

# ANNEXURE – XX





## **Mahindra University, Hyderabad**

(A State Private University - Notified by the Government of Telangana vide Telangana Ordinance No. 1 of 2020 dated 20th May 2020 as per the Telangana State Private Universities (Establishment and Regulation) Act, 2018)

ANNAUL AUDITED ACCOUNTS
FY 2021-22



## Independent Auditor's Report

To  
**The Governing Body of  
Mahindra University**

### Report on the Financial Statements

#### Opinion

We have audited the accompanying financial statements of Mahindra University ("the Entity"), which comprise the Balance Sheet as at 31 March 2022, the Statement of Income and Expenditure and the Statement of Cash Flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Entity as at 31 March 2022, of its financial performance and the cash flows for the year then ended in accordance with the applicable Accounting Standards issued by the Institute of Chartered Accountants of India ("ICAI").

#### Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) issued by 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 Entity in accordance with the ethical requirements that are relevant to our audit of the financial statements, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

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

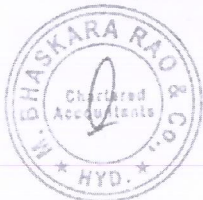
Management is responsible for the preparation and fair presentation of the financial statements in accordance with the aforesaid Accounting Standards. This responsibility also includes maintenance of adequate accounting records in accordance with the accounting principles generally accepted in India and for safeguarding of the assets of the Entity and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgements and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due fraud or error.

In preparing the financial statements, management is responsible for assessing the Entity'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 management either intends to liquidate the Entity or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Entity's financial reporting process.

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

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.



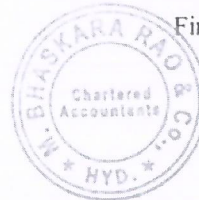
As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- 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 the effectiveness of the Entity's internal control.
- Evaluated the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Entity'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 Entity to cease to continue as a going concern.

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

for M. Bhaskara Rao & Co.,  
Chartered Accountants

Firm Registration No. 000459S



A handwritten signature in black ink, appearing to read "M.V. Ramana Murthy".

**M.V. Ramana Murthy**  
Partner

Membership No.206439

UDIN: 22206439AMUWUY3075

Hyderabad. 14 July 2022



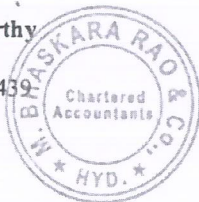
**Mahindra University**  
**Balance Sheet as on 31 March 2022**  
*All amounts in Rupees unless otherwise stated*

	Note No.	As at 31 March 2022	As at 31 March 2021
<b>FUNDS AND LIABILITIES</b>			
<b>Funds</b>			
<b>Restricted Funds</b>			
Endowment Fund	3	-	-
<b>Unrestricted Funds</b>			
Corpus Fund	4	-	-
General Fund		(6,74,02,491)	(1,69,83,836)
		<b>(6,74,02,491)</b>	<b>(1,69,83,836)</b>
<b>Non Current Liabilities</b>			
Other long term liabilities	5	3,15,48,248	1,43,87,952
Long term provisions	6	2,20,33,784	1,08,78,039
		<b>5,35,82,032</b>	<b>2,52,65,991</b>
<b>Current Liabilities</b>			
Other current liabilities	7	40,46,19,403	18,26,64,044
Short term provisions	8	86,04,358	25,59,655
		<b>41,32,23,761</b>	<b>18,52,23,699</b>
<b>Total</b>		<b>39,94,03,302</b>	<b>19,35,05,854</b>
<b>ASSETS</b>			
<b>Non-current assets</b>			
<b>Property, Plant and Equipment and Intangible Assets</b>			
Property, Plant and Equipment	9	11,34,27,612	1,44,212
Intangible assets	9	12	-
Long term loans and advances	10	-	3,36,300
		<b>11,34,27,624</b>	<b>4,80,512</b>
<b>Current assets</b>			
Fee Receivable	11	7,31,79,681	2,18,16,061
Cash and Bank Balance	12	5,15,70,520	5,17,05,465
Short term loans and advances	13	1,64,74,269	27,79,958
Other current assets	14	14,47,51,208	11,67,23,858
		<b>28,59,75,678</b>	<b>19,30,25,342</b>
<b>Total</b>		<b>39,94,03,302</b>	<b>19,35,05,854</b>

General Information 1  
Significant Accounting Policies 2  
See accompanying notes forming part of the financial statements

*In terms of our report attached  
for M.Bhaskara Rao & Co.  
Chartered Accountants  
Firm Registration No.000459S*

*M. V. Ramana Murthy*  
Partner  
Membership No.206439



for Mahindra University

*Dr. Yajulu Medury*  
Vice - Chancellor

*Col Rajive Chauhan (Retd)*  
Registrar

*Ranjan Sardar*  
Finance Officer



Hyderabad, 14 July 2022

**Mahindra University**  
**Statement of Income and Expenditure for the year ended 31 March 2022**  
*All amounts in Rupees unless otherwise stated*

	Note No.	Year Ended 31 March 2022	Period Ended 31 March 2021
<b>Revenue</b>			
Academic Income	15	64,20,47,471	14,08,08,620
Other Income	16	42,45,654	8,12,995
<b>Total Revenue</b>		<b>64,62,93,125</b>	<b>14,16,21,615</b>
<b>Expenses</b>			
Academic Expenses	17	12,82,83,205	3,29,74,989
Employee benefits expense	18	24,19,41,068	6,61,05,625
Depreciation and amortization	19	1,89,04,316	14,438
Other expenses	20	30,75,83,191	5,95,10,399
<b>Total Expense</b>		<b>69,67,11,780</b>	<b>15,86,05,451</b>
<b>Surplus / (Deficit) before tax</b>		<b>(5,04,18,655)</b>	<b>(1,69,83,836)</b>
<b>Tax expense</b>			
Current tax		-	-
Deferred Tax		-	-
		-	-
<b>Surplus / (Deficit) carried to balance sheet</b>		<b>(5,04,18,655)</b>	<b>(1,69,83,836)</b>

General Information 1  
 Significant Accounting Policies 2  
 See accompanying notes forming part of the financial statements

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 for M.Bhaskara Rao & Co.  
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 Firm Registration No.000459S*

*M. V. Ramana Murthy*  
**M. V. Ramana Murthy**  
 Partner  
 Membership No.206439

for Mahindra University

*Dr. Yashini Medury*  
**Dr. Yashini Medury**  
 Vice - Chancellor  
  
*Ranjan Sardar*  
**Ranjan Sardar**  
 Finance Officer

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Hyderabad, 14 July 2022



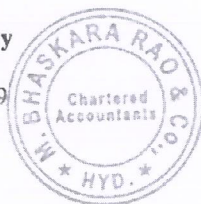
**Mahindra University**  
**Statement of Cash Flow for the year ended 31 March 2022**  
*All amounts in Rupees unless otherwise stated*

Particulars	Year Ended 31 March 2022	Period Ended 31 March 2021
<b>A. Cash flow from operating activities</b>		
Deficit for the year	(5,04,18,655)	(1,69,83,836)
<b>Adjustments for</b>		
Depreciation	1,89,04,316	14,438
Interest income	(38,92,206)	(4,99,478)
<b>Operating income before working capital changes</b>	<b>(3,54,06,545)</b>	<b>(1,74,68,876)</b>
Changes in working capital:		
<i>Adjustments for increase / (decrease) in operating liabilities:</i>		
Long term provisions	1,11,55,745	1,08,78,039
Other long term liabilities	1,71,60,296	1,43,87,952
Other current liabilities	22,19,55,361	18,26,64,044
Short term provisions	60,44,703	25,59,655
<i>Adjustments for (increase) / decrease in operating assets:</i>		
Long term loans and advances	3,36,300	(3,36,300)
Fee Receivable	(5,13,63,620)	(2,18,16,061)
Short term loans and advances	(1,36,94,311)	(27,79,958)
Other current assets	(2,79,44,262)	(11,66,77,165)
<b>Cash generated from operations</b>	<b>12,82,43,667</b>	<b>5,14,11,330</b>
Income Tax paid (Net)	(1,25,568)	(4,213)
<b>Net cash flow from operating activities (A)</b>	<b>12,81,18,099</b>	<b>5,14,07,117</b>
<b>B. Cash flow from investing activities</b>		
Capital Expenditure on Fixed Assets & Intangible Assets	(13,21,87,730)	(1,58,650)
Bank Deposits - (Investment) \ Realisation	1,44,28,000	(1,44,28,000)
Interest Income	39,34,686	4,56,998
<b>Net cash flow used in investing activities (B)</b>	<b>(11,38,25,044)</b>	<b>(1,41,29,652)</b>
<b>C. Cash flow from financing activities</b>		
<b>Net cash flow from financing activities (C)</b>	<b>-</b>	<b>-</b>
<b>Net increase / (decrease) in cash and cash equivalents</b>	<b>1,42,93,055</b>	<b>3,72,77,465</b>
Cash and cash equivalents at the beginning of the year	3,72,77,465	-
<b>Cash and cash equivalents at the end of the year</b>	<b>5,15,70,520</b>	<b>3,72,77,465</b>

General Information 1  
Significant Accounting Policies 2  
See accompanying notes forming part of the financial statements

*In terms of our report attached  
for M.Bhaskara Rao & Co.  
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*M. V. Ramana Murthy  
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for Mahindra University

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Vice - Chancellor*

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Registrar*

Hyderabad, 14 July 2022



## Mahindra University

### Notes to the financial statements for the year ended 31 March 2022

All amounts in Rupees unless otherwise stated

#### 1 About Mahindra University

Mahindra University ("the entity") was notified by the Government of Telangana vide Telangana Ordinance No. 1 of 2020 dated 20th May 2020 as per the Telangana State Private Universities (Establishment and Regulation) Act, 2018, (Amendment) Ordinance, 2020 promulgated by the Hon'ble Governor of Telangana; and as gazette notified in The Telangana Gazette Part IV-B Extraordinary published by Authority No.1 Hyderabad, May 20, 2020. The University is granted registration u/s 10(23C0 as an University exempt from tax.

#### 2 Significant Accounting Policies

##### 2.1 Basis of accounting and preparation of financial statements

The financial statements of the entity have been prepared under fair presentation framework in accordance with the Generally Accepted Accounting Principles in India (Indian GAAP) to comply in all material respects with the Accounting Standards issued by Institute of Chartered Accountants of India.

The University is classified as a Level II enterprise as defined by the scheme of applicability of accounting standards issued by ICAI.

Accordingly, the financial statements have been prepared to comply with the Accounting Standards to the extent applicable to such enterprise.

##### 2.2 Use of estimates

The preparation of the financial statements in conformity with GAAP requires that the management makes estimates and assumptions that affect the reported amounts of assets and liabilities as at the date of the financial statements and the reported amounts of revenue and expenses during the reported period. Future results could differ due to these estimates and the differences between the actual results and the estimates are recognised in the periods in which the results are known/materialise.

##### 2.3 Property, Plant and Equipment

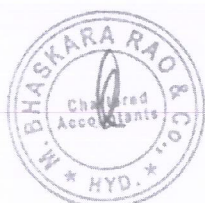
Property, Plant & Equipment and Other intangible assets are stated at actual cost less accumulated depreciation and net of impairment. The actual cost capitalised includes material cost, freight, installation cost, duties and taxes, eligible borrowing costs and other incidental expenses incurred during the construction / installation stage.

Depreciation on fixed assets is provided on straight-line method over their estimated useful lives. The useful lives have been determined by the management based on technical assessment keeping in view the historical usage. Assets costing less than Rs.5,000 are depreciated in full in the year of purchase.

The cost and accumulated depreciation for fixed assets sold, retired or otherwise disposed off are removed from the stated values and the resulting gains and losses are included in the statement of profit and loss.

The estimated useful lives of assets are as follows:

Computers and Networking	3 years
Office Equipments	5 years
Furniture & Fixtures	5 years
Library Books	3 years
Lab Equipments	5 years
Vehicles	5 years
Plant and Machinery	5 years
Computer Software	1 year





#### **2.4 Employee Benefits**

Liability for employee benefits, both short and long term, for present and past services which are due as per the terms of the employment are recorded in accordance with Accounting Standard - 15 "Employee Benefits".

Contribution to Provident fund is charged as expense, being a defined contribution plan.

Liability for compensated absences (treated as long term liability) and gratuity are provided on the basis of valuation of the liability by an independent actuary.

#### **2.5 Revenue Recognition**

Revenue in respect of fee income is recognised on accrual basis considering certainty of realisation. Amount received in advance of services performed are recorded as advances from students.

The contributions / donations received are treated as revenue receipts.

Interest income on bank deposits is accounted on accrual basis. Interest income from restricted fund investments are credited to funds if the donor or contributor or fund requires to do so. Otherwise, such interest is credited to income and expenditure account.

#### **2.6 Restricted Funds**

Restricted funds are subject to certain conditions set out by the contributors and agreed to by the educational institutions when accepting the contributions. The restriction apply to the use of the moneys received or income earned from the investment of such moneys or both. Funds, the use of which is subject to legal restrictions are also considered as restricted funds.

#### **2.7 Endowment Fund**

Endowment fund represent fund earmarked in terms of Section 37 of the Telangana State Private Universities (Establishment and Regulation) Act 2018 which is to be kept in a fixed deposit in joint name of the entity and Commissioner of Education, State Government of Telangana and are not meant to be used for any purpose. Income earned out of the fund is credited to income and expenditure account as there are no stipulations for utilization of income earned.

#### **2.8 Unrestricted Funds**

##### **Corpus Fund**

The funds contributed by founders / promoters generally includes donations /contributions received which are not reducible in nature. These non-refundable funds are however be increased by additional contribution by the founders / promoters / donors / contributors in furtherance of the objects of the entity.

##### **Designated Funds**

These are unrestricted funds which have been set aside by the Board /management of the entity for specific purposes or to meet future requirements. These funds are categorised as self imposed or restricted funds. However, the entity can modify the designation and reallocate the funds to some other purpose.

##### **General Fund**

General Funds are unrestricted funds other than designated funds and corpus. The surplus or deficit from income and expenditure account is also included and presented under the General Fund..



**Mahindra University**

**Notes to the financial statements for the year ended 31 March 2022**

*All amounts in Rupees unless otherwise stated*

**2.9 Foreign exchange translation and foreign currency transactions**

Foreign currency transactions are accounted at the exchange rates prevailing on the date of transactions. Gains and losses resulting from settlement of such transactions are recognised in the Statement of Income and Expenditure. Monetary assets and liabilities related to foreign currency transactions remaining unsettled at the end of the period are translated at year end rates. The difference in translation of monetary assets and liabilities and realised gains and losses on foreign exchange transactions are recognised in the Statement of Income and Expenditure.

**2.10 Leases**

The entity's leasing arrangements are in respect of operating leases for premises. The leasing arrangements are usually cancelable / renewable by mutual consent on agreed terms. The aggregate lease rents payable are charged as rent in the Statement of Income and Expenditure.

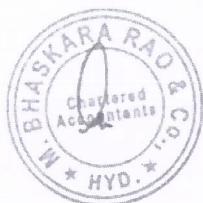
**2.11 Cash Flow Statement**

Cash flows are reported using the indirect method, whereby surplus / (deficit) before extraordinary items and tax is adjusted for the effects of transactions of non-cash nature and any deferrals or accruals of past or future cash receipts or payments. The cash flows from operating, investing and financing activities of the entity are segregated based on the available information

Cash comprises of cash on hand and demand deposits with banks. Cash equivalents are short-term balances (with an original maturity of three months or less from the date of acquisition), highly liquid investments that are readily convertible into known amounts of cash and which are subject to insignificant risk of changes in value.

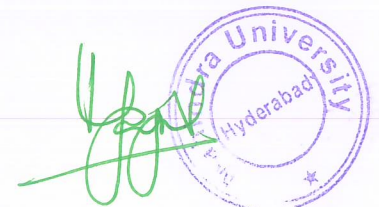
**2.12 Provisions, Contingent Liabilities and Contingent Assets**

The entity recognizes provisions when there is present obligation as a result of past event and it is probable that there will be outflow of resources and reliable estimate can be made of the amount of the obligation. A disclosure for contingent liabilities is made in the notes on accounts when there is a possible obligation or a present obligation that may, but probably will not, require an outflow of resources. Contingent assets are neither recognized nor disclosed in the financial statements.



**Mahindra University**  
**Notes to the financial statements for the year ended 31 March 2022**  
*All amounts in Rupees unless otherwise stated*

	As at 31 March 2022	As at 31 March 2021
<b>3 Restricted Funds</b>		
3.1 Endowment Fund [Refer Note 23]	-	-
<b>Total</b>	<b>-</b>	<b>-</b>
<b>4 Unrestricted Funds</b>		
4.1 Corpus Fund [Refer Note 23]	-	-
4.2 Genral Fund	-	-
4.2.1 Surplus / (Deficit) of Income and Expenditure Account		
Opening Balance	(1,69,83,836)	-
Add: Surplus / (Deficit) for the year	(5,04,18,655)	(1,69,83,836)
Closing balance	(6,74,02,491)	(1,69,83,836)
<b>Total</b>	<b>(6,74,02,491)</b>	<b>(1,69,83,836)</b>
<b>5 Other Non Current Liabilities</b>		
Caution Deposits from students	3,15,48,248	1,43,87,952
<b>Total</b>	<b>3,15,48,248</b>	<b>1,43,87,952</b>
<b>6 Long term Provisions</b>		
Provision for Gratuity	1,42,32,491	60,63,713
Provision for Leave Encashment	78,01,293	48,14,326
<b>Total</b>	<b>2,20,33,784</b>	<b>1,08,78,039</b>
<b>7 Other Current Liabilities</b>		
Creditors for expenses	14,97,71,865	2,49,29,778
Statutory Payables	1,52,48,516	85,50,033
Fee collected in advance	8,40,49,520	1,01,67,673
Unearned Revenue	15,05,88,045	13,64,59,520
Grants-in-aid for Research	49,23,959	25,57,040
Others	37,498	-
<b>Total</b>	<b>40,46,19,403</b>	<b>18,26,64,044</b>
<b>8 Short Term Provisions</b>		
Provision for Gratuity	27,05,595	12,14,344
Provision for Leave Encashment	58,98,763	13,45,311
<b>Total</b>	<b>86,04,358</b>	<b>25,59,655</b>



9 Property, Plant and Equipment

9.1 Tangible Assets

Description	Gross Block (At Cost)				Depreciation				Net Block
	As at 01 April 2021	Additions	Deletions	As at 31 March 2022	Up to 01 April 2021	For the year	Deletions	Up to 31 March 2022	As at 31 March 2022
<b>Tangible Assets</b>									
Computers and Networking	12,000	10,09,08,942	-	10,09,20,942	11,994	1,20,69,366	-	1,20,81,360	8,88,39,582
Office Equipments	1,46,650	24,06,457	-	25,53,107	2,444	1,34,047	-	1,36,491	24,16,616
Furniture & Fixtures	-	3,18,600	-	3,18,600	-	26,542	-	26,542	2,92,058
Library Books	-	37,74,001	-	37,74,001	-	26,59,173	-	26,59,173	11,14,828
Lab Equipments	-	2,10,98,360	-	2,10,98,360	-	18,65,375	-	18,65,375	1,92,32,985
Vehicles	-	7,67,552	-	7,67,552	-	12,793	-	12,793	7,54,759
Plant & Machinery	-	8,68,342	-	8,68,342	-	91,558	-	91,558	7,76,784
<b>Total</b>	<b>1,58,650</b>	<b>13,01,42,254</b>	<b>-</b>	<b>13,03,00,904</b>	<b>14,438</b>	<b>1,68,58,854</b>	<b>-</b>	<b>1,68,73,292</b>	<b>11,34,27,612</b>

Description	Gross Block (At Cost)				Depreciation				Net Block
	As at 01 April 2020	Additions	Deletions	As at 31 March 2021	Up to 01 April 2020	For the period	Deletions	Up to 31 March 2021	As at 31 March 2021
<b>Tangible Assets</b>									
Computers and Networking	-	12,000	-	12,000	-	11,994	-	11,994	6
Office Equipments	-	1,46,650	-	1,46,650	-	2,444	-	2,444	1,44,206
<b>Total</b>	<b>-</b>	<b>1,58,650</b>	<b>-</b>	<b>1,58,650</b>	<b>-</b>	<b>14,438</b>	<b>-</b>	<b>14,438</b>	<b>1,44,212</b>

9.2 Intangible Assets

Description	Gross Block (At Cost)				Depreciation				Net Block
	As at 01 April 2021	Additions	Deletions	As at 31 March 2022	Up to 01 April 2021	For the year	Deletions	Up to 31 March 2022	As at 31 March 2022
<b>Intangible Assets</b>									
Computer Software	-	20,45,476	-	20,45,476	-	20,45,464	-	20,45,464	12
<b>Total</b>	<b>-</b>	<b>20,45,476</b>	<b>-</b>	<b>20,45,476</b>	<b>-</b>	<b>20,45,464</b>	<b>-</b>	<b>20,45,464</b>	<b>12</b>

9.3 Depreciation / Amortisation Expense

	Year ended 31 March 2022	Year ended 31 March 2021
Tangible Assets	1,89,04,318	14,438
<b>Total</b>	<b>1,89,04,318</b>	<b>14,438</b>

9.4 The entity has carried out its academic activities on land, building and other infrastructure made available to it by the Sponsoring Body [Refer Note 23].



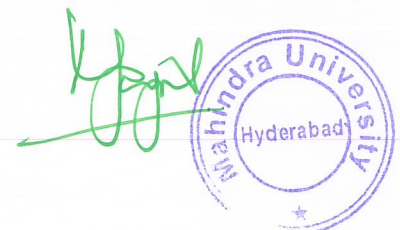
**Mahindra University**  
**Notes to the financial statements for the year ended 31 March 2022**  
*All amounts in Rupees unless otherwise stated*

	As at 31 March 2022	As at 31 March 2021
<b>10 Long Term Loans and Advances</b>		
Capital Advances	-	3,36,300
<b>Total</b>	<b>-</b>	<b>3,36,300</b>
<b>11 Fee Receivables</b>		
Considered good	7,31,79,681	2,18,16,061
<b>Total</b>	<b>7,31,79,681</b>	<b>2,18,16,061</b>
<b>12 Cash and Bank Balances</b>		
<b>12.1 Cash and Cash Equivalents</b>		
Bank Balances in Savings account [Refer Note 12.3]	5,15,70,520	3,72,77,465
<b>12.2 Other Bank Balances</b>		
Bank Balances in Deposit account	-	1,44,28,000
<b>Total</b>	<b>5,15,70,520</b>	<b>5,17,05,465</b>
<b>12.3</b> Of the above Rs.49,23,959/- [ 31.03.2021 : Rs.25,57,040/- ] are earmarked for the grants-in-aid received for the research projects.		
<b>13 Short Term Loans and Advances</b>		
Recoverable in Cash or Kind	97,64,375	19,80,774
Prepaid	67,09,894	7,99,184
<b>Total</b>	<b>1,64,74,269</b>	<b>27,79,958</b>
<b>14 Other Current Assets</b>		
Accrued Interest	-	42,480
Employee Advances	9,99,030	30,713
TDS Receivables	1,29,781	4,213
Other Receivables	14,35,16,849	11,66,46,452
Others	1,05,548	-
<b>Total</b>	<b>14,47,51,208</b>	<b>11,67,23,858</b>



**Mahindra University**  
**Notes to the financial statements for the year ended 31 March 2022**  
*All amounts in Rupees unless otherwise stated*

	<b>Year Ended</b> <b>31 March 2022</b>	<b>Period Ended</b> <b>31 March 2021</b>
<b>15 Academic Income</b>		
Academic Fee	59,63,40,820	13,64,59,520
Hostel Fee	4,06,80,677	-
Application Fee	50,25,974	43,49,100
	<b>64,20,47,471</b>	<b>14,08,08,620</b>
<b>16 Other Income</b>		
Interest on Bank Deposits and Saving Bank	38,92,206	4,99,478
Miscellaneous Income	3,53,448	3,13,517
	<b>42,45,654</b>	<b>8,12,995</b>
<b>17 Academic Expenses</b>		
Student Scholarship	3,74,25,000	90,00,000
Affiliation Fees	37,800	-
ECP Charges	1,96,16,024	-
Seminars and Conferences	7,05,127	24,971
Laboratory Expenses	22,07,514	58,708
Research expenses	14,40,228	29,713
Academic consulting charges	4,93,50,857	1,90,75,712
Stipend	1,75,00,655	47,85,885
	<b>12,82,83,205</b>	<b>3,29,74,989</b>
<b>18 Employee benefits expense</b>		
Salaries and Allowances	21,67,23,153	5,66,77,541
Contribution to Provident and Other Funds	1,40,94,504	16,86,465
Gratuity	1,06,27,594	76,82,586
Staff Welfare	4,95,817	59,033
	<b>24,19,41,068</b>	<b>6,61,05,625</b>
<b>19 Depreciation and amortization</b>		
Depreciation on property, plant and equipment	1,89,04,316	14,438
	<b>1,89,04,316</b>	<b>14,438</b>

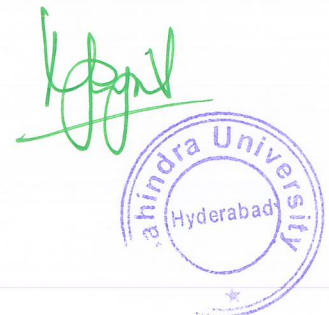


**Mahindra University**

**Notes to the financial statements for the year ended 31 March 2022**

*All amounts in Rupees unless otherwise stated*

	<b>Year Ended</b>	<b>Period Ended</b>
	<b>31 March 2022</b>	<b>31 March 2021</b>
<b>20 Other expenses</b>		
Rent	8,30,55,712	3,75,57,107
Rates and taxes	3,54,040	-
Power and fuel	1,26,63,370	-
Insurance	7,42,268	4,47,657
Legal and Professional Charges	1,83,27,377	26,64,730
Subscription Charges	76,37,388	31,82,255
Books and Periodicals	1,31,946	14,437
Printing and Stationery	29,21,813	2,71,526
Advertisement and Publicity	6,49,49,936	50,00,511
Security Charges	1,15,88,410	11,25,122
Recruitment expenses	21,13,149	52,450
Honararium	8,61,500	65,000
Travelling and Conveyance	26,05,015	5,55,953
Communication	28,82,100	8,678
Catering expenses	3,56,27,720	21,15,589
Repair and Maintenance	1,09,05,890	16,74,957
Office Maintenance	3,38,40,286	41,61,224
General Office Expenses	1,23,03,349	3,63,529
Software	4,05,456	-
Training Expenses	19,52,528	-
Auditors Remuneration	2,36,000	2,00,000
Bank Charges	59,718	63
Miscellaneous expenses	14,18,220	49,611
	<b>30,75,83,191</b>	<b>5,95,10,399</b>



**Mahindra University**  
**Notes to the financial statements for the year ended 31 March 2022**  
*All amounts in Rupees unless otherwise stated*

	As at 31 March 2022	As at 31 March 2021
<b>21 Contingent Liabilities</b>		
Contingent Liabilities	Nil	Nil
<b>22 Commitments</b>		
Estimated amount of contracts remaining to be executed on capital account and not provided for net of capital advances.	5,26,62,939	2,83,44,970

**23 Establishment of Mahindra University**

Mahindra University ("the entity") was established in accordance with Section 10 of the Telangana State Private Universities (Establishment and Regulation) Act, 2018 ("the Act"), by publishing grant of approval in Official Gazette, dated 20 May 2020, based on application made by the Mahindra Educational Institutions ("MEI"), the Sponsoring Body. By virtue of said notification and obligations under LOI, the infrastructure relating to academic activity of MEI would vest with the entity.

In terms of said approval, the Sponsoring Body, MEI under the Act, has following obligations to provide initial infrastructure necessary to commence the academic activities of the entity:

- Two parcels of land to be registered in its name within a period of six months: 5 Acres 20 guntas and 16 Acres .056 guntas which are leased for a period of 29 years 10 months. This requirement has been subsequently amended to include perpetual irrevocable lease in the name of sponsoring body for 90 years and MEI complied with the requirement.
- Establish corpus fund of Rs.10.00 crores
- Continue Rs.30 Crores in the form of fixed deposit for a period of 3 years to support the various activities like construction of buildings, infrastructure and campus development etc.
- Maintain endowment fund of 1% of the Project cost or Rs.10 Crores whichever is lower
- Furnish sale / gift deed of the land favouring sponsoring body (amended to lease vide 1 above) and allocating the land exclusively to the entity.

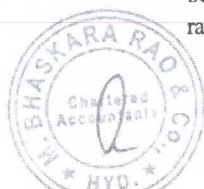
The above requirements relating to financial commitments have been met by the Sponsoring Body by investing in the fixed deposits. As regards, endowment fund, a deposit of Rs.1.50 crores is held in the name of the sponsoring entity and State Government of Telangana. The Sponsoring Body is in the process of transferring the fund(s) to the entity, as may be required in terms of LOI and the said notification.

As at the year end, the entity is possession and accordingly utilizing the assets, infrastructure and other facilities made available to it by the sponsoring body for its academic activities.

**24 Employee benefit plans**

The gratuity scheme is a final salary Defined Benefit Plan that provides for a lump sum payment made on exit either by way of retirement, death, disability or voluntary withdrawal. The benefits are defined on the basis of final salary and the period of service and paid as lump sum at exit. The plan design mean the risks commonly affecting the liabilities and the financial results are exposed to:

- Interest rate risk : the defined benefit obligation calculated uses a discount rate based on government bonds. If bond yields fall, the defined benefit obligation will tend to increase.
- Salary inflation risk : Higher than expected increases in salary will increase the defined benefit obligation
- Demographic risk : For example, as plan is open to new entrants, an increase in membership will increase the defined benefit obligation. Also, the plan only provides benefits upon completion of a vesting criteria. Therefore, if turnover rates increase, then the liability will tend to fall as fewer employees reach vesting period.





Mahindra University  
Notes to the financial statements for the year ended 31 March 2022  
All amounts in Rupees unless otherwise stated

**I The Principal Assumptions used for the purposes of the actuarial valuation as follows**

Details	Year ended 31 March 2022	Year ended 31 March 2021
1 Discount Rate(s)	7.32%	6.91%
2 Expected Rate(s) of salary increase	4%	4%
3 Demographic Assumptions		
Mortality Rate	Indian Assured lives Mortality (2012-14) Ult.	Indian Assured lives Mortality (2012-14) Ult.
Withdrawal Rate (per Annum)	4%	4%

**II Disclosure of defined benefit cost :**

Details	Year ended 31 March 2022	Year ended 31 March 2021
<b>A Amounts Recognised in Statement of Income and Expenditure</b>		
Current Service Cost	43,15,489	17,64,385
Past Service Cost	-	55,13,672
Interest Cost	4,99,873	-
Actuarial Loss / (Gain) on Obligation	49,32,665	-
Settlement cost / (credit)	-	-
<b>Cost recognised in statement of income and expenditure</b>	<b>97,48,027</b>	<b>72,78,057</b>

**III Changes in benefit obligation and assets**

**A. Changes in defined benefit obligation:**

Defined benefit obligation(DBO) at the end of prior period	72,78,057	-
Current service cost	43,15,489	17,64,385
Interest cost	4,99,873	-
Past service cost - plan amendments	-	55,13,672
Actuarial (gain)/loss	49,32,665	-
Remeasurements - Due to Experience Adjustments	-	4,04,529
Benefits paid directly by the Company	(87,998)	(4,04,529)
Benefits paid from plan assets	-	-
<b>DBO at end of current period</b>	<b>1,69,38,086</b>	<b>72,78,057</b>

Details	As at 31 March 2022	As at 31 March 2021
---------	------------------------	------------------------

**B. Changes in fair value of assets:**

Fair value of assets at end of prior period	-	-
Interest income on plan assets	-	-
Employer contributions	87,998	-
Benefits paid	(87,998)	-
<b>Fair Value of assets at the end of current period</b>	<b>-</b>	<b>-</b>

**IV Additional Disclosures**

**A. Current and Non current breakup**

Current liability	27,05,595	12,14,344
Non current liability	1,42,32,491	60,63,713
<b>Total Liability</b>	<b>1,69,38,086</b>	<b>72,78,057</b>



**Mahindra University**  
**Notes to the financial statements for the year ended 31 March 2022**  
*All amounts in Rupees unless otherwise stated*

**V Sensitivity Analysis**

Details	As at 31 March 2022	As at 31 March 2021
<b>A Discount rate</b>		
Discount rate as at year end	7.32%	6.91%
Effect on DBO due to 1% increase in discount rate	1,55,66,784	66,91,868
Effect on DBO due to 1% decrease in discount rate	1,85,55,347	79,72,320
<b>B Salary escalation rate</b>		
Salary escalation rate as at year end	4%	4%
Effect on DBO due to 1% increase in salary escalation rate	1,86,35,585	80,03,691
Effect on DBO due to 1% decrease in salary escalation rate	1,54,75,334	66,55,278
<b>C Attrition rate</b>		
Salary escalation rate as at year end	4%	4%
Effect on DBO due to 1% increase in attrition rate	1,73,15,507	74,10,372
Effect on DBO due to 1% decrease in attrition rate	1,64,93,064	71,19,331

Method used for sensitivity analysis: The sensitivity results above determine their individual impact on the Plan's end of year Defined Benefit Obligation. In reality, the Plan is subject to multiple external experience items which may move the Defined Benefit Obligation in similar or opposite directions, while the Plan's sensitivity to such changes can vary over time.

- 25 Provision for current tax and deferred tax has not been made since the income of Company is exempted U/s 10(23C) of the Income Tax Act, 1961.



for Mahindra University

*[Signature]*  
**Dr. Yajulu Medury**  
*Vice-Chancellor*

*[Signature]*  
**Ranjan Sardar**  
*Finance Officer*

*[Signature]*  
**Col Rajive Chauhan (Retd)**  
*Registrar*

Hyderabad, 14 July 2022





## **Mahindra University, Hyderabad**

(A State Private University - Notified by the Government of Telangana vide Telangana Ordinance No. 1 of 2020 dated 20th May 2020 as per the Telangana State Private Universities (Establishment and Regulation) Act, 2018)

<b>ANNUAL AUDITED ACCOUNTS</b>
<b>FY 2020-21</b>


## Independent Auditor's Report

To  
The Governing Body of  
Mahindra University

### Report on the Financial Statements

#### Opinion

We have audited the financial statements of Mahindra University ("the Entity"), which comprise the Balance Sheet as at 31 March 2021, the Statement of Income and Expenditure and the Statement of Cash Flows for the period then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Entity as at 31 March 2021, of its financial performance and the cash flows for the year then ended in accordance with the applicable Accounting Standards issued by the Institute of Chartered Accountants of India ("ICAI").

#### Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) issued by 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 Entity in accordance with the ethical requirements that are relevant to our audit of the financial statements, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

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

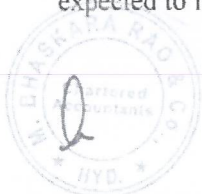
Management is responsible for the preparation and fair presentation of the financial statements in accordance with the aforesaid Accounting Standards. This responsibility also includes maintenance of adequate accounting records in accordance with the accounting principles generally accepted in India and for safeguarding of the assets of the Entity and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgements and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due fraud or error.

In preparing the financial statements, management is responsible for assessing the Entity'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 management either intends to liquidate the Entity or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Entity's financial reporting process.

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

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.



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 the effectiveness of the Entity's internal control
- Evaluated the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Entity'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 Entity to cease to continue as a going concern.

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

*for M. Bhaskara Rao & Co.,*  
*Chartered Accountants*  
Firm Registration No. 000459S

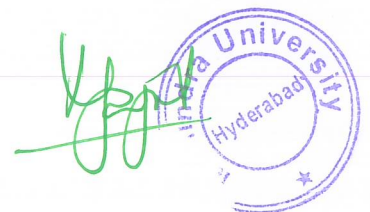


**M.V. Ramana Murthy**  
*Partner*

Membership No.206439

UDIN: 21206439AAAABO3681

Hyderabad, 10 May 2021

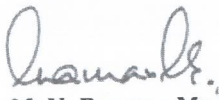


**Mahindra University**  
**Balance Sheet as on 31 March 2021**  
*All amounts in Rupees unless otherwise stated*

	Note No.	As on 31 March 2021
<b>FUNDS AND LIABILITIES</b>		
<b>Funds</b>		
<b>Restricted Funds</b>		
Endowment Fund	3	-
<b>Unrestricted Funds</b>		
Corpus Fund	4	-
General Fund		(1,69,83,836)
		<b>(1,69,83,836)</b>
<b>Non Current Liabilities</b>		
Long term provisions	5	1,08,78,039
Other long term liabilities	6	1,43,87,952
		<b>2,52,65,991</b>
<b>Current Liabilities</b>		
Other current liabilities	7	18,26,64,044
Short term provisions	8	25,59,655
		<b>18,52,23,699</b>
<b>Total</b>		<b>19,35,05,854</b>
<b>ASSETS</b>		
<b>Non-current assets</b>		
Property, Plant and Equipment		
Tangible assets	9	1,44,212
Long term loans and advances	10	3,36,300
		<b>4,80,512</b>
<b>Current assets</b>		
Fee Receivable	11	2,18,16,061
Cash and cash equivalents	12	5,17,05,465
Short term loans and advances	13	27,79,958
Other current assets	14	11,67,23,858
		<b>19,30,25,342</b>
<b>Total</b>		<b>19,35,05,854</b>


General Information 1  
Significant Accounting Policies 2  
See accompanying notes forming part of the financial statements


*In terms of our report attached  
for M. Bhaskara Rao & Co.  
Chartered Accountants*

  
**M. V. Ramana Murthy**  
Partner



for Mahindra University

  
**Dr. Yajati Medury**  
Vice - Chancellor

  
**Col Rajive Chauhan (Retd)**  
Registrar

  
**Ranjan Sardar**  
Finance Officer

Hyderabad, 10 May 2021

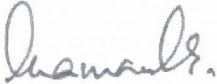


**Mahindra University**  
**Statement of Income and Expenditure for the period ended 31 March 2021**  
*All amounts in Rupees unless otherwise stated*

	Note No.	Period Ended 31 March 2021
<b>Revenue</b>		
Academic Receipts	15	14,08,08,620
Other Income	16	8,12,995
<b>Total Revenue</b>		<b>14,16,21,615</b>
<b>Expenses</b>		
Academic Expenses	17	3,29,74,989
Employee benefits expense	18	6,61,05,625
Depreciation and amortization expense	19	14,438
Other expenses	20	5,95,10,399
<b>Total Expense</b>		<b>15,86,05,451</b>
<b>Surplus / (Deficit) before tax</b>		<b>(1,69,83,836)</b>
<b>Tax expense</b>		
Current tax		-
Deferred Tax		-
		-
<b>Surplus / (Deficit) carried to balance sheet</b>		<b>(1,69,83,836)</b>

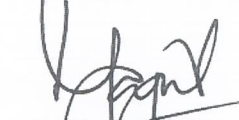
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Significant Accounting Policies 2  
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Chartered Accountants*

  
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Partner



for Mahindra University

  
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Vice - Chancellor



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Finance Officer

Hyderabad, 10 May 2021

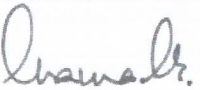
  

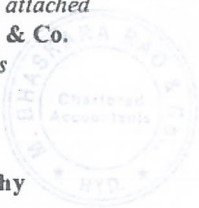

**Mahindra University**  
**Statement of Cash Flow for the period ended 31 March 2021**  
*All amounts in Rupees unless otherwise stated*

Particulars	Period Ended 31 March 2021
<b>A. Cash flow from operating activities</b>	
Deficit for the year	(1,69,83,836)
<b>Adjustments for</b>	
Depreciation	14,438
Interest income	(4,99,478)
<b>Operating income before working capital changes</b>	<b>(1,74,68,876)</b>
Changes in working capital:	
<i>Adjustments for increase / (decrease) in operating liabilities:</i>	
Long term provisions	1,08,78,039
Other long term liabilities	1,43,87,952
Other current liabilities	18,26,64,044
Short term provisions	25,59,655
<i>Adjustments for (increase) / decrease in operating assets:</i>	
Long term loans and advances	(3,36,300)
Fee Receivable	(2,18,16,061)
Short term loans and advances	(27,79,958)
Other current assets	(11,66,77,165)
<b>Cash generated from operations</b>	<b>5,14,11,330</b>
Income Tax paid (Net)	(4,213)
<b>Net cash flow from operating activities (A)</b>	<b>5,14,07,117</b>
<b>B. Cash flow from investing activities</b>	
Capital Expenditure on Fixed Assets	(1,58,650)
Investments in Bank Deposits	(1,44,28,000)
Interest Income	4,56,998
<b>Net cash flow used in investing activities (B)</b>	<b>(1,41,29,652)</b>
<b>C. Cash flow from financing activities</b>	
<b>Net cash flow from financing activities (C)</b>	<b>-</b>
<b>Net increase / (decrease) in cash and cash equivalents</b>	<b>3,72,77,465</b>
Cash and cash equivalents at the beginning of the year	-
<b>Cash and cash equivalents at the end of the year</b>	<b>3,72,77,465</b>


General Information 1  
 Significant Accounting Policies 2  
 See accompanying notes forming part of the financial statements

*In terms of our report attached  
 for M.Bhaskara Rao & Co.  
 Chartered Accountants*

  
**M. V. Ramana Murthy**  
 Partner



for Mahindra University

  
**Dr. Yaja J Medury**  
 Vice - Chancellor

  
**Col Rajive Chauhan (Retd)**  
 Registrar

  
**Ranjan Sardar**  
 Finance Officer



Hyderabad, 10 May 2021



**1 About Mahindra University**

Mahindra University ("the entity") was notified by the Government of Telangana vide Telangana Ordinance No. 1 of 2020 dated 20th May 2020 as per the Telangana State Private Universities (Establishment and Regulation) Act, 2018, (Amendment) Ordinance, 2020 promulgated by the Hon'ble Governor of Telangana; and as gazette notified in The Telangana Gazette Part IV-B Extraordinary published by Authority No.1 Hyderabad, May 20, 2020.

**2 Significant Accounting Policies**

**2.1 Basis of accounting and preparation of financial statements**

The financial statements of the entity have been prepared in accordance with the Generally Accepted Accounting Principles in India (Indian GAAP) to comply in all material respects with the Accounting Standards issued by Institute of Chartered Accountants of India.

The University is classified as a Level III enterprise as defined by the scheme of applicability of accounting standards issued by ICAI.

Accordingly, the financial statements have been prepared to comply with the Accounting Standards to the extent applicable to such enterprise.

**2.2 Use of estimates**

The preparation of the financial statements in conformity with GAAP requires that the management makes estimates and assumptions that affect the reported amounts of assets and liabilities as at the date of the financial statements and the reported amounts of revenue and expenses during the reported period. Future results could differ due to these estimates and the differences between the actual results and the estimates are recognised in the periods in which the results are known/materialise.

**2.3 Property, Plant and Equipment**

Property, Plant & Equipment and Other intangible assets are stated at actual cost less accumulated depreciation and net of impairment. The actual cost capitalised includes material cost, freight, installation cost, duties and taxes, eligible borrowing costs and other incidental expenses incurred during the construction / installation stage.

Depreciation on fixed assets is provided on straight-line method over their estimated useful lives. The useful lives have been determined by the management based on technical assessment keeping in view the historical usage. Assets costing less than Rs.5,000 are depreciated in full in the year of purchase.

The cost and accumulated depreciation for fixed assets sold, retired or otherwise disposed off are removed from the stated values and the resulting gains and losses are included in the statement of profit and loss.

The estimated useful lives of assets are as follows:

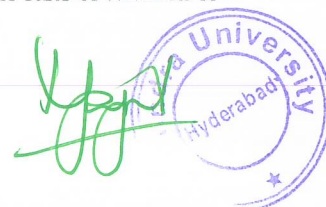
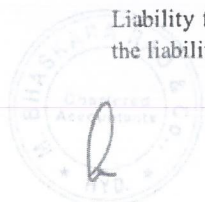
- Computers and Networking : 3 years
- Office Equipments : 5 years

**2.4 Employee Benefits**

Liability for employee benefits, both short and long term, for present and past services which are due as per the terms of the employment are recorded in accordance with Accounting Standard - 15 "Employee Benefits".

Contribution to Provident fund is charged as expense, being a defined contribution plan.

Liability for compensated absences (treated as long term liability) and gratuity are provided on the basis of valuation of the liability by an independent actuary.



## **2.5 Revenue Recognition**

Revenue in respect of fee income is recognised on accrual basis considering certainty of realisation. Amount received in advance of services performed are recorded as advances from students.

The contributions / donations received are treated as revenue receipts.

Interest income on bank deposits is accounted on accrual basis. Interest income from restricted fund investments are credited to funds if the donor or contributor or fund requires to do so. Otherwise, such interest is credited to income and expenditure account

## **2.6 Restricted Funds**

Restricted funds are subject to certain conditions set out by the contributors and agreed to by the educational institutions when accepting the contributions. The restriction apply to the use of the moneys received or income earned from the investment of such moneys or both. Funds, the use of which is subject to legal restrictions are also considered as restricted funds.

## **2.7 Endowment Fund**

Endowment fund represent fund earmarked in terms of Section 37 of the Telangana State Private Universities (Establishment and Regulation) Act 2018 which is to be kept in a fixed deposit in joint name of the entity and Commissioner of Education, State Government of Telangana and are not meant to be used for any purpose. Income earned out of the fund is credited to income and expenditure account as there are no stipulations for utilization of income earned.

## **2.8 Unrestricted Funds**

### **Corpus Fund**

The funds contributed by founders / promoters generally includes donations /contributions received which are not reducible in nature. These non-refundable funds are however be increased by additional contribution by the founders / promoters / donors / contributors in furtherance of the objects of the entity.

### **Designated Funds**

These are unrestricted funds which have been set aside by the Board /management of the entity for specific purposes or to meet future requirements. These funds are categorised as self imposed or restricted funds. However, the entity can modify the designation and reallocate the funds to some other purpose.

### **General Fund**

General Funds are unrestricted funds other than designated funds and corpus. The surplus or deficit from income and expenditure account is also included and presented under the General Fund..

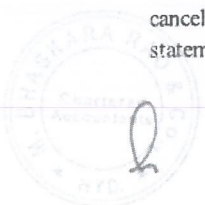
## **2.9 Foreign exchange translation and foreign currency transactions**

Foreign currency transactions are accounted at the exchange rates prevailing on the date of transactions. Gains and losses resulting from settlement of such transactions are recognised in the Statement of Profit and Loss.

Monetary assets and liabilities related to foreign currency transactions remaining unsettled at the end of the period are translated at year end rates. The difference in translation of monetary assets and liabilities and realised gains and losses on foreign exchange transactions are recognised in the Statement of Profit and Loss.

## **2.10 Leases**

The entity's leasing arrangements are in respect of operating leases for premises. The leasing arrangements are usually cancelable / renewable by mutual consent on agreed terms. The aggregate lease rents payable are charged as rent in the statement of profit and loss.



**2.11 Cash Flow Statement**

Cash flows are reported using the indirect method, whereby surplus / (deficit) before extraordinary items and tax is adjusted for the effects of transactions of non-cash nature and any deferrals or accruals of past or future cash receipts or payments. The cash flows from operating, investing and financing activities of the entity are segregated based on the available information

Cash comprises of cash on hand and demand deposits with banks. Cash equivalents are short-term balances (with an original maturity of three months or less from the date of acquisition), highly liquid investments that are readily convertible into known amounts of cash and which are subject to insignificant risk of changes in value.

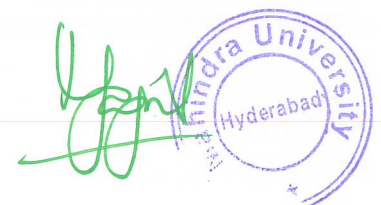
**2.12 Provisions, Contingent Liabilities and Contingent Assets**

The entity recognizes provisions when there is present obligation as a result of past event and it is probable that there will be outflow of resources and reliable estimate can be made of the amount of the obligation. A disclosure for contingent liabilities is made in the notes on accounts when there is a possible obligation or a present obligation that may, but probably will not, require an outflow of resources. Contingent assets are neither recognized nor disclosed in the financial statements.



**Mahindra University**  
**Notes to the financial statements for the period ended 31 March 2021**  
*All amounts in Rupees unless otherwise stated*

	<u>As at</u> <u>31 March 2021</u>
<b>3 Restricted Funds</b>	
3.1 Endowment Fund [Refer Note 23]	-
<b>Total</b>	<u>-</u>
<b>4 Unrestricted Funds</b>	
4.1 Corpus Fund [Refer Note 23]	-
4.2 Genral Fund	-
<b>4.2.1 Surplus / (Deficit) of Income and Expenditure Account</b>	
Opening Balance	-
Add: Surplus / (Deficiti) for the year	(1,69,83,836)
Closing balance	<u>(1,69,83,836)</u>
<b>Total</b>	<u>(1,69,83,836)</u>
<b>5 Long term Provisions</b>	
Provision for Gratuity	60,63,713
Provision for leave encashment	48,14,326
<b>Total</b>	<u>1,08,78,039</u>
<b>6 Other Non Current Liabilities</b>	
Deposits	1,43,87,952
<b>Total</b>	<u>1,43,87,952</u>
<b>7 Other Current Liabilities</b>	
Creditors for expenses	2,49,29,778
Statutory Payables	85,50,033
Fee collected in advance	1,01,67,673
Unearned Revenue	13,64,59,520
Grants-in-aid for Research	25,57,040
<b>Total</b>	<u>18,26,64,044</u>
<b>8 Short Term Provisions</b>	
Prevision for Gratuity	12,14,344
Provision for leave encashment	13,45,311
<b>Total</b>	<u>25,59,655</u>



**Mahindra University**  
**Notes to the financial statements for the period ended 31 March 2021**  
*All amounts in Rupees unless otherwise stated*

**9 Property, Plant and Equipment**

Description	Gross Block (At Cost)			Depreciation			Net Block As at 31 March 2021
	As at 01 April 2020	Additions	Deletions	As at 31 March 2021	Up to 01 April 2020	For the period	
Tangible Assets							
Computers and Networking	-	12,000	-	12,000	-	11,994	6
Office Equipments	-	1,46,650	-	1,46,650	-	2,444	1,44,206
<b>Total</b>	-	<b>1,58,650</b>	-	<b>1,58,650</b>	-	<b>14,438</b>	<b>1,44,212</b>
Previous year	-	-	-	-	-	-	-

**9.1 Depreciation / Amortisation Expense**

	Year ended 31 March 2021
Tangible Assets	14,438
<b>Total</b>	<b>14,438</b>

**9.2** The entity has carried out its academic activities on land, building and other infrastructure made available to it by the Sponsoring Body [Refer Note 23].



Mahindra University  
Notes to the financial statements for the period ended 31 March 2021  
All amounts in Rupees unless otherwise stated

	<u>As at</u> <u>31 March 2021</u>
<b>10 Long Term Loans and Advances</b>	
Capital Advances	3,36,300
<b>Total</b>	<u><u>3,36,300</u></u>
<b>11 Fee Receivables</b>	
Considered good	2,18,16,061
<b>Total</b>	<u><u>2,18,16,061</u></u>
<b>12 Cash and Bank Balances</b>	
<b>12.1 Cash and Cash Equivalents</b>	
Bank Balances in Savings account	3,72,77,465
<b>12.2 Other Bank Balances</b>	
Bank Balances in Deposit account	1,44,28,000
<b>Total</b>	<u><u>5,17,05,465</u></u>
<b>13 Short Term Loans and Advances</b>	
Recoverable in Cash or Kind	19,80,774
Prepaid	7,99,184
<b>Total</b>	<u><u>27,79,958</u></u>
<b>14 Other Current Assets</b>	
Accrued Interest	42,480
Employee Advances	30,713
TDS Receivables	4,213
Other Receivables [Refer note 23]	11,66,46,452
<b>Total</b>	<u><u>11,67,23,858</u></u>



Mahindra University  
Notes to the financial statements for the period ended 31 March 2021  
All amounts in Rupees unless otherwise stated

	<u>Period Ended</u> <u>31 March 2021</u>
<b>15 Academic Receipts</b>	
Academic Fee	13,64,59,520
Application Fee	43,49,100
	<u>14,08,08,620</u>
<b>16 Other Income</b>	
Interest on Bank Deposits and Saving Bank	4,99,478
Miscellaneous Income	3,13,517
	<u>8,12,995</u>
<b>17 Academic Expenses</b>	
Student Scholarship	90,00,000
Seminars and Conferences	24,971
Laboratory Expenses	58,708
Research expenses	29,713
Academic consulting charges	1,90,75,712
Stipend	47,85,885
	<u>3,29,74,989</u>
<b>18 Employee benefits expense</b>	
Salaries and Allowances	5,66,77,541
Contribution to Provident and Other Funds	16,86,465
Gratuity	76,82,586
Staff Welfare	59,033
	<u>6,61,05,625</u>
<b>19 Depreciation and amortization expense</b>	
Depreciation on property, plant and equipment	14,438
	<u>14,438</u>



Mahindra University  
Notes to the financial statements for the period ended 31 March 2021  
All amounts in Rupees unless otherwise stated

	<u>Period Ended</u> <u>31 March 2021</u>
<b>20 Other expenses</b>	
Rent	3,75,57,107
Insurance	4,47,657
Legal and Professional Charges	26,64,730
Subscription Charges	31,82,255
Books and Periodicals	14,437
Printing and Stationery	2,71,526
Advertisement and Publicity	50,00,511
Security Charges	11,25,122
Recruitment expenses	52,450
Honarorium	65,000
Travelling and Conveyance	5,55,953
Communication	8,678
Catering expenses	21,15,589
Repair and Maintenance	16,74,957
Office Maintenance	41,61,224
General Office Expenses	3,63,529
Auditors Remuneration	2,00,000
Bank Charges	63
Miscellaneous expenses	49,611
	<u><u>5,95,10,399</u></u>





**Mahindra University**  
**Notes to the financial statements for the period ended 31 March 2021**  
*All amounts in Rupees unless otherwise stated*

	<b>As at</b>
	<b>31 March 2021</b>
<b>21 Contingent Liabilities</b>	
Contingent Liabilities	Nil
<b>22 Commitments</b>	
Estimated amount of contracts remaining to be executed on capital account and not provided for net of capital advances.	Rs.2,83,44,970

**23 Establishment of Mahindra University**

Mahindra University ("the entity") was established in accordance with Section 10 of the Telangana State Private Universities (Establishment and Regulation) Act, 2018 ("the Act"), by publishing grant of approval in Official Gazette, dated 20 May 2020, based on application made by the Mahindra Educational Institutions ("MEI"), the Sponsoring Body.

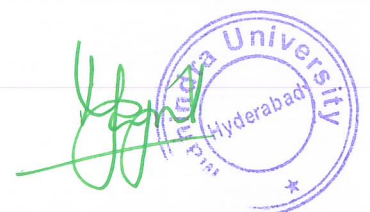
By virtue of said notification and obligations under LOI, the infrastructure relating to academic activity of MEI would vest with the entity.

In terms of said approval, the Sponsoring Body, MEI under the Act, has following obligations to provide initial infrastructure necessary to commence the academic activities of the entity:

- a) Two parcels of land to be registered in its name within a period of six months: 5 Acres 20 guntas and 16 Acres .056 guntas which are leased for a period of 29 years 10 months. This requirement has been subsequently amended to include perpetual irrevocable lease in the name of sponsoring body for 90 years and MEI complied with the requirement.
- b) Establish corpus fund of Rs.10.00 crores
- c) Continue Rs.30 Crores in the form of fixed deposit for a period of 3 years to support the various activities like construction of buildings, infrastructure and campus development etc.
- d) Maintain endowment fund of 1% of the Project cost or Rs.10 Crores whichever is lower
- e) Furnish sale / gift deed of the land favouring sponsoring body (amended to lease vide 1 above) and allocating the land exclusively to the entity.

The above requirements relating to financial commitments have been met by the Sponsoring Body by investing in the fixed deposits. As regards, endowment fund, a deposit of Rs.1.50 crores in the name of the entity and State Government of Telangana. The Sponsoring Body is in the process of transferring the fund(s) to the entity, as may be required in terms of LOI and the said notification.

By virtue of notification stated above, the entity was permitted to take students from Academic Year 2020-21, and the MEI was in receipt of admission and application fee and incurred costs on behalf of the entity during the period of establishment of the entity i.e. till 31 December 2020.



**Mahindra University**  
**Notes to the financial statements for the period ended 31 March 2021**  
*All amounts in Rupees unless otherwise stated*

The entity had accounted for following transactions, which were originally recorded in sponsoring body's books, based on details furnished by sponsoring body for the period from 1st October 2020 (being date of establishment of entity) till 31 December 2020. The liabilities, assets, income and expenditure transferred to entity are as detailed below:

<b>Particulars</b>	<b>Amount in Lakhs</b>
Stipend paid to Phd Students from Sept to December 2020	23.00
Salary cost of teaching and non-teaching staff for the period October 20 to December 2020	251.12
Lease Rent for the period October 2020 to December 2020	202.70
<b>Sub-total</b>	<b>476.82</b>
Fee received on-behalf of MU	1,599.80
Application Fee	43.49
<b>Sub-total</b>	<b>1,643.29</b>
<b>Net payable</b>	<b>(1,166.46)</b>

As at the year end, the entity is possession and accordingly utilizing the assets, infrastructure and other facilities made available to it by the sponsoring body for its academic activities.

**24 Employee benefit plans**

The gratuity scheme is a final salary Defined Benefit Plan that provides for a lump sum payment made on exit either by way of retirement, death, disability or voluntary withdrawal. The benefits are defined on the basis of final salary and the period of service and paid as lump sum at exit. The plan design mean the risks commonly affecting the liabilities and the financial results are exposed to:

- Interest rate risk : the defined benefit obligation calculated uses a discount rate based on government bonds. If bond yields fall, the defined benefit obligation will tend to increase.
- Salary inflation risk : Higher than expected increases in salary will increase the defined benefit obligation
- Demographic risk : For example, as plan is open to new entrants, an increase in membership will increase the defined benefit obligation. Also, the plan only provides benefits upon completion of a vesting criteria. Therefore, if turnover rates increase, then the liability will tend to fall as fewer employees reach vesting period.

**I The Principal Assumptions used for the purposes of the actuarial valuation as follows**

<b>Details</b>	<b>31-Mar-21</b>
1 Discount Rate(s)	6.91%
2 Expected Rate(s) of salary increase	4%
3 Demographic Assumptions	
Mortality Rate	Indian Assured lives Mortality (2012-14) UIt.
Withdrawal Rate (per Annum)	4%



**II Disclosure of defined benefit cost :**

Details	Year ended 31 March 2021
<b>A Amounts Recognised in Statement of Income and Expenditure</b>	
Current Service Cost	17,64,385
Past Service Cost	55,13,672
Interest Cost	-
Settlement cost / (credit)	-
<b>Cost recognised in statement of income and expenditure</b>	<b>72,78,057</b>

**III Changes in benefit obligation and assets**

Details	As at 31 March 2021
<b>A. Charges in defined benefit obligation:</b>	
Defined benefit obligation (DBO) at the end of prior period	-
Current service cost	17,64,385
Interest cost	-
Curtailment (credit)/ cost	-
Settlement (credit)/ cost	-
Past service cost - plan amendments	55,13,672
Acquisitions (credit)/ cost	-
Actuarial (gain)/loss	-
Actuarial (gain)/loss - demographic assumptions	-
Remeasurements - Due to Demographic Assumptions	-
Remeasurements - Due to Experience Adjustments	4,04,529
Benefits paid directly by the Company	(4,04,529)
Benefits paid from plan assets	-
<b>DBO at end of current period</b>	<b>72,78,057</b>
<b>B. Changes in fair value of assets:</b>	
Fair value of assets at end of prior period	-
Acquisition adjustment	-
Interest income on plan assets	-
Employer contributions	-
Return on plan assets greater/(lesser) than discount rate	-
Benefits paid	-
<b>Fair Value of assets at the end of current period</b>	<b>-</b>

**IV Additional Disclosures**

A. Expected benefit payments for the years ending	31 March 2021
2021	12,14,344
2022	7,92,053
2023	3,58,903
2024	2,68,632
2025	3,75,550



**Mahindra University**  
**Notes to the financial statements for the period ended 31 March 2021**  
*All amounts in Rupees unless otherwise stated*

**B. Current and Non current breakup**

Current liability	12,14,344
Non current liability	60,63,713
<b>Total Liability</b>	<b>72,78,057</b>

**V Sensitivity Analysis**

Details	As at 31 March 2021
---------	------------------------

**A Discount rate**

Discount rate as at year end	6.91%
Effect on DBO due to 1% increase in discount rate	66,91,868
Effect on DBO due to 1% decrease in discount rate	79,72,320

**B Salary escalation rate**

Salary escalation rate as at year end	4%
Effect on DBO due to 1% increase in salary escalation rate	80,03,691
Effect on DBO due to 1% decrease in salary escalation rate	66,55,278

**C Attrition rate**

Salary escalation rate as at year end	4%
Effect on DBO due to 1% increase in attrition rate	74,10,372
Effect on DBO due to 1% decrease in attrition rate	71,19,331


Method used for sensitivity analysis: The sensitivity results above determine their individual impact on the Plan's end of year Defined Benefit Obligation. In reality, the Plan is subject to multiple external experience items which may move the Defined Benefit Obligation in similar or opposite directions, while the Plan's sensitivity to such changes can vary over time.

The past service cost of Rs.55,13,672 represents the cost of gratuity for the period the employees served with the Sponsoring Entity.

- 25 Provision for current tax and deferred tax has not been made since the income of Company is exempted U/s 10(23C) of the Income Tax Act, 1961.



for Mahindra University

  
**Dr. Yajulu Medury**  
*Vice-Chancellor*

  
**Col Rajive Chauhan (Retd)**  
*Registrar*

  
**Ranjan Sardar**  
*Finance Officer*

Hyderabad, 10 May 2021

