

FINANCIAL REPORT

Financial Year : 2021-2022

Piramal Swasthya

Management Research Institute

OFFICE ADDRESS:

3rd Floor, Awfis Oyster Complex, 6-3-1112, Greenlands Road, Somajiguda, Hyderabad – 500016, India.

Piramal Swasthya Management and Research Institute

3rd Floor, Awfis Oyster Complex, 6-3-1112, Greenlands Road, Somajiguda, Hyderabad- 500016, India.

Balance Sheet as on March 31,2022**Amount in Rupees**

Particulars	Sch No	As at March 31,2022	As at March 31,2021
Corpus Fund	1	8,54,36,000	8,54,36,000
General Reserve		6,00,00,000	3,92,00,000
Excess of Income over Expenditure	2	32,56,58,741	31,21,61,603
Non Current Liabilities & Provisions	3		
Provisions		1,57,41,460	3,99,43,297
Current Liabilities & Provisions			
Secured Loans	4	7,36,59,432	3,29,42,499
Unsecured Loans	5	-	5,25,00,000
Grants Received in advance	17.II.v	57,80,32,614	10,93,68,488
Other Current Liabilities	6	10,83,02,834	9,47,85,767
Short term Provisions	6	4,64,60,888	82,25,936
Total		1,29,32,91,969	77,45,63,590
Non Current Assets :			
Property, Plant and Equipment :	7-A		
a) Tangible Assets		11,91,25,430	5,86,37,013
b) Intangible assets		2,91,11,362	5,18,22,725
Property, Plant and Equipment Held in Trust	7-B	7,939	7,658
Long-term Loans and Advances	8	3,43,31,581	3,41,89,938
Current Assets :			
Inventories	9	1,13,51,122	83,80,060
Receivables	10	35,39,36,392	44,36,11,078
Cash & Bank Balances	11	69,71,56,551	14,48,93,771
Short-term Loans and Advances	12	4,82,71,592	3,30,21,347
Total		1,29,32,91,969	77,45,63,590

Summary of significant accounting policies and notes

to accounts

17

The Schedules referred to above form an integral part of the financial statements.

As per our report of even date attached

For Lodha & Co**For Piramal Swasthya Management and Research Institute**

Chartered Accountants

R P Baradiya
Partner
Membership No:44101K.Chandramouli
Chief Financial OfficerAditya Natraj
Head - Piramal SwasthyaPlace: Mumbai
Date: September 20,2022Place: Mumbai
Date: September 20,2022Place:Mumbai
Date: September 20,2022

Piramal Swasthya Management and Research Institute

3rd Floor, Awfis Oyster Complex, 6-3-1112, Greenlands Road, Somajiguda, Hyderabad- 500016, India.

Income & Expenditure Statement for the Year Ended March 31,2022**Amount in Rupees**

Particulars	Sch No	Year Ended March 31,2022	Year Ended March 31,2021
Donations		4,56,18,818	13,00,00,000
Foreign Grants		41,01,79,380	17,40,57,496
Receipts			
Towards Call Centre Operations		31,12,69,606	41,40,51,831
Towards CSR Activities		61,52,85,549	19,85,89,191
Towards MMU Operations		11,41,47,494	12,74,54,708
Towards TMC & Other Health Services		3,67,90,381	5,81,18,480
Interest and Other Income	13	2,11,47,391	1,66,32,846
Total Income		1,55,44,38,619	1,11,89,04,552
EXPENDITURE			
Operating Cost	14	1,37,91,86,770	98,36,13,662
Administrative Cost	15	9,37,70,820	8,81,33,498
Finance Cost	16	88,78,616	2,24,39,663
Depreciation and Amortization	8-A	3,83,05,280	4,30,85,992
Total Expenses (D)		1,52,01,41,486	1,13,72,72,815
Surplus / (Deficit) (C)-(D) : (E)		3,42,97,133	(1,83,68,263)
Less: Transfer to General reserve		2,08,00,000	-
Net Excess of Income / (Expenditure) for the year		1,34,97,133	(1,83,68,263)

Summary of significant accounting policies and notes to accounts

17

The Schedules referred to above form an integral part of the financial statements.

As per our report of even date attached

For Lodha & Co

Chartered Accountants

For Piramal Swasthya Management and Research Institute

R P Baradiya

Partner

Membership No:44101

K.Chandramouli

Chief Financial Officer

Aditya Natraj

Head - Piramal Swasthya

Place: Mumbai

Date: September 20,2022

Place: Mumbai

Date: September 20,2022

Place: Mumbai

Date: September 20,2022

Piramal Swasthya Management and Research Institute
Schedules forming part of the Financial Statements

Amount in Rupees

Schedule - 1

Particulars	As at March 31,2022	As at March 31,2021
Corpus Fund		
Donation Received	8,54,00,000	8,54,00,000
Membership Fee	29,000	29,000
Application Fee	7,000	7,000
TOTAL	8,54,36,000	8,54,36,000

Schedule - 2

Particulars	As at March 31,2022	As at March 31,2021
Excess Of Income Over Expenditure		
Balance Brought Forward	31,21,61,608	33,05,29,866
Add/(Less): Surplus/(Deficit) for the year	1,34,97,133	(1,83,68,263)
TOTAL	32,56,58,741	31,21,61,603

Schedule - 3

Particulars	As at March 31,2022	As at March 31,2021
Long term - Provisions		
Provision for Gratuity (Refer Note 17.III.g)	-	2,44,66,290
Provision for Compensated Absences	1,57,41,460	1,54,77,007
TOTAL	1,57,41,460	3,99,43,297

Piramal Swasthya Management and Research Institute
Schedules forming part of the Financial Statements

Schedule - 4

Particulars	As at March 31,2022	As at March 31,2021
Secured Loans*		
Working Capital Loan - Cash Credit	7,36,59,432	3,19,94,940
Vehicle Loan	-	9,47,559
TOTAL	7,36,59,432	3,29,42,499

* Refer Note No. 17.III (b) & (C) for Interest rate, repayment schedule and security clause

Schedule - 5

Particulars	As at March 31,2022	As at March 31,2021
Unsecured Loans		
Piramal Enterprises Limited*	-	5,25,00,000
TOTAL	-	5,25,00,000

* Refer Note No. 17.III (d)

Schedule - 6

Particulars	As at March 31,2022	As at March 31,2021
Other Current Liabilities - Sundry Creditors		
Sundry Creditors for Expenses	7,46,21,954	4,14,97,367
Sundry Creditors for Capital Goods	21,51,112	94,90,878
Other current liabilities		
Staff Reimbursements Payable	99,32,992	38,75,588
Salaries Payable	42,43,770	85,57,086
Statutory Dues Payable	1,73,53,006	1,54,34,879
Interest Payable on Secured Loans	-	3,856
Interest Payable on Unsecured Loans	-	1,59,26,113
	10,83,02,834	9,47,85,767
Short Term Provisions		
Provision for Gratuity	4,01,65,670	26,48,368
Provision for Compensated Absences	62,95,218	55,77,568
	4,64,60,888	82,25,936
TOTAL	15,47,63,722	10,30,11,703

PIRAMAL SWASTHYA MANAGEMENT AND RESEARCH INSTITUTE

Schedules forming part of the Financial Statements

Schedule 7-A Property, Plant and Equipment - Owned

Amount in Rupees

S.No	Particulars	Rate of Deprn. (%)	Gross Block as on 1-Apr-21	Additions	Total	Deletions during the year	Total Gross Block as on 31-Mar-22 (After Deletions)	Accumulated Depreciation Upto 31-Mar-2021	Deletion of Accumulated Depreciation	Depreciation for the Year	Total Depreciation upto 31.03.2022	Opening Written Down Value as on 1-Apr-21	Closing Written Down Value as on 31-Mar-22
A	Tangible Assets												
1	Computers - Hardware	40%	5,29,19,635	4,03,36,909	9,32,56,545	34,62,502	8,97,94,042	4,28,68,108	33,81,389	96,93,590	4,91,80,308	1,00,51,490	4,06,13,734
2	Electronic & Electrical Equipment	15%	65,69,677	9,29,822	74,99,500	9,46,774	65,52,726	27,85,617	5,94,159	5,98,554	27,90,012	37,84,059	37,62,714
3	Furniture & Fixture	10%	1,38,84,704	14,25,956	1,53,10,660	13,72,689	1,39,37,971	41,40,853	7,39,277	10,33,988	44,35,563	97,43,871	95,02,407
4	Office Equipment	15%	80,56,215	2,69,270	83,25,484	13,59,497	69,65,988	40,54,261	9,62,798	6,23,770	37,15,234	40,01,962	32,50,754
5	Medical Equipment -Life Saving Equipment	40%	2,35,154	71,59,920	73,95,074	73,88,802	6,272	2,34,897	2,34,997	100	-	258	6,272
	-Other Equipment	15%	1,23,90,147	27,84,549	1,51,74,695	12,56,680	1,39,18,015	51,99,198	39,948	11,81,017	63,40,266	71,90,958	75,77,749
6	Vehicles -MMU	15%	3,61,77,326	2,30,22,805	5,92,00,131	1,26,306	5,90,73,825	1,36,08,499	1,01,452	46,98,979	1,82,06,026	2,25,63,613	4,08,67,799
	-Two Wheeler	15%	20,72,884	1,25,99,476	1,46,72,360		1,46,72,360	7,77,301		3,51,065	11,28,365	13,00,802	1,35,43,995
	Total (A)		13,23,05,742	8,85,28,707	22,08,34,449	1,59,13,250	20,49,21,198	7,36,68,733	60,54,020	1,81,81,063	8,57,95,775	5,86,37,013	11,91,25,430
B	Intangible Assets												
	- Software	40%	14,05,92,128	7,11,632	14,13,03,760	72,80,830	13,40,22,930	8,87,69,405	39,82,054	2,01,24,217	10,49,11,568	5,18,22,725	2,91,11,362
	Total (B)		14,05,92,128	7,11,632	14,13,03,760	72,80,830	13,40,22,930	8,87,69,405	39,82,054	2,01,24,217	10,49,11,568	5,18,22,725	2,91,11,362
	Total (A+B)		27,28,97,870	8,92,40,339	36,21,38,208	2,31,94,080	33,89,44,128	16,24,38,138	1,00,36,074	3,83,05,280	19,07,07,343	11,04,59,738	14,82,36,792

Piramal Swasthya Management and Research Institute
Schedules forming part of the Financial Statements

Amount in Rupees

Schedule 7-B

Property, Plant and Equipment - Held in Trust

S.No	Particulars	Opening Balance as on 1-Apr-21	Additions	Grant Applied for Acquisition of Fixed Assets	Closing Balance as at 31-Mar- 2022
1	Computers				
	- Hardware	3,370	54,41,647	54,41,455	3,562
	- Software	243	7,92,000	7,92,000	243
2	Electronic & Electrical Equipment	961	62,915	62,938	938
3	Furniture & Fixture	1,976	-	91	1,885
4	Office Equipment	944	52,39,022	52,38,960	1,006
5	Water ATM	25	1,18,954	1,18,952	27
6	Medical Equipment	137	1,09,54,320	1,09,54,181	276
7	Vehicles	2			2
	Total	7,658	2,26,08,858	2,26,08,577	7,939
Previous Year Values as on 31 Mar 21		1,91,076	1,69,03,240	1,70,86,658	7,658

Note: The PPE purchased out of Government / client Grant in Aid is shown in the Balance Sheet at nominal value, as the ultimate ownership of such assets lies with Government/Funding Agency.

Piramal Swasthya Management and Research Institute

Schedules forming part of the Financial Statements

Schedule - 8

Particulars	As at March 31,2022	As at March 31,2021
Long term Loans and Advances		
Security Deposits	1,85,36,365	1,45,57,365
Rent Deposits	22,37,601	19,70,534
Telephone & Other Deposits	4,87,851	7,01,443
Capital Advances	-	68,97,432
Tax Deducted at Source	1,30,69,764	1,00,63,165
TOTAL	3,43,31,581	3,41,89,938

Schedule - 9

Particulars	As at March 31,2022	As at March 31,2021
Inventories		
Stock of Medicines - On Hand	1,13,51,122	83,80,060
TOTAL	1,13,51,122	83,80,060

Schedule - 10

Particulars	As at March 31,2022	As at March 31,2021
Receivables (Unsecured, considered good unless otherwise stated)		
<u>Outstanding for a Period Exceeding Six Months, considered good</u>		
Receivable from various State Governments	16,98,94,565	19,52,33,800
Receivable from other than State Governments	37,88,088	43,29,087
<u>Outstanding for a Period Exceeding Six Months, considered doubtful</u>		
Receivable from various State Governments	7,55,48,455	1,38,00,350
<u>Outstanding for a Period Less than Six Months</u>		
Receivable from various State Governments	15,43,45,626	19,69,99,779
Receivable from other than State Governments	2,08,50,207	1,24,12,859
Total Receivables (A)	42,44,26,941	42,27,75,875
Less: Provision for Doubtful debts (B)	7,55,48,455	1,38,00,350
Net Receivables(C=A-B)	34,88,78,486	40,89,75,525
Unbilled Receivables (D)	50,57,906	3,46,35,553
Total Receivables (C+D)	35,39,36,392	44,36,11,078

Schedule - 11

Particulars	As at March 31,2022	As at March 31,2021
Cash & Bank Balances		
Cash On Hand	-	-
<u>Bank Balances (Other than FCRA) Accounts:</u>		
- in Current Accounts	9,74,130	2,70,826
- in Savings Accounts	96,834	12,83,881
<u>Bank Balances in FCRA Accounts:</u>		
- in Current Accounts	1,50,09,139	32,02,688
- in Savings Accounts	23,48,09,803	4,16,57,061
Fixed Deposits with Banks		
For Bank Guarantees	1,49,10,000	1,49,10,000
Out of FCRA Funds	37,12,39,910	2,18,41,000
For Margin Money - Cash Credit Limit	6,00,00,000	6,00,00,000
Others	1,16,735	17,28,315
TOTAL	69,71,56,551	14,48,93,771

Piramal Swasthya Management and Research Institute
Schedules forming part of the Financial Statements

Schedule - 12

Particulars	As at March 31,2022	As at March 31,2021
Short-term Loans and Advances		
Advances to Suppliers	1,36,31,816	61,28,516
Advances to Employees	26,16,230	3,77,661
Prepaid Expenses	31,58,582	61,27,591
Interest Accrued but not due on Deposits	1,58,04,445	1,08,00,026
Balance with GST Authorities		
GST - Input Tax Credit	-	26,58,619
GST Cash balance	37,256	9,279
IT Refund Receivable		
TDS receivable	1,30,03,407	68,94,854
Tax Collected at Source	19,855	24,800
TOTAL	4,82,71,592	3,30,21,347

Piramal Swasthya Management and Research Institute
Schedules forming part of the Financial Statements

Amount in Rupees

Schedule - 13

PARTICULARS	Year Ended March 31,2022	Year Ended March 31,2021
Interest and Other Income		
Interest Income	1,63,61,633	76,07,567
Interest on Refund of Income Tax	3,25,685	76,05,623
Bad debts recovered	22,10,903	-
Provisions No longer Required Written Back	21,55,706	4,95,830
Miscellaneous Income	93,464	9,23,826
Total	2,11,47,391	1,66,32,846

Schedule - 14

PARTICULARS	Year Ended March 31,2022	Year Ended March 31,2021
Operating Cost		
Salaries and Employee Benefits	71,60,53,484	59,29,97,680
Consultation & Contract Charges	16,77,08,873	12,19,95,898
Software Updates/Maintenance	4,24,96,025	3,85,08,922
Communication expenses	2,46,56,890	3,66,99,672
Travel & Conveyance	9,29,77,638	4,12,28,120
Drugs,Medicines,Consumables & Investigations	4,07,76,789	2,11,35,448
Vehicle Maintenance	5,08,27,286	1,78,20,292
Equipment Maintenance Charges	1,78,73,749	1,06,75,909
Rent	2,95,70,755	2,09,20,458
Earlier Year Receivables - Written off	14,62,800	49,79,059
Provision for Doubtful Debts	6,21,53,105	50,44,500
Insurance	3,07,66,186	1,29,76,623
Medical Assets Distributed	3,34,62,113	-
Operational Maintenance Expenditure	1,41,47,724	99,77,383
Staff Welfare Expenses	73,24,164	1,04,94,174
Power & Electricity	61,57,811	68,08,921
Security Services	79,04,061	82,18,916
Printing & Stationary	89,87,263	42,87,821
Awareness & Training	1,13,39,789	50,86,098
House Keeping Charges	61,68,725	45,90,778
Loss on sale of Property, Plant and Equipment	27,52,616	43,67,424
Equipment Hire Charges	59,996	40,61,952
Postage & Courier Charges	35,58,928	7,37,614
Total	1,37,91,86,770	98,36,13,662

Piramal Swasthya Management and Research Institute
Schedules forming part of the Financial Statements

Schedule - 15

PARTICULARS	Year Ended March 31,2022	Year Ended March 31,2021
Administrative Cost		
Salaries and Employee Benefits*	5,74,68,144	4,06,59,139
Consultation & Contract charges	1,10,71,261	1,21,65,831
Travel and Conveyance	27,47,915	29,43,189
Office Maintenance	91,62,034	95,61,680
Rent	31,57,843	74,49,700
Rates & Taxes	16,61,916	13,72,453
EMD and Other advances written off	2,02,183	20,61,013
Power & Electricity	13,06,402	22,04,274
Repairs & Maintenance	28,44,028	34,81,804
Staff welfare Expenses	1,03,031	2,69,977
House Keeping Charges	3,000	12,70,111
Communication expenses	10,39,442	10,01,952
Internal Audit Fee & Certification Charges	12,56,950	11,68,929
Bank Charges	7,48,074	5,67,802
Security Services	35,430	10,14,363
Statutory Audit Fee	5,00,000	4,00,000
Membership Fee	4,63,167	5,41,281
Total	9,37,70,820	8,81,33,498

*includes Gratuity and Compensated Absences for Operational staff

Schedule - 16

PARTICULARS	Year Ended March 31,2022	Year Ended March 31,2021
Finance Cost		
Interest on Unsecured Loans	43,27,997	1,54,18,574
Interest on Secured Loans	45,50,619	70,21,089
Total	88,78,616	2,24,39,663

Piramal Swasthya Management and Research Institute

Notes forming part of the Financial Statements for the year ended 31st March, 2022

Schedule 17

Significant Accounting Policies and Other notes forming part of the financial statements for the year ended 31st March, 2022

I. Organization Overview

Piramal Swasthya Management and Research Institute (PSMRI) is a Society established under Andhra Pradesh Societies Act, 2001 (as applicable to Telangana Societies Registration Act Rules, State Government of Telangana) on 8th Oct, 2007 vide registration certificate No. 1583 of 2007. The Society is registered under Section 12AA of the Income tax Act, 1961 (Vide letter No. DIT(E)/HYD/12A/46(03)/07-08. Further, the Society has been registered under the Foreign Contribution (Regulation) Act, 2010 for carrying out activities of Social nature with Registration No. 010230907, Dt. 17-Aug-2012.

The aims and objectives of the Society are to manage health related programmes for Government Health Departments and any other organisation with a view to enhance the quality, access and utilization of health facilities by leveraging State of the Art Technology.

Piramal Swasthya have been engaged with some of the most underserved population including those from tribal communities, for more than a decade and have been able to serve and achieve some outstanding outcomes. Aasara Tribal Health Programme is one of the flagship programmes of Piramal Swasthya which aims to increase institutional deliveries and reduce maternal mortality in the hard-to-reach community in the Araku Valley, Andhra Pradesh State.

A unique initiative wherein, non-governmental organisations working in the tribal health space have allied themselves with the mission of ending all preventable deaths among the tribal communities of India. It works in close partnership with the Government of India and Tribal Communities to facilitate the strengthening of primary healthcare systems and invest in tribal health research while at the same time developing and deploying technology that will enable scale, improved governance and increased accountability. Piramal Foundation leads the collaborative with other partners as BMGF and USAID. Piramal Swasthya is the implementation partner of the collaborative.

Piramal Swasthya collaborated with NITI Aayog to support the District Administration of 25 aspirational districts across 7 states to bring a positive change in the health and nutrition indicators of these districts. Mentored by NITI Aayog, these 25 districts are home to about 4.1 crore people i.e 3.4% of India's population. It focusses on 4 pillars, capacity building, community engagement, facility strengthening and effective scheme implementation.

Broadly, Piramal Swasthya is carrying out the following activities:

- a. Operating Call Centres under PPP arrangement with different State Governments of India by providing basic medical advice and counselling services, 1097 HIV Aids nationwide helpline and Mother & Child Tracking System (MCTS).
- b. Operating Mobile medical vans/units ('MMU') under Fixed Day Health Services Programme.
- c. Running of Telemedicine Centres ('TMC'), where patients are examined through video mode by our specialist doctors.
- d. Engaging in CSR activities on behalf of various PSUs and Private organisations, by operating Mobile Medical Vans, to serve the underserved and needy population.

Piramal Swasthya Management and Research Institute

Notes forming part of the Financial Statements for the year ended 31st March, 2022

- e. Providing other health related services to Ministry of Health and Family Welfare (MoHFW), MOTA (Ministry of Tribal Affairs), like Mapping of Sickle Cell Anaemia among the Tribal Communities, collation and compilation of data, mapping of organisations working in sickle cell, Data base of master trainers on sickle cell in coordination with MoHFW, data sharing mechanism and mapping of blood banks availability.

II. Significant Accounting Policies

(i) Basis of preparation of financial statements

The Balance Sheet and Income & Expenditure Statements are prepared under the historical cost convention and accounting is on accrual basis based on the Generally Accepted Accounting Policies (GAAP). There are no other entities or Trusts or Societies over which the Society exercises controlling interest, thus there is no requirement of consolidating other entities into the society’s financial statements.

(ii) Use of estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosure of contingent liabilities on the date of the financial statements. Actual results could differ from those estimates. Any revision to accounting estimates is recognised prospectively in current and future periods. Contingencies are recorded when it is probable that a liability will be incurred, and the amount can be reasonably estimated.

(iii) Property, Plant and Equipment (‘PPE’)

PPE are stated at cost of acquisition less accumulated depreciation. The cost include freight, duties, taxes and expenses incidental to the installation of the respective assets.

Intangible assets are recorded at the costs incurred for development of such assets or consideration paid for acquisition of such assets and are carried at cost less accumulated amortization.

Book depreciation on PPE is provided on the basis of Written Down Value method as provided under the Income Tax Act, 1961 at the rates mentioned below:

Particulars	Rates of Depreciation
Office Equipment	15 %
Furniture and fixtures	10 %
Computer Hardware	40 %
Computer Software	40 %
Vehicle	15 %
Medical Equipment – Life Saving	40 %
Medical Equipment – Others	15 %

Gains or losses arising from the retirement, transfer or disposal of PPE are determined as the difference between the net disposal proceeds and the carrying amount of the asset and recognized as income or expense in the Income & Expenditure Statement.

Advance paid towards the acquisition of PPE outstanding at each Balance Sheet date are disclosed as capital advance under loans and advances.

Piramal Swasthya Management and Research Institute

Notes forming part of the Financial Statements for the year ended 31st March, 2022

The cost towards PPE incurred, but not ready for their intended use before Balance Sheet date are disclosed as Capital work-in progress.

Government Grant-in-aid provided by the State Government/Funding Agency for the acquisition of PPE (non-recurring expenditure) is shown in the Balance Sheet as a deduction from the gross value of the relevant PPE and a Nominal value is reflected for such PPE in the books of accounts. Similarly, PPE received in kind as Donation is recorded at Nominal value in the books of account.

Wherever the respective State Government/ Funding Agency has not released the Non-Recurring Grant for any year, the value of such PPE procured with own funds of Piramal Swasthya, are shown as “PPE held in trust” in the Balance Sheet.

In case of donation received from clients with specific intention to spend, only the portion of amount utilized during the year is treated as revenue and any un-spent amount at the year end is transferred to Deferred donation, with the intention to spend in subsequent financial years.

(iv) Inventories

Inventories include medicines and consumables and are valued at Cost or Net realizable value, whichever is lower. The Cost of medicines and consumables (Other than received from State Govts) includes cost of purchases plus cost incurred in bringing the medicines and consumables to its present location. Cost is determined using weighted average method.

(v) Receipts, Grants and Donations

- a) Receipts from MMU, Call Centre and CSR Services are recognized as and when the services are provided based on the rate fixed in the respective Memorandum of Understanding entered into with the Government/Corporates.
- b) Donations made with a specific direction that they shall form part of the corpus fund of the society are classified as such, and are directly reflected as Society fund receipts in the balance sheet. Unrestricted grants are recognized on the basis of actual receipt of such grant. Restricted grants are recognized based on fulfillment of conditions as stipulated in the agreement with the Donor.
- c) Government Grant-in aid received from State Government towards Recurring Expenditure is recognized in the financial statements on the basis of reasonable assurance that the entity will comply with the conditions attached to them. However considering the nature of operations, revenue in these cases is recognized on submission of utilisation certificates to the respective State Governments.
- d) Government Grant-in aid received from State Government/Funding Agency against Non-recurring Expenditure (PPE) are adjusted against the Cost of the PPE as the ownership of such assets acquired and created from such Government Grant-in-aid vests with the Government/Funding Agency and the unutilized amounts of such Non Recurring Grants are reflected under Specific Purpose Funds as a Liability.
- e) Interest income is recognised using the time-proportion method, based on underlying interest rates.

(vi) Income tax

Under the provision of the Income Tax Act, 1961, the income of the society is exempt from tax, subject to the

Piramal Swasthya Management and Research Institute**Notes forming part of the Financial Statements for the year ended 31st March, 2022**

compliance of terms and conditions specified in the Act. As per Section 12AB, the Society was required to renew its registration under section 80G and Section 12AA and the Society has filed the requisite forms and renewed its registration for the period from 2022-23 to 2026-27.

(vii) Foreign exchange transactions

Transactions in foreign currency are recorded at the exchange rate prevailing on the date of transaction. Foreign currency assets and liabilities are restated at the rate prevailing as at the date of Balance Sheet. The difference between the year-end rate and exchange rate as at the date of transaction, if any is recognized as expense or income in the Income and Expenditure Account.

(viii) Provisions and Contingent liabilities

The provisions are recognised when, as a result of obligating events, there is a present obligation that probably requires an outflow of resources and reliable estimate can be made of the amount of obligation.

The contingent liability disclosure is made when, as a result of obligating events, there is a possible obligation or a present obligation that may, but probably will not, require an outflow of resources.

No provision or disclosure is made when, as a result of obligation events, there is a possible obligation or a present obligation where the likelihood of an outflow of resources is remote.

(ix) Leases

Assets acquired under lease, where the significant portion of risks and rewards of ownership are retained by the lessor are classified as operating lease. Lease rental in respect of operating lease is charged to expense when due as per terms of the related agreement.

(x) Retirement benefits**Provident fund**

All eligible employees receive benefit from provident fund, which is a defined contribution plan. Both the employee and the Society make monthly contribution to the fund, which is equal to a specified percentage of the covered employee's basic salary.

Gratuity

The Society provides gratuity, a defined benefit retirement plan, to its eligible employees. In accordance with the payment of Gratuity Act, 1972, the gratuity plan provides a lump sum payment to the eligible employees at retirement, death, incapacitation or termination of employment, of an amount based on the respective employee's basic salary and tenure of employment with the Society. The gratuity liability is accrued based on an actuarial valuation at the balance sheet date, carried out by an independent actuary.

Compensated Absences

Compensated Absences is payable to eligible employees who have earned leaves during the employment and / or on superannuation as per the Organization's policy. The liability is accrued based on an actuarial valuation at the balance sheet date, carried out by an independent actuary.

Piramal Swasthya Management and Research Institute
Notes forming part of the Financial Statements for the year ended 31st March, 2022

III. Notes to Accounts

a) **Legal and professional expenses**

Payments to auditors (excluding GST) are as below:

(Amount in Rupees)

Particulars	For the year ended	For the year ended
	March 31, 2022	March 31, 2021
Statutory audit	5,00,000	4,00,000
Other services, certification	94,400	70,750
Total	5,94,400	4,70,750

b). During the year, Cash Credit limit provided by Axis Bank Ltd, SME Centre, Hyderabad for Rs.12 crores (Previous year Rs. 12 Crores) had been renewed on 27-10-2021 for further 12 months. The interest and security details of the Cash Credit limit provided by Axis Bank Ltd, SME Centre is as under:

Interest	REPO rate (4.00%) +4.85% i.e 8.85% per annum.
Security	Primary Security: First charge on entire current assets
	Collateral Security: 1.First charge by way of hypothecation of entire unencumbered fixed assets owned by the society (excluding vehicles, assets under HP/Lease) both present and future. 2.The exposure is also secured by FDRs covering 50% of the CC limit of Rs.12 crores.
Validity of limit	25.10.2022

c) During the year, all the vehicle loans have been repaid to Axis Bank Ltd, which were availed for deployment in Mobile Medical Health Services Program.

d) Details of Unsecured Short Term Loan taken from M/s. Piramal Enterprises Limited is as under. During the year, the loan has been repaid in full.

(Amount in Rs.)

Opening Balance as on April 01, 2021	Received during the year	Repaid during the year	Balance as on March 31, 2022	Rate of Interest
5,25,00,000	Nil	5,25,00,000	-	11.00% p.a.

e). In case of certain employees whose Provident Fund A/c numbers are not linked to Aadhaar, an amount of Rs.11,746 (Previous year Rs. 63,856) is payable as on March 31, 2022, towards monthly contributions to Employees Provident Fund Organisation (EPFO). The same will be remitted upon linkage of Aadhaar Numbers to PF Account numbers of employees.

f). The Code on Social Security, 2020 ('Code') relating to employee benefits during employment and post-employment benefits has been published in the Gazette of India. However, the date on which the Code will come into effect has not been notified. The Society will assess the impact of the Code and recognise the same when the Code becomes effective.

g). Actuarial Valuation in respect of Gratuity and Compensated Absences has been carried out by an independent actuary as at the Balance Sheet date and the details are as under:

Piramal Swasthya Management and Research Institute
Notes forming part of the Financial Statements for the year ended 31st March, 2022
Gratuity Plan - Defined Employee long-term Benefits

Changes in the Present Value of Obligation:

(Amount in Rupees)

Particulars	FY 2021-22	FY 2020-21
Defined Benefit Obligation at the beginning	2,71,14,658	1,87,24,850
Interest cost	16,21,218	8,76,881
Current service cost	75,28,854	73,24,910
Prior Service Cost – Vested benefit	-	-
Benefits paid by the Organisation	(73,05,505)	(1,15,83,008)
Actuarial (Gains)/Loss on obligation	1,36,79,999	1,17,71,026
Defined Benefit Obligation at the end	4,26,39,224	2,71,14,658

Changes in the Fair Value of Plan Assets:

(Amount in Rupees)

Particulars	FY 2021-22	FY 2020-21
Fair Value of Plan Assets at the beginning	-	-
Fund Related Expenses	(2,281)	-
Expected Return on Plan Assets	86,375	-
Employer Contributions	98,05,505	1,15,83,008
Employee's Contributions	-	-
Benefits Paid	(73,05,505)	(1,15,83,008)
Net transfer in/(out) (including effect of any business combinations divestitures)	-	-
Actuarial Gain / (Loss) on the Plan Assets	(1,10,541)	-
Fair Value of Plan Assets at the end	24,73,554	-

Expenses Recognized in the Profit and Loss Account:

(Amount in Rupees)

Particulars	FY 2021-22	FY 2020-21
Current service cost	75,28,854	73,24,910
Interest cost on obligation	16,21,218	8,76,881
Past service Cost	-	-
Expected return on Plan assets	(86,375)	-
Net Actuarial (Gain) / Loss to be recognized	1,37,90,540	1,17,71,026
Total Expense recognized in Statement of Profit or Loss	2,28,54,236	1,99,72,816

Financial Assumptions

The principal financial assumptions used in the valuation are shown in the table below:

Particulars	FY 2021-22	FY 2020-21
Discount Rate (Per Annum)	7.36%	6.91%
Salary Growth Rate(Per Annum)	6%	4%
Expected Rate of Return on Plan Assets (Per Annum)	0%	0%

Valuation Assumptions

The discount rate for defined benefit plan and other long term benefits is based on the prevailing market yields of Indian Government bonds as at Balance Sheet date for the estimated term of the obligations.

The estimate of future salary increases considered for defined plan and other long term benefits takes into

Piramal Swasthya Management and Research Institute
Notes forming part of the Financial Statements for the year ended 31st March, 2022

account the inflation, seniority, promotion, increments and other relevant factors.

The above disclosure is made to the extent of information available with the society.

Compensated Absences:

Changes in the Present Value of Obligation:

(Amount in Rupees)

Particulars	FY 2021-22	FY 2020-21
Present Value Defined Benefit Obligation at the beginning	2,20,36,678	2,10,54,575
Fair value of Plane Assets at the end	-	-
Funded Status – Deficit / (Surplus)	2,20,36,678	2,10,54,575
Unrecognised Past Service Cost	-	-
Effects of the Asset ceiling	-	-
Net Liability / (Asset) at the end of the period	2,20,36,678	2,10,54,575

Expenses Recognized in the Profit and Loss Account:

(Amount in Rupees)

Particulars	FY 2021-22	FY 2020-21
Total Expense recognized in Statement of Profit or Loss	45,47,810	1,50,45,335

Financial Assumptions

The principal financial assumptions used in the valuation are shown in the table below:

Particulars	FY 2021-22	FY 2020-21
Discount Rate (Per Annum)	7.36%	6.91%
Salary Growth Rate(Per Annum)	6%	4%
Expected Rate of Return on Plan Assets (Per Annum)	0%	0%

All costs, liabilities and other factors under the Plan were determined in accordance with generally accepted actuarial principles and procedures as under AS 15 Employee Benefits (Revised 2005)

h). Contingent Liabilities – NIL

i). During the year the Society has received the following amount in the FCRA designated Bank Account as foreign contribution from the various organisations and individuals as mentioned below.

Description	FY 2021-22		FY 2020-21	
	Foreign Currency in USD	Amount in INR	Foreign Currency in USD	Amount in INR
Bill & Melinda Gates Foundation	48,86,558	36,05,90,066	20,00,000	14,71,62,668
Silicon Valley Community Foundation	30,00,000	21,65,63,400	-	-
USAID	NA*	19,84,31,509	-	-
Rockefeller Foundation	7,99,960	5,93,97,030	5,00,000	3,69,95,137
Fidelity Asia Pacific Foundation	3,44,744	2,59,66,118	-	-
World Diabetes Foundation	3,00,000	2,26,20,000	5,02,794	3,70,64,905
PATH	2,99,037	2,26,13,474	-	-
Pratham USA	2,40,550	1,76,36,240	-	-
MUFG Bank Ltd	NA*	75,72,950	-	1,06,02,130
IMA Asia	15,400	11,22,079	-	-

Piramal Swasthya Management and Research Institute

Notes forming part of the Financial Statements for the year ended 31st March, 2022

Atin Kukreja	67,960	49,55,643	-	-
Sonali Thakker	NA*	7,50,000	-	-
Total:		93,82,18,509	30,02,794	23,18,24,841

*As per the payment advise received from the donor and the Bank, these amounts were transferred to the Society in INR.

j). **Information to be disclosed in accordance with AS 19 on ‘Leases’**

Assets taken on Operating Lease:

The Minimum operating lease payments for the initial lease period as under:

Particulars	As at 31-3-2022 (Amount in Rs)	As at 31-3-2021 (Amount in Rs)
Not later than one year	1,89,35,750	2,74,02,445
Later than one year and not later than five years	1,31,90,159	2,01,68,672

- k). During the Financial Years 2015-16 to 2018-19, the Society had run 280 Mobile Medical Units under Village Health Outreach Programme as per the agreement entered into with the Government of Andhra Pradesh on 27th February, 2016. In respect of the said programme an amount of Rs.7,22,14,310 is yet to be received from the Government of Andhra Pradesh and the same is outstanding for more than 3 years.

In order to expedite the recovery of the aforesaid dues the Society has applied to the High Court of Andhra Pradesh (‘High Court’) for the appointment of an Arbitrator as per the provisions of the aforesaid agreement. The Government of Andhra Pradesh has asked for time to produce the details, and documents in defense of their arguments in the High Court. The case is expected to be posted for the next hearing by end of September 2022. Based on the internal assessment of the Management and the opinion of its legal consultant/s the Society does not foresee any issue in the recoverability of the said dues and thus, no provision has been considered necessary in respect of the aforesaid receivables.

- l). The Society has complied with the Notification No. G.S.R. 40(E) dated 22nd January, 2021 issued by the Ministry of Corporate Affairs for filing of Form CSR-1 in order to register as a CSR implementing agency. The said form was filed on 2nd April, 2021 and has been approved by the Registrar of Companies.
- m). Previous year figures have been regrouped/ reclassified, as necessary to make them comparable with the current year’s presentation.

Signatories to Notes 1 to 17

For Piramal Swasthya Management and Research Institute

K. Chandramouli
Chief Financial Officer

Aditya Natraj
Head- Piramal Swasthya

Place: Mumbai
Date: 20 September, 2022

Place: Mumbai
Date: 20 September, 2022