TD	10	0
	Interest payable u/s 115TE	11	0
	Additional Tax and interest payable	12	0
	Tax and interest paid	13	0
	(+)Tax Payable /(-)Refundable (17-18)	14	0

Income Tax Return submitted electronically on 14-Oct-2022 18:12:06 from IP address 183.82.234.182 and verified by PUNEET KOTHAPA  
using PAN AWVPK2558G on 14-Oct-2022 using XNRTZ4J2SI generated through Aadhaar OTP mode

System Generated

Barcode/QR Code



AAATN1672R0722912550141022C2EB35E7F5AB87D92BBC73CEA0976217AD699E62

**DO NOT SEND THIS ACKNOWLEDGEMENT TO CPC, BENGALURU**

Acknowledgement Number:610504090011022

FORM 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 on 31st March 2022 , and the **income and expenditure account** for the period beginning from **01-Apr-2021** to ending on **31-Mar-2022** attached herewith, of

Name

NARAYANA EDUCATIONAL SOCIETY

Address

14/72 , HARANATHAPURAM ,  
Chintareddypalem B.O , Nellore ,  
NELLORE , 02-Andhra Pradesh ,  
91-India , Pincode - 524003

PAN

AAATN1672R

Aadhaar Number of the assessee, if available

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 **515** 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 2020-2021 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 Chandlok 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 515.4) In the financial year 2021-22 provision for fee collection provided for professional colleges as per no of days falls outside the financial year and the amount shown under the head Fee received in advance.5) Amount paid for seeking admission for the coming academic year shown under the head Reservation account.6) We observed that an amount of Rs. 10000000/- as donation from Narayana Education Trust for continuing operation and needed financial aid to continue its activities due to decline in generation of financial resources in the pandemic period and the same was treated as income in the books of accounts.
- 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 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 2022 ; 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.

Acknowledgement Number:610504090011022

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

Sl No.	Qualification Type	Observations/Qualifications
1	Others	During the year Provision for doubtful advances/receivable of Rs.219374267/-, debited to income and expenditure account.
2	Others	Provision for Gratuity for employees benefit is provided in the books of accounts of Rs.16,904,879/-

Accountant Details

Name	SRINIVASA RAO MUVVALA
Membership Number	203509
FRN (Firm Registration Number)	0103185
Address	UDIN: 22208509AZJEQM8055 18/223, SIKARAMVARI STREET, Nellore H.O, Nellore, NELLORE, 02-Andhra Pradesh, 91-India, Pincode - 524001
Date of signing Tax Audit Report	30-Sep-2022
Place	183.82.234.43
Date	01-Oct-2022

This form has been digitally signed by SRINIVASA RAO MUVVALA having PAN AFGPM9250D from IP Address 183.82.234.43 on 01/10/2022 08:12:06 PM Dsc Sl.No and issuer, C=IN,O=Pantagon Sign Securities Pvt. Ltd.,OU=Certifying Authority

**Acknowledgement Number:610504090011022**

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 following form:-

Sl. No.	Description of the Block of Assets/Class of Assets	Rate of Depreciation (%)	Opening WDV /Actual	Adjustment made to the written down value under section 115BAC/115BAD (for Intangible asset due to year 2021-22 only)	Adjustment made to the written down value of Intangible asset due to excluding value of goodwill of a business or profession	Adjusted written down value(A)	Purchase Value	Total Value of Purchases (B)	Deductions (C)	Other Adjustments	Depreciation Allowable (D)	Written Down Value at the end of the year(A+B-C-D)
1	Plant and Machinery @ 15%	15	₹ 1,05,61,15,140	₹ 0	₹ 0	₹ 1,05,61,15,140	₹ 33,36,17,763	₹ 33,36,17,763	₹ 11,78,30,109	₹ 0	₹ 18,82,85,339	₹ 1,08,36,17,455
2	Furnitures & Fittings @ 10%	10	₹ 1,08,71,58,327	₹ 0	₹ 0	₹ 1,08,71,58,327	₹ 33,58,065	₹ 33,58,065	₹ 0	₹ 0	₹ 10,89,62,669	₹ 98,15,53,723
3	Plant and Machinery @ 40%	40	₹ 5,73,02,841	₹ 0	₹ 0	₹ 5,73,02,841	₹ 4,10,61,366	₹ 4,10,61,366	₹ 1,63,296	₹ 0	₹ 3,55,75,821	₹ 6,26,25,090
4	Building @ 10%	10	₹ 2,73,31,36,710	₹ 0	₹ 0	₹ 2,73,31,36,710	₹ 2,68,52,348	₹ 2,68,52,348	₹ 75,535	₹ 0	₹ 27,46,48,735	₹ 2,48,52,64,788

19. Amount admissible under section-

Sl. 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 provisions of Income-tax Act, 1961 or Income-tax Rules, 1962 or any other guidelines, circular, etc., issued in this behalf.
			No records added

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)]

Sl. No.	Description	Amount
		No records added

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

Sl. No.	Nature of fund	Sum received from employees	Due date for payment	The actual amount paid	The actual date of payment to the concerned authorities

**Acknowledgement Number:610504090011022**

Sl. No.	Tax deduction and collection Account Number (TAN) (1)	Section (2)	Nature of payment (3)	Total amount of payment or receipt of the nature specified in column (3) (4)	Total amount on which tax was required to be deducted or collected out of (4) (5)	Total amount on which tax was deducted or collected at specified rate out of (5) (6)	Amount of tax deducted or collected out of (6) (7)	Total amount on which tax was deducted or collected at less than specified rate out of (7) (8)	Amount of tax deducted or collected on (8) (9)	Amount of tax deducted or collected not deposited to the credit of the Central Government out of (6) and (8) (10)
1	HYDN03008F	192	Salary	₹ 4,55,40,91,122	₹ 4,39,79,66,671	₹ 4,39,79,66,671	₹ 18,64,47,994	₹ 0	₹ 0	₹ 0
2	HYDN03008F	194A	Interest other than interest on securities	₹ 25,98,52,392	₹ 60,57,187	₹ 60,57,187	₹ 6,05,713	₹ 0	₹ 0	₹ 0
3	HYDN03008F	194C	Payments to contractors	₹ 7,06,63,80,063	₹ 6,28,17,64,906	₹ 6,28,17,64,906	₹ 12,26,90,116	₹ 0	₹ 0	₹ 0
4	HYDN03008F	194-I	Rent	₹ 3,21,28,19,157	₹ 2,89,71,97,535	₹ 2,89,71,97,535	₹ 26,73,39,201	₹ 0	₹ 0	₹ 0
5	HYDN03008F	194J	Fees for professional or technical services	₹ 26,69,52,674	₹ 26,66,16,260	₹ 26,66,16,260	₹ 2,66,82,047	₹ 0	₹ 0	₹ 0
6	HYDN03008F	194Q	Payment of certain sum for purchase of goods	₹ 1,70,69,80,269	₹ 1,03,16,54,354	₹ 1,03,16,54,354	₹ 10,34,685	₹ 0	₹ 0	₹ 0

(b). Whether the assessee is required to furnish the statement of tax deducted or tax collected?

Yes

Please furnish the details:

Sl. 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	Please furnish list of details/transactions which are not reported.
1	HYDN03008F	24Q	31-Jul-2021	11-Apr-2022	Yes	
2	HYDN03008F	26Q	31-Jul-2021	11-Apr-2022	Yes	
3	HYDN03008F	24Q	31-Oct-2021	11-Apr-2022	Yes	
4	HYDN03008F	26Q	31-Oct-2021	11-Apr-2022	Yes	
5	HYDN03008F	24Q	31-Jul-2021	11-Apr-2022	Yes	

**Acknowledgement Number:610504090011022**

5	MTUN03008F	24Q	31-Jan-2022	31-Jan-2022	Yes
6	HYDN03008F	26Q	31-Jan-2022	11-Apr-2022	Yes
7	HYDN03008F	24Q	31-May-2022	09-Jun-2022	Yes
8	HYDN03008F	26Q	31-May-2022	20-Jun-2022	Yes

(c). Whether the assessee is liable to pay interest under section 201(1A) or section 206C(7)? No

Please furnish:

Sl. No.	Tax deduction and collection Account Number (TAN) (1)	Amount of interest under section 201(1A)/206C(7) is payable (2)	Amount paid out of column (2) along with date of payment. (3)	
			Amount	Date of payment
		₹ 0	₹ 0	

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

Sl. No.	Item Name	Unit Name	Opening stock	Purchases during the pervious year	Sales during the pervious year	Closing stock	Shortage/excess, if any
1			0	0	0	0	0

(b). In the case of manufacturing concern, give quantitative details of the principal items of raw materials, finished products and by-products.

A. Raw materials:

Sl. No.	Item Name	Unit Name	Opening stock	Purchases during the pervious year	Consumption during the pervious year	Sales during the pervious year	Closing stock	Yield of finished products	Percentage of yield	Shortage/excess, if any
No records added										

B. Finished products :

Sl. No.	Item Name	Unit Name	Opening stock	Purchases during the pervious year	Quantity manufactured during the pervious year	Sales during the pervious year	Closing stock	Shortage/excess, if any
No records added								

Acknowledgement Number:610504090011022

Date of furnishing of report

c.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, 2022)

Sl. No.	Total amount of Expenditure incurred during the year	Expenditure in respect of entities registered under GST			Total payment to registered entities	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		
	₹ 13,33,12,36,953	₹ 6,09,01,74,200	₹ 0	₹ 4,49,74,56,067	₹ 10,58,76,30,267	₹ 2,74,36,06,686

Accountant Details

Accountant Details

Name	SRINIVASA RAO MUVVALA
Membership Number	203509
FRN (Firm Registration Number)	0103185
Address	UDIN : 22203509A2JEQM18055 18/223, SIKARAMVARI STREET, Nellore H.O, Nellore, NELLORE, 02-Andhra Pradesh, 91-India, Pincode - 524001
Place	183.82.234.43
Date	01-Oct-2022

Additions Details (From Point No.18)

Description of the Block of Assets/Class of Assets	Sl. No.	Date of Purchase	Date put to Use	Purchase Value (1)	Adjustments on Account of			Total Value of Purchases (B) (1+2+3+4)
					CENVAT (2)	Change in Rate of Exchange (3)	subsidy or grant or reimbursement, by whatever name called (4)	
Plant and Machinery @ 15%	1	01-Apr-2021	01-May-2021	₹ 30,02,83,358	₹ 0	₹ 0	₹ 0	₹ 30,02,83,358
	2	01-Oct-2021	04-Oct-2021	₹ 3,33,34,405	₹ 0	₹ 0	₹ 0	₹ 3,33,34,405

**Narayana Educational Society**  
**Balance Sheet as at 31 March 2022**  
(All amounts in ₹, unless otherwise stated)

	Notes	As at	
		31 March 2022	31 March 2021
<b>Corpus and liabilities</b>			
<b>Corpus</b>			
Capital fund			
Reserves and surplus	3	23,94,26,872	23,94,26,872
	4	(65,47,95,239)	(26,02,83,208)
		<b>(41,53,68,367)</b>	<b>(2,08,56,336)</b>
<b>Non-current liabilities</b>			
Long-term borrowings			
Long-term provisions	5	1,40,11,86,938	1,96,80,01,931
Other non-current liabilities	6(a)	29,42,47,306	29,92,51,463
	8(a)	51,51,76,273	1,77,87,27,144
		<b>2,21,06,10,517</b>	<b>4,04,59,80,538</b>
<b>Current liabilities</b>			
Short-term borrowings			
Trade payables	7	2,30,50,44,081	1,63,51,01,921
Short-term provisions		2,87,54,87,566	3,52,06,79,478
Other current liabilities	6(b)	4,42,35,840	3,75,08,194
	8(b)	5,41,49,96,239	3,74,96,16,877
		<b>10,63,97,63,726</b>	<b>8,94,29,06,470</b>
		<b>12,43,50,05,876</b>	<b>12,96,80,30,672</b>
<b>Assets</b>			
<b>Non-current assets</b>			
Property, plant and equipment			
- Tangible assets			
- Capital work-in-progress	9(a)	4,66,25,50,463	4,99,00,01,862
Long-term loans and advances	9(b)	13,56,72,054	12,12,19,736
Other non-current assets	10(a)	1,55,92,33,216	1,89,21,06,190
	11(a)	36,73,37,410	11,97,92,656
		<b>6,72,47,93,143</b>	<b>7,12,31,20,444</b>
<b>Current assets</b>			
Trade receivables			
Inventories	12	3,31,16,75,695	3,01,78,00,895
Cash and bank balances	13	7,29,04,999	9,22,98,687
Short-term loans and advances	14	1,50,74,23,638	1,83,84,21,087
Other current assets	10(b)	67,65,48,639	56,89,58,242
	11(b)	14,16,59,762	32,74,31,317
		<b>5,71,02,12,733</b>	<b>5,84,49,10,228</b>
		<b>12,43,50,05,876</b>	<b>12,96,80,30,672</b>

The accompanying notes form an integral part of these financial statements.  
This is the Balance Sheet referred to in our report of even date.

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

Sanjay Kumar Jain  
Partner  
Membership No.: 207660



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

Puneet Kothapa  
President

V. Ananth  
Secretary

R. Sambasiva Rao  
Treasurer

Sandeep Chaluvadi  
Chief Financial Officer

Place: Hyderabad  
Date: 30 September 2022



Place: Hyderabad  
Date: 30 September 2022



**Narayana Educational Society**  
**Income and Expenditure Account for the year ended 31 March 2022**  
 (All amounts in ₹, unless otherwise stated)

	Notes	For the year ended	
		31 March 2022	31 March 2021
<b>Income</b>			
Income from operations	15	17,66,06,45,713	12,79,41,16,923
Other income	16	23,90,28,861	59,16,10,276
<b>Total income</b>		<b>17,89,96,74,574</b>	<b>13,38,57,27,199</b>
<b>Expenditure</b>			
Consumption of medical supplies and consumables	17	24,68,31,279	20,01,03,457
Employee benefits expense	18	4,55,40,91,122	2,93,50,99,613
Finance costs	19	25,98,52,392	35,05,19,188
Depreciation expense	9(a)	60,74,72,605	60,20,95,032
Other expenses	20(a)	12,41,59,04,186	7,77,95,47,208
Receivables written-off	20(b)	21,00,35,021	1,59,88,79,332
<b>Total expenditure</b>		<b>18,29,41,86,605</b>	<b>13,46,62,43,830</b>
<b>Excess of expenditure over income</b>		<b>(39,45,12,031)</b>	<b>(8,05,16,631)</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 Chandiook & Co LLP  
 Chartered Accountants  
 Firm's Registration No.: 001076N/N500013

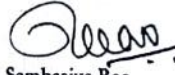
Sanjay Kumar Jain  
 Partner  
 Membership No.: 207660




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

  
 Puneet Kothapa  
 President

  
 V Srinath  
 Secretary

  
 R. Sambasiva Rao  
 Treasurer

  
 Sandeep Chaluvadi  
 Chief Financial Officer

Place: Hyderabad  
 Date: 30 September 2022



Place: Hyderabad  
 Date: 30 September 2022

Narayana Educational Society  
**Receipts and Payments Account for the year ended 31 March 2022**  
 (All amounts in ₹, unless otherwise stated)

	For the year ended	
	31 March 2022	31 March 2021
<b>A. Receipts</b>		
Fees from students	17,07,42,24,337	12,34,51,71,338
Revenue from healthcare services	28,36,53,810	32,72,91,729
Interest on fixed deposits	8,47,61,101	3,68,37,489
Interest earned on finance lease receivables	92,16,216	-
Other income	5,93,84,633	5,96,73,310
Donations from related party	10,00,00,000	45,00,00,000
Proceeds from long-term borrowings	20,00,00,000	3,61,23,410
Caution deposits received	78,88,82,021	39,57,47,939
Security deposits received from related party	10,92,42,976	31,04,99,277
Amounts received towards assets given on lease	1,60,41,829	2,15,77,902
Refund received from Income tax	-	3,57,39,770
Loans from related parties	3,09,29,14,712	7,72,00,48,459
Repayment of loans/advances granted to related parties	72,53,64,850	52,14,27,490
Recovery of staff advances	-	10,30,009
Redemption of fixed deposits	-	15,92,55,257
	<b>22,54,36,86,485</b>	<b>22,42,04,23,379</b>
<b>B. Payments</b>		
Purchase of property, plant and equipment	10,72,95,346	17,88,82,691
Employee benefits expense	4,45,92,82,229	2,88,63,04,397
Finance costs	28,83,74,682	36,02,79,758
Other expenses	12,66,78,65,977	8,03,62,81,798
Purchase of consumables	22,74,37,591	21,02,11,216
Advance taxes, net (tax deducted at source)	2,94,68,163	2,90,49,137
Staff advances	2,39,34,780	-
Other loans and advances	1,50,070	1,57,19,425
Refund of caution deposits	85,88,94,801	28,46,29,376
Security deposits paid, net	23,74,16,628	16,92,13,329
Loans/advances to related parties, net	78,52,60,924	55,86,32,815
Repayment of loans to related parties	2,14,26,41,289	8,18,43,53,048
Investment in fixed deposits, net	6,34,73,617	-
Repayment of short-term borrowings	5,20,99,628	20,72,71,285
Repayment of long-term borrowings	79,11,09,385	17,81,54,518
	<b>22,73,47,05,110</b>	<b>21,29,89,82,793</b>
C. Net receipts / (payments) made during the year	(A-B)	(19,10,18,625)
D. Cash and cash equivalents at the beginning of the year		1,62,45,50,090
E. Cash and cash equivalents at the end of the year (refer note 1 below)	(C+D)	1,43,35,31,465



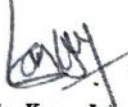
**Narayana Educational Society**  
**Receipts and Payments Account for the year ended 31 March 2022**  
(All amounts in ₹, unless otherwise stated)

Note 1:

	As at 31 March	
	31 March 2022	31 March 2021
Cash and cash equivalents comprise of: (refer note 14)		
Balances with banks		
- in current accounts	1,35,53,73,015	1,51,91,64,845
Cash-on-hand	7,81,58,450	10,53,85,245
	<u>1,43,35,31,465</u>	<u>1,62,45,50,090</u>

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


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

  
Sanjay Kumar Jain  
Partner  
Membership No.: 207660

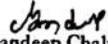


For and on behalf of the Governing Body of  
Narayana Educational Society

  
Puneet Kothapa  
President

  
V Srinath  
Secretary

  
R. Sambasiva Rao  
Treasurer

  
Sandeep Chaluvadi  
Chief Financial Officer

Place: Hyderabad  
Date: 30 September 2022



Place: Hyderabad  
Date: 30 September 2022

**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) Property, plant and equipment – Tangible assets**

Property, plant and equipment – Tangible 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.

Buildings which are not ready for their intended use are shown as Capital Work-in-Progress.

*Depreciation on tangible Property, plant and equipment*

Depreciation on tangible Property, plant and equipment 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 Property, plant and equipment 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)

**3. Capital fund**

	As at	
	31 March 2022	31 March 2021
Balances as per the last audited financial statements*	23,94,26,872	23,94,26,872
	<b>23,94,26,872</b>	<b>23,94,26,872</b>

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

**4. Reserves and surplus**

	As at	
	31 March 2022	31 March 2021
<b>Deficit in the Income and Expenditure Account</b>		
Balance at the beginning of the year	(26,02,83,208)	(17,97,66,577)
Add: Excess of expenditure over income	(39,45,12,031)	(8,05,16,631)
<b>Balance at the end of the year</b>	<b>(65,47,95,239)</b>	<b>(26,02,83,208)</b>

**5. Long-term borrowings**

	As at	
	31 March 2022	31 March 2021
<b>Secured</b>		
<b>Term loans from</b>		
- Bank (refer note a(i))		
- Financial Institution (refer note a(ii))	1,24,34,13,298	1,73,49,47,492
<b>Vehicle and equipment term loans from (refer note b)</b>	15,21,24,801	
- Banks		
- Financial Institutions	46,50,65,141	63,83,37,886
	5,24,05,523	8,11,98,142
(a) <b>Other vehicle and equipment loans from (refer note b)</b>	1,91,30,08,763	2,45,44,83,520
- Banks		
- Financial Institutions		30,91,060
	1,63,87,442	6,29,31,010
(b)	1,63,87,442	6,60,22,070
<b>Total borrowings</b>	(a+b) <b>1,92,93,96,205</b>	<b>2,52,05,05,590</b>
Less: Current maturities of long-term borrowings (refer note 8(b))	52,82,09,267	55,25,03,659
<b>Total long-term borrowings</b>	<b>1,40,11,86,938</b>	<b>1,96,80,01,931</b>

**a) Terms and conditions of term loan (other than vehicle and equipment loans) and nature of security**

(i) Terms loan carries an annual interest rate ranging from 8.65%-10.05% (31 March 2021: 10.00%-10.50%) are secured by way of:

- a charge on property, plant and equipment, current assets and assets procured from the proceeds of the loan, both present and future, belonging to the Society;
- mortgage of land and building at Nellore campus of the Society, Narayana Mahila Residential Kalasala & Narayana Residential High School;
- personal guarantees of Shri Puneet Kothapa, Smt. Ponguru Sindhura, Smt. Ponguru Ramadevi, Smt. Ponguru Sharani, Smt. Ponguru Indira and Dr. Ponguru Narayana;
- 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 e) corporate guarantee of Narayana Mahila Residential Kalasala and Narayana Residential High School represented by Dr. Ponguru Narayana and Smt. Ponguru Ramadevi respectively.



**Narayana Educational Society**

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

(All amounts in ₹, unless otherwise stated)

**7. Short-term borrowings**

	As at	
	31 March 2022	31 March 2021
<b>Secured</b>		
Working capital loan from banks (refer note a(ii))	1,10,13,06,161	1,14,44,05,789
<b>Unsecured</b>		
<b>Working capital loan:</b>		
From related parties (refer note a(ii))	1,19,70,52,215	47,50,10,427
From others	66,85,705	1,56,85,705
	<u>2,30,50,44,081</u>	<u>1,63,51,01,921</u>

**a) Details of short-term borrowings**

(i) The working capital loans are secured by way of:

- first charge on the entire stocks and receivables of the Society, both present and future;
- 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
- 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 ₹1,08,36,85,265 (31 March 2021: ₹1,14,48,59,486). These loans are repayable on demand and carry an annual interest rate in the range of 8.65% to 9% to 10.00% (31 March 2021: 8.90% to 10.00%).

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

**8. Other liabilities**

	As at	
	31 March 2022	31 March 2021
<b>a) Non-current</b>		
Caution deposit	40,91,22,232	57,28,54,514
Security deposit payable to related party (refer note 10)	10,60,54,041	1,20,58,72,630
	<u>51,51,76,273</u>	<u>1,77,87,27,144</u>
<b>b) Current</b>		
Creditors for capital expenditure	2,40,21,807	2,83,77,222
Security deposit payable to related party (refer note 10)	1,03,97,01,398	-
Statutory dues	28,15,44,745	17,80,79,593
Current maturities of long-term borrowings (refer note 5)	52,82,09,267	55,25,03,659
Interest accrued to related parties	-	2,85,22,290
Fees received in advance	77,16,76,832	55,00,42,854
Unearned revenue	72,95,10,524	67,92,24,609
Caution deposit	17,12,33,696	11,20,85,456
Dues to employees	45,65,63,849	36,34,78,445
Liabilities for expenses	64,39,43,046	65,64,10,175
Dues to students	59,00,27,465	55,26,95,215
Book overdraft	5,71,56,874	1,22,18,092
Other payables	12,14,06,736	3,59,79,267
	<u>5,41,49,96,239</u>	<u>3,74,96,16,877</u>



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

9(a). Property, plant and equipment - Tangible assets

	Land	Buildings	Furniture and fixtures	Plant and machinery	Computers	Library books	Vehicles	Total
<b>Gross block</b>								
As at 1 April 2020	4,94,90,902	6,06,06,74,708	2,61,71,61,790	2,67,83,57,841	52,46,03,540	24,23,92,159	29,83,76,186	12,47,10,57,126
Additions during the year	-	16,26,24,219	14,70,889	1,36,31,689	18,25,496	1,67,24,438	37,11,99,757	56,74,76,468
As at 31 March 2021	4,94,90,902	6,22,32,98,927	2,61,86,32,679	2,69,19,89,530	52,64,29,036	25,91,16,597	66,95,75,923	13,03,85,33,594
Additions during the year	-	2,67,76,849	33,58,046	7,25,29,799	1,59,04,193	88,132	27,75,88,188	39,62,45,207
Adjustments during the year**	-	-	-	-	-	-	11,62,24,000	11,62,24,000
As at 31 March 2022	4,94,90,902	6,25,00,75,776	2,62,19,90,725	2,76,45,19,329	54,23,33,229	25,92,04,729	83,09,40,111	13,31,85,34,801
<b>Accumulated depreciation</b>								
Up to 1 April 2020	-	3,19,98,21,131	1,41,03,19,772	1,90,23,69,004	49,19,70,906	21,09,37,484	23,10,18,403	7,44,64,36,700
Charge for the year*	-	29,43,48,135	12,07,62,030	12,16,61,907	1,05,03,713	1,70,21,933	3,77,97,314	60,29,95,032
Up to 31 March 2021	-	3,49,41,69,266	1,53,10,81,802	2,02,40,30,911	50,24,74,619	22,79,59,417	26,88,15,717	8,04,85,31,732
Charge for the year*	-	27,43,77,984	10,81,20,472	11,00,05,175	1,66,36,144	1,39,58,614	8,43,74,217	60,74,72,606
Up to 31 March 2022	-	3,76,85,47,250	1,63,92,02,274	2,13,40,36,086	51,91,10,763	24,19,18,031	35,31,89,934	8,65,60,04,338
<b>Net block</b>								
As at 31 March 2022	4,94,90,902	2,48,15,28,526	98,27,88,451	63,04,83,243	2,32,22,466	1,72,86,698	47,77,50,177	4,66,25,50,463
As at 31 March 2021	4,94,90,902	2,72,91,29,661	1,08,75,50,877	66,79,58,619	2,39,54,117	3,11,57,180	40,07,60,206	4,99,00,01,862

\*Refer note 28.

\*\*Represents adjustments to vehicle on accounts of vehicle given on finance lease

9(b). Capital work in progress

During the year ended 31 March 2022 the Company has provided for impairment amounting to ₹9,32,08,724 representing the carrying cost of capital work in progress, pertaining to a cancer block at Nellore, India. The project was stalled since 2018 and over the last few years management explored opportunities of joint arrangements with large healthcare service providers for completion of the project. However, during the current year management reassessed the status of the project and in consultation with governing body considered that it is appropriate to provide for the impairment as a prudent and conservative principle of accounting.



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 2022	31 March 2021
<b>a) Long-term</b>		
(Unsecured, considered good)		
Capital advances (refer note 24)*	1,00,78,845	4,00,00,000
Security deposits (refer note 24)*	82,46,72,200	1,19,31,71,652
Security deposits with related parties*	57,87,89,485	54,41,21,203
Balances with government authorities	1,98,33,961	1,84,22,773
Advance tax, net (tax deducted at source)	12,58,58,725	9,63,90,562
	<u>1,55,92,33,216</u>	<u>1,89,21,06,190</u>
(Unsecured, considered doubtful)		
Security deposits	15,44,90,062	15,40,51,106
	<u>15,44,90,062</u>	<u>15,40,51,106</u>
Less: Provision for doubtful advances	<u>(15,44,90,062)</u>	<u>(15,40,51,106)</u>
	<u>-</u>	<u>-</u>
	<u>1,55,92,33,216</u>	<u>1,89,21,06,190</u>
<b>b) Short-term</b>		
(Unsecured, considered good)		
Prepaid expenses	75,40,765	1,30,48,092
Security deposits (refer note 24)*	52,62,03,950	12,43,16,319
Advances to		
- Suppliers	1,64,57,769	13,77,17,485
- Related parties	6,54,62,457	23,37,98,018
- Staff	1,17,11,413	1,10,56,113
- Others	4,91,72,285	4,90,22,215
	<u>67,65,48,639</u>	<u>56,89,58,242</u>
(Unsecured, considered doubtful)		
Security deposits		9,34,66,863
Advances to		
- Suppliers	43,22,53,202	26,52,77,493
- Staff	4,43,08,919	2,10,29,439
- Others	2,26,74,325	2,26,74,325
	<u>49,92,36,446</u>	<u>40,24,48,120</u>
Less: Provision for doubtful advances	<u>(49,92,36,446)</u>	<u>(40,24,48,120)</u>
	<u>-</u>	<u>-</u>
	<u>67,65,48,639</u>	<u>56,89,58,242</u>





**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 2022	31 March 2021
Outstanding for a period exceeding six months from the date they are due for payment		
Unsecured, considered good	1,89,38,72,034	1,81,61,96,792
Unsecured, considered doubtful	1,29,92,19,954	1,19,11,10,066
	<u>3,19,30,91,988</u>	<u>3,00,73,06,858</u>
Less: Provision for doubtful receivables	(1,29,92,19,954)	(1,19,11,10,066)
	<u>1,89,38,72,034</u>	<u>1,81,61,96,792</u>
Other debts		
Unsecured, considered good	1,41,78,03,661	1,20,16,04,103
Unsecured, considered doubtful	-	-
	<u>1,41,78,03,661</u>	<u>1,20,16,04,103</u>
Less: Provision for doubtful receivables	-	-
	<u>1,41,78,03,661</u>	<u>1,20,16,04,103</u>
	<u>3,31,16,75,695</u>	<u>3,01,78,00,895</u>

**13. Inventories, at cost or net realisable value whichever is low**

	As at	
	31 March 2022	31 March 2021
Medical supplies	-	-
Consumables	7,29,04,999	9,22,98,687
	<u>7,29,04,999</u>	<u>9,22,98,687</u>

**14. Cash and bank balances**

	As at	
	31 March 2022	31 March 2021
Cash and cash equivalents		
Balances with banks		
- in current accounts	1,35,53,73,015	1,51,91,64,845
Cash-on-hand	7,81,58,450	10,53,85,245
	<u>1,43,35,31,465</u>	<u>1,62,45,50,090</u>
Other bank balances:		
Bank deposits with maturity of 3 months to 12 months	7,38,92,173	21,38,70,997
Bank deposits with maturity period of more than 12 months	23,92,90,618	3,58,38,177
	<u>31,31,82,791</u>	<u>24,97,09,174</u>
Less: Amounts reclassified to other non-current assets	(23,92,90,618)	(3,58,38,177)
	<u>1,50,74,23,638</u>	<u>1,83,84,21,087</u>

*This space has been intentionally left blank*

**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 2022	31 March 2021
<b>Fees from students</b>		
Tuition and other fees	16,39,18,16,526	11,79,57,92,752
Examination fees	13,98,50,319	12,45,29,848
Transportation fees	10,66,40,765	31,59,700
Other operating revenues	51,52,42,222	57,47,68,385
<b>Income from healthcare services</b>	50,70,95,881	29,58,66,238
	<b>17,66,06,45,713</b>	<b>12,79,41,16,923</b>

**16. Other income**

	For the year ended	
	31 March 2022	31 March 2021
Interest on finance lease receivables	92,16,216	-
Interest on fixed deposits	4,44,13,077	2,69,92,948
Dividend income	-	1,95,75,616
Liabilities no longer required written back	2,60,14,935	5,82,91,193
Donations (refer note a)	10,00,00,000	45,00,00,000
Other receipts	5,93,84,633	3,67,50,519
	<b>23,90,28,861</b>	<b>59,16,10,276</b>

- (a) Represent donations received from Narayana Education Trust (NET), to support the Society to undertake and continue with the specified activities, which otherwise Society may not have been able to sustain during the period severely impacted due to Covid-19. During the period of pandemic, the Society witnessed a sizeable decline in its ability to generate adequate financial resources from its continuing operations and needed financial aid to continue with its activities, and the donation from NET has been utilised accordingly. These donations had been approved by the Governing Body of the Society and the Board of Trustees of NET.

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

	For the year ended	
	31 March 2022	31 March 2021
Consumption of medical supplies and consumables	24,68,31,279	20,01,03,457
	<b>24,68,31,279</b>	<b>20,01,03,457</b>

**18. Employee benefits expense\***

	For the year ended	
	31 March 2022	31 March 2021
Salaries and wages	4,36,89,94,665	2,65,74,93,428
Contribution to provident and other funds	16,81,91,578	11,88,41,828
Gratuity expense (refer note b)	1,69,04,879	6,21,64,134
Staff welfare expenses	-	9,66,00,223
	<b>4,55,40,91,122</b>	<b>2,93,50,99,613</b>



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

**20(a). Other expenses**

	For the year ended	
	31 March 2022	31 March 2021
Rent* (refer note 27)	3,21,28,19,157	1,76,93,23,434
Mess expenses	1,03,46,49,314	43,07,49,102
Campaigning and advertisement	2,13,20,11,500	2,11,18,94,796
Repairs and maintenance		
- Building	1,34,40,45,607	42,79,44,745
- Others	1,12,27,14,694	73,67,46,270
Printing charges	11,49,910	22,75,639
Examination fees	82,34,44,187	79,65,38,114
Power and fuel	36,33,23,995	22,49,30,028
Administrative support services	45,88,00,324	18,06,33,875
Security charges	31,67,52,192	27,95,71,124
Professional fees	25,45,38,513	16,98,56,965
Travelling and conveyance	45,49,62,647	8,26,54,533
Provision for doubtful advances/receivables	21,93,74,267	11,95,35,505
Capital work in progress written off (refer note 9(b))	9,32,08,724	-
Stipend expense	18,46,03,767	21,71,20,834
Telephone expenses	2,26,72,888	2,03,93,681
Paper and stationery	2,93,35,107	1,42,15,836
Bank charges	8,12,47,666	4,61,26,168
Functions and celebrations	24,65,201	20,45,378
Affiliation fees	2,45,39,799	3,94,80,670
Legal and professional charges	78,12,161	42,13,614
Rates and taxes	1,53,05,515	1,30,16,290
Water expense	70,04,927	48,36,330
Insurance charges	53,52,460	32,30,915
Payments to auditor (including Goods and Services Tax)		
- As auditor	46,02,000	46,02,000
- Out of pocket expenses	3,38,990	39,826
Miscellaneous expenses	19,88,28,674	7,75,71,536
	<b>12,41,59,04,186</b>	<b>7,77,95,47,208</b>

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

**20(b). Receivables written-off**

	For the year ended	
	31 March 2022	31 March 2021
- Trade receivables	21,00,35,021	1,13,85,21,170
- Capital advances	-	20,04,08,162
- Advances to related parties	-	25,99,50,000
	<b>21,00,35,021</b>	<b>1,59,88,79,332</b>

Management in consultation with Governing body takes up a continuous exercise of re-assessing recoverability of trade receivables and other capital advances outstanding as at year end. On the basis of such assessment and considering the wider impact of Covid-19 on the overall business environment and its implication on the counter parties/vendors, the Governing Body and management re-assessed the recoverability and recommended to write-off the amount of trade receivables, capital advances and advances to related parties aggregating to ₹21,00,35,021 (31 March 2021: 1,13,85,21,170), ₹Nil (31 March 2021: ₹20,04,08,162) and ₹Nil (31 March 2021: ₹25,99,50,000) respectively on a prudent basis in the accompanying financial statements.



**Narayana Educational Society**

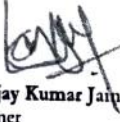
**Summary of significant accounting policies and other explanatory information**

(All amounts in ₹, unless otherwise stated)

27. In view of the outbreak of Covid19, the Governing Body took several measures to contain costs and to manage operations efficiently during the previous year including undertaking of an exercise by way of a formal communication with the landlords of various leased properties for downward revision of the rental expenses for part of the previous financial year which had continued in the current year as well. As a part of that exercise and on the basis of implicit conformation from the landlords, the Governing Body have sought waiver of rental expenses aggregating to ₹1,17,02,30,186 (31 March 2021: ₹1,58,97,51,734). The cumulative amount of rent waiver sought till 31 March 2022 is ₹2,75,99,81,920. Further, the management and the Governing Body, basis their interactions with landlords, has assessed that landlords have waived the rentals with no further obligation in respect of the above. Management of the Society is also confident of obtaining a written waiver in this regard.
28. On the basis of assessment of the estimated useful lives of the 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 Chandiook & Co LLP  
Chartered Accountants  
Firm's Registration No.: 001076N/N500013

  
Sanjay Kumar Jari  
Partner  
Membership No.: 207660

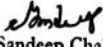


For and on behalf of the Governing Body of  
Narayana Educational Society

  
Puneet Kothapa  
President

  
V Srinath  
Secretary

  
R. Sambasiva Rao  
Treasurer

  
Sandeep Chaluvadi  
Chief Financial Officer

Place: Hyderabad  
Date: 30 September 2022



Place: Hyderabad  
Date: 30 September 2022