

INDEPENDENT AUDITOR'S REPORT

To the Members of
General Body of Piramal Swasthya Management and Research Institute

Opinion

We have audited the accompanying financial statements of **Piramal Swasthya Management and Research Institute** ("the Society"), which comprise the Balance Sheet as at 31st March 2023, the Statement of Income and Expenditure for the year ended and a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Society as at March 31, 2023 and its excess of income over expenditure for the year ended on that date.

Basis for Opinion

We conducted our audit of the financial statements in accordance with the Standards on Auditing ('SAs') issued by the Institute of Chartered Accountants of India ('ICAI'). Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Society in accordance with the Code of Ethics issued by ICAI and we have fulfilled our other ethical responsibilities in accordance with the ICAI's Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the financial statements.

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

The Entity's Governing Board are responsible for the preparation of these financial statements in accordance with the accounting principles generally accepted in India and for such internal control as management determines us necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Governing Board is responsible for assessing the Society's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Governing Board either intends to liquidate the Society or to cease operations, or has no realistic alternative but to do so.

The Governing Board is responsible for overseeing the Society's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objective is 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 scepticism 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 financial controls 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 Society's Internal Financial Controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Governing Board.
- 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 Society's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Society to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the financial statements that individually or in aggregate makes it probable that the economic decisions of a reasonably knowledgeable user of the financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) Planning the scope of our audit work and in evaluating the results of our work and (ii) To evaluate the effect of an identified misstatements in the financial statements.

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.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

For Lodha & Co.
Chartered Accountants
Firm Registration No.301051E

R P Baradiya
Partner
Membership No.: 044101
UDIN: 23044101BGTSNT8216

Place : Mumbai
Date: 15.09.2023

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 31,2023 **Amount in Rupees**

Particulars	Sch No	As at March 31,2023	As at March 31,2022
Corpus Fund	1	8,54,36,000	8,54,36,000
General Reserve		6,50,00,000	6,00,00,000
Excess of Income over Expenditure	2	33,89,82,744	32,56,58,742
Non Current Liabilities & Provisions	3		
Provisions		1,07,25,323	1,57,41,460
Current Liabilities & Provisions			
Secured Loans	4	1,89,58,876	7,36,59,432
Grants Received in advance		59,28,90,907	57,80,32,614
Other Current Liabilities	5	11,43,74,592	10,83,02,834
Short term Provisions	5	3,40,72,048	4,64,60,888
Total		1,26,04,40,490	1,29,32,91,970
Non Current Assets :			
Property, Plant and Equipment :	6-A		
a) Tangible Assets		15,13,88,744	11,91,25,430
b) Intangible assets		72,95,955	2,91,11,362
Property, Plant and Equipment Held in Trust	6-B	6,095	7,939
Long-term Loans and Advances	7	4,81,23,869	3,43,31,581
Current Assets :			
Inventories	8	1,33,58,198	1,13,51,122
Receivables	9	25,40,50,999	35,39,36,392
Cash & Bank Balances	10	73,56,07,079	69,81,56,101
Short-term Loans and Advances	11	5,06,09,551	4,72,72,042
Total		1,26,04,40,490	1,29,32,91,969

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 15,2023

Place: Mumbai

Date: September 15,2023

Place:Mumbai

Date: September 15,2023

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 31,2023**Amount in Rupees**

Particulars	Sch No	Year Ended March 31,2023	Year Ended March 31,2022
Donations		85,340	4,56,18,818
Foreign Grants		1,07,86,87,345	41,01,79,380
Receipts			
Towards Call Centre Operations		16,15,27,530	30,76,08,589
Towards CSR Activities		54,92,78,314	61,52,85,549
Towards MMU Operations		12,60,42,986	11,09,30,721
Towards TMC & Other Health Services		75,45,560	3,67,90,381
Interest and Other Income	13	91,56,088	2,11,47,391
Total Income		1,93,23,23,163	1,54,75,60,829
EXPENDITURE			
Operating Cost	14	1,74,79,81,919	1,37,29,56,979
Administrative Cost	15	11,93,72,667	9,31,22,820
Finance Cost	16	56,96,933	88,78,616
Depreciation and Amortization	8-A	4,09,47,641	3,83,05,280
Total Expenses (D)		1,91,39,99,160	1,51,32,63,695
Surplus / (Deficit) (C)-(D) : (E)		1,83,24,003	3,42,97,134
Less: Transfer to General reserve		50,00,000	2,08,00,000
Net Excess of Income / (Expenditure) for the year		1,33,24,003	1,34,97,134

Summary of significant accounting policies and notes to accounts

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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 15,2023Place: Mumbai
Date: September 15,2023Place: Mumbai
Date: September 15,2023

Piramal Swasthya Management and Research Institute

Schedules forming part of the Financial Statements

Amount in Rupees

Schedule - 1

Particulars	As at March 31,2023	As at March 31,2022
Corpus Fund		
Donation Received	8,54,00,000	8,54,00,000
Membership Fee	24,000	24,000
Application Fee	12,000	12,000
TOTAL	8,54,36,000	8,54,36,000

Schedule - 2

Particulars	As at March 31,2023	As at March 31,2022
Excess Of Income Over Expenditure		
Balance Brought Forward	32,56,58,741	31,21,61,608
Add/(Less): Surplus/(Deficit) for the year	1,33,24,003	1,34,97,134
TOTAL	33,89,82,744	32,56,58,742

Schedule - 3

Particulars	As at March 31,2023	As at March 31,2022
Long term - Provisions		
Provision for Gratuity (Refer Note 17.III.g)	-	-
Provision for Compensated Absences	1,07,25,323	1,57,41,460
TOTAL	1,07,25,323	1,57,41,460

Piramal Swasthya Management and Research Institute

Schedules forming part of the Financial Statements

Schedule - 4

Particulars	As at March 31,2023	As at March 31,2022
Secured Loans*		
Working Capital Loan - Cash Credit	1,89,58,876	7,36,59,432
TOTAL	1,89,58,876	7,36,59,432

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

Schedule - 5

Particulars	As at March 31,2023	As at March 31,2022
Other Current Liabilities - Sundry Creditors		
Sundry Creditors for Expenses	6,63,41,183	7,46,21,954
Sundry Creditors for Capital Goods	75,04,261	21,51,112
Other current liabilities		
Staff Reimbursements Payable	83,47,868	99,32,992
Salaries Payable	12,25,023	34,30,411
Fellowship Payable	1,14,974	3,53,359
Security Deposit - fellows	1,69,78,830	4,60,000
Statutory Dues Payable	1,38,62,453	1,73,53,006
	11,43,74,592	10,83,02,834
Short Term Provisions		
Provision for Gratuity	2,89,90,337	4,01,65,670
Provision for Compensated Absences	50,81,711	62,95,218
	3,40,72,048	4,64,60,888
TOTAL	14,84,46,640	15,47,63,722

Piramal Swasthya Management and Research Institute

Schedules forming part of the Financial Statements

Schedule - 7

Particulars	As at March 31,2023	As at March 31,2022
Long term Loans and Advances		
Security Deposits	1,69,93,365	1,85,36,365
Rent Deposits	47,31,801	22,37,601
Telephone & Other Deposits	4,17,851	4,87,851
Tax Deducted at Source	2,59,80,852	1,30,69,764
TOTAL	4,81,23,869	3,43,31,581

Schedule - 8

Particulars	As at March 31,2023	As at March 31,2022
Inventories		
Stock of Medicines - On Hand	1,33,58,198	1,13,51,122
TOTAL	1,33,58,198	1,13,51,122

Schedule - 9

Particulars	As at March 31,2023	As at March 31,2022
Receivables (Unsecured, considered good unless otherwise stated)		
<u>Outstanding for a Period Exceeding Six Months, considered good</u>		
Receivable from various State Governments	9,65,49,046	16,98,94,565
Receivable from other than State Governments	-	37,88,088
<u>Outstanding for a Period Exceeding Six Months, considered doubtful</u>		
Receivable from various State Governments	13,70,86,976	7,55,48,455
<u>Outstanding for a Period Less than Six Months</u>		
Receivable from various State Governments	12,66,08,850	15,43,45,626
Receivable from other than State Governments	3,08,93,104	2,08,50,207
Total Receivables (A)	39,11,37,975	42,44,26,941
Less: Provision for Doubtful debts (B)	13,70,86,976	7,55,48,455
Net Receivables(C=A-B)	25,40,50,999	34,88,78,486
Unbilled Receivables (D)	-	50,57,906
Total Receivables (C+D)	25,40,50,999	35,39,36,392

Schedule - 10

Particulars	As at March 31,2023	As at March 31,2022
Cash & Bank Balances		
Cash On Hand	-	-
Bank Balances (Other than FCRA) Accounts:	5,81,996	10,70,964
- in Current Accounts	2,48,002	9,74,130
- in Savings Accounts	3,33,994	96,834
Bank Balances in FCRA Accounts:	13,95,20,455	24,98,18,942
- in Current Accounts	7,35,13,579	1,50,09,139
- in Savings Accounts	6,60,06,876	23,48,09,803
Fixed Deposits with Banks		
For Bank Guarantees	99,10,000	1,49,10,000
Out of FCRA Funds	52,45,94,627	37,12,39,910
For Margin Money - Cash Credit Limit	6,00,00,000	6,00,00,000
Others	10,00,000	11,16,285
TOTAL	73,56,07,079	69,81,56,101

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

Schedule - 11

Particulars	As at March 31,2023	As at March 31,2022
Short-term Loans and Advances		
Advances to Suppliers	56,40,203	1,36,31,816
Advances to Employees	13,25,069	26,16,230
Prepaid Expenses	54,42,134	31,58,582
Interest Accrued but not due on Deposits	2,66,80,238	1,48,04,895
Interest Accrued & due on IT Refund	9,81,385	-
Balance with GST Authorities		
GST - Input Tax Credit	3,16,745	-
GST Cash balance	1,18,275	37,256
IT Refund Receivable		
TDS receivable	1,00,89,691	1,30,03,407
Tax Collected at Source	15,812	19,855
TOTAL	5,06,09,551	4,72,72,042

PIRAMAL SWASTHYA MANAGEMENT AND RESEARCH INSTITUTE

Schedules forming part of the Financial Statements

Schedule 6-A Property, Plant and Equipment - Owned

Amount in Rupees

S.No	Particulars	Rate of Deprn. (%)	Gross Block as on 1-Apr-22	Additions	Total	Deletions during the year	Total Gross Block as on 31-Mar-23 (After Deletions)	Accumulated Depreciation Upto 31-Mar-2022	Deletion of Accumulated Depreciation	Depreciation for the Year	Total Depreciation upto 31.03.2023	Opening Written Down Value as on 1-Apr-22	Closing Written Down Value as on 31-Mar-23
A	Tangible Assets												
1	Computers												
	- Hardware	40%	8,97,94,042	4,33,51,342	13,31,45,384	56,10,026	12,75,35,358	4,91,80,308	44,31,180	2,36,69,836	6,84,18,964	4,06,13,734	5,91,16,394
2	Electronic & Electrical Equipment	15%	65,52,726	66,21,505	1,31,74,230	6,61,870	1,25,12,360	27,90,012		8,45,641	36,35,653	37,62,714	88,76,707
3	Furniture & Fixture	10%	1,39,37,971	24,67,258	1,64,05,229	1,49,215	1,62,56,014	44,35,563	53,955	9,96,449	53,78,058	95,02,407	1,08,77,956
4	Office Equipment	15%	69,65,988	89,89,764	1,59,55,752	99,166	1,58,56,586	37,15,234	50,470	8,76,891	45,41,655	32,50,754	1,13,14,932
5	Medical Equipment												
	-Life Saving Equipment	40%	6,272		6,272		6,272	-			-	6,272	6,272
	-Other Equipment	15%	1,39,18,015	80,77,570	2,19,95,586	70,63,150	1,49,32,435	63,40,266	15,899	12,27,467	75,51,834	75,77,749	73,80,601
6	Vehicles												
	-MMU	15%	5,90,78,926		5,90,78,926	39,60,538	5,51,18,388	1,82,06,026	18,51,308	59,34,078	2,22,88,796	4,08,72,900	3,28,29,592
	-Two Wheeler	15%	1,46,67,259	1,00,54,588	2,47,21,847		2,47,21,847	11,28,366		26,07,200	37,35,565	1,35,38,892	2,09,86,281
	Total (A)		20,49,21,198	7,95,62,027	28,44,83,225	1,75,43,966	26,69,39,259	8,57,95,776	64,02,813	3,61,57,562	11,55,50,524	11,91,25,429	15,13,88,744
B	Intangible Assets												
	- Software	40%	13,40,22,930	1,95,569	13,42,18,499	5,98,16,792	7,44,01,707	10,49,11,568	4,25,95,895	47,90,079	6,71,05,752	2,91,11,362	72,95,955
	Total (B)		13,40,22,930	1,95,569	13,42,18,499	5,98,16,792	7,44,01,707	10,49,11,568	4,25,95,895	47,90,079	6,71,05,752	2,91,11,362	72,95,955
	Total (A+B)		33,89,44,128	7,97,57,596	41,87,01,724	7,73,60,758	34,13,40,966	19,07,07,344	4,89,98,708	4,09,47,641	18,26,56,277	14,82,36,791	15,86,84,698

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

Amount in Rupees

Schedule 6-B

Property, Plant and Equipment - Held in Trust

S.No	Particulars	Opening Balance as on 1-Apr-22	Additions	Grant Applied for Acquisition of Fixed Assets	Closing Balance as at 31-Mar-2023
1	Computers				
	- Hardware	3,562	10,21,585	10,22,192	2,955
	- Software	243		104	139
2	Electronic & Electrical Equipment	938		241	697
3	Furniture & Fixture	1,885		855	1,030
4	Office Equipment	1,005	14,042	14,075	972
5	Water ATM	28			28
6	Medical Equipment	276		4	272
7	Vehicles	2			2
	Total	7,940	10,35,627	10,37,471	6,095
	Previous Year Values as on 31 Mar 22	7,658	2,26,08,858	2,26,08,577	7,939

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 - 13

PARTICULARS	Year Ended March 31,2023	Year Ended March 31,2022
Interest and Other Income		
Interest Income	52,35,092	1,63,61,633
Interest on Refund of Income Tax	9,81,385	3,25,685
Bad debts recovered	-	22,10,903
Provisions No longer Required Written Back	25,36,219	21,55,706
Miscellaneous Income	4,03,392	93,464
Total	91,56,088	2,11,47,391

Schedule - 14

PARTICULARS	Year Ended March 31,2023	Year Ended March 31,2022
Operating Cost		
Salaries and Employee Benefits	77,71,68,925	68,58,32,125
Consultation & Contract Charges	24,58,07,052	16,77,08,873
Fellowship	9,01,86,406	3,02,21,359
Software Updates/Maintenance	5,15,80,408	4,24,96,025
Communication expenses	1,43,25,001	2,46,56,890
Travel & Conveyance	13,08,30,277	9,29,77,638
Drugs,Medicines,Consumables & Investigations	4,17,68,954	4,07,76,789
Vehicle Maintenance & Hire charges	13,70,00,643	5,08,27,286
Repairs & Maintenance	1,73,52,523	1,28,68,088
Annual Maintenance Charges	15,63,323	50,05,660
Rent	3,46,76,094	3,01,83,325
Earlier Year Receivables - Written off	76,738	14,62,800
Provision for Doubtful Debts	7,53,38,871	6,21,53,105
Insurance	3,12,80,223	3,07,66,186
Medical Assets Distributed	80,57,780	3,34,62,113
Operational Maintenance Expenditure	1,03,00,372	72,69,934
Staff Welfare Expenses	92,01,310	73,21,164
Power & Electricity	42,85,106	61,57,811
Security Services	82,38,058	79,39,491
Printing & Stationary	97,68,216	89,87,263
Awareness & Training	2,02,99,315	1,13,39,789
House Keeping Charges	64,81,316	61,71,725
Loss on sale/discard of Property, Plant and Equipme	14,63,811	27,52,616
Impairment of assets	1,72,19,421	-
Equipment Hire Charges	60,429	59,996
Postage & Courier Charges	36,51,347	35,58,928
Total	1,74,79,81,919	1,37,29,56,979

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

Schedule - 15

PARTICULARS	Year Ended March 31,2023	Year Ended March 31,2022
Administrative Cost		
Salaries and Employee Benefits*	6,71,87,273	5,74,68,144
Consultation & Contract charges	1,33,36,240	1,10,71,261
Travel and Conveyance	53,79,366	27,47,915
Office Maintenance	87,37,701	78,96,417
Meetings & Conferences	76,23,578	12,65,617
Rent	26,65,722	25,45,273
Rates & Taxes	5,35,886	16,61,916
EMD and Other advances written off	1,16,015	2,02,183
Power & Electricity	13,29,831	13,06,402
Repairs & Maintenance	1,91,100	42,889
Annual Maintenance Charges	74,54,974	28,01,139
Staff welfare Expenses	1,10,747	1,06,031
Communication expenses	18,20,221	10,39,442
Internal Audit Fee & Certification Charges	11,14,576	12,56,950
Bank Charges	10,61,970	7,48,074
Statutory Audit Fee	5,00,000	5,00,000
Membership & Subscription Fee	2,07,467	4,63,167
Total	11,93,72,667	9,31,22,820

*includes Gratuity and Compensated Absences for Operational staff

Schedule - 16

PARTICULARS	Year Ended March 31,2023	Year Ended March 31,2022
Finance Cost		
Interest on Working capital	56,96,933	45,36,815
Interest on Unsecured Loans	-	43,27,997
Interest on Secured Loans	-	13,804
Total	56,96,933	88,78,616

Piramal Swasthya Management and Research Institute
Notes forming part of the Financial Statements for the year ended 31st March, 2023

Schedule 17

Significant Accounting Policies and Other notes forming part of the financial statements for the year ended 31st March, 2023

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 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. The Tribal Health Collaborative (THC) - Anamaya is one of the flagship initiatives of Piramal Swasthya which works for tribal populations across 45 tribal districts. It is 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. The initiative is aimed to be a platform wherein government, non-government, private, grassroots and community-level organisations work in the tribal health space to improve the health and nutrition status of tribal and marginalised communities of India.

Another flagship initiative of Piramal Swasthya is the Digital Bharat Collaborative (DBC). DBC addresses both the supply and demand sides to transform the delivery of public services with increased accountability, accessibility, quality of service and equal opportunities for all. It supports the government to provide high-quality service delivery through a holistic digital transformation with a robust systems integration approach and a model for sustained collaboration.

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. The scope of the programme now has been expanded across 112 Aspirational Districts spread across India. It focuses on 4 pillars, capacity building, community engagement, facility strengthening and effective scheme implementation.

Activities carried out by Piramal Swasthya are summarised as follows:

- 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.

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- 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.
- e. Providing other health related services to Ministry of Health and Family Welfare (MoHFW), MOTA (Ministry of Tribal Affairs), like Tuberculosis active case identification, among the Tribal Communities, collation and compilation of data.
- f. Working in partnership with Bihar State Government for strengthening State Health System through sustainable, transformative and impactful interventions. This transformation is driven through two focus areas - Strengthening institutions into future-ready, technologically enabled, Centres of Excellence and Setting up efficient & effective healthcare cadres across levels.
- g. Setting up and operating Command and Control Centre (CCC) in Bihar and Uttar Pradesh to strengthen the state health systems, improve governance and monitoring of health program delivery.
- h. Running *Anaemia Mukd* Campaign across Aspirational Districts in line with the Ministry of Health and Family Welfare's *Anaemia Mukd Bharat* Programme with a special focus on the health and nutrition needs of children, adolescents, and women of reproductive age including pregnant women and lactating mothers.
- i. Providing Maternal, Newborn and Child Health (MNCH) services to Assam's tea garden workers, with an aim to increase access to high-quality MNCH services and improve the capability of institutions in the State.
- j. Working across 31 districts of Assam with predominantly tribal populations and marginalized and vulnerable communities, for providing a continuum of care for Diabetes & Hypertension using telemedicine-enabled mobile medical care.
- k. Running an active case-finding campaign for Tuberculosis (TB) and COVID-19 Awareness in tribal and hard-to-reach areas, increasing awareness regarding TB and COVID-19, and epidemic preparedness.

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 includes 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

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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.

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

Piramal Swasthya Management and Research Institute

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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 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.

Piramal Swasthya Management and Research Institute
Notes forming part of the Financial Statements for the year ended 31st March, 2023
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.

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, 2023	March 31, 2022
Statutory audit	5,00,000	5,00,000
Other services, certification	1,48,144	94,400
Total	6,48,144	5,94,400

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 17-10-2022 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+4.10% i.e., 10 % p.a.
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	16.10.2023

d). 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, 2023

Gratuity Plan - Defined Employee long-term Benefits

Changes in the Present Value of Obligation:

(Amount in Rupees)

Particulars	FY 2022-23	FY 2021-22
Defined Benefit Obligation at the beginning	4,26,39,224	2,71,14,658
Interest cost	25,04,218	16,21,218
Current service cost	1,18,93,798	75,28,854
Prior Service Cost – Vested benefit	-	-
Benefits paid by the Organisation	(1,43,07,808)	(73,05,505)
Actuarial (Gains)/Loss on obligation	88,42,320	1,36,79,999
Defined Benefit Obligation at the end	4,86,50,519	4,26,39,224

Changes in the Fair Value of Plan Assets:

(Amount in Rupees)

Particulars	FY 2022-23	FY 2021-22
Fair Value of Plan Assets at the beginning	24,73,554	-
Fund Related Expenses	-	(2,281)
Expected Return on Plan Assets	8,10,552	86,375
Employer Contributions	3,43,07,808	98,05,505
Employee's Contributions		-
Benefits Paid	(1,72,29,041)	(73,05,505)
Net transfer in/(out) (including effect of any business combinations / divestitures)		-
Actuarial Gain / (Loss) on the Plan Assets	(7,02,691)	(1,10,541)
Fair Value of Plan Assets at the end	1,96,60,182	24,73,554

Expenses Recognized in the Profit and Loss Account:

(Amount in Rupees)

Particulars	FY 2022-23	FY 2021-22
Current service cost	1,18,93,798	75,28,854
Interest cost on obligation	25,04,218	16,21,218
Past service Cost		-
Expected return on Plan assets	(8,10,552)	(86,375)
Net Actuarial (Gain) / Loss to be recognized	95,45,011	1,37,90,540
Total Expense recognized in Statement of Profit or Loss	2,31,32,475	2,28,54,236

Financial Assumptions

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

Particulars	FY 2022-23	FY 2021-22
Discount Rate (Per Annum)	7.50%	7.36%
Salary Growth Rate (Per Annum)	8%	6%
Expected Rate of Return on Plan Assets (Per Annum)	7.50%	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.

Piramal Swasthya Management and Research Institute
Notes forming part of the Financial Statements for the year ended 31st March, 2023

The estimate of future salary increases considered for defined plan and other long-term benefits takes into 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 2022-23	FY 2021-22
Present Value Defined Benefit Obligation at the beginning	1,58,07,034	2,20,36,678
Fair value of Plane Assets at the end		-
Funded Status – Deficit / (Surplus)	1,58,07,034	2,20,36,678
Unrecognised Past Service Cost		-
Effects of the Asset ceiling		-
Net Liability / (Asset) at the end of the period	1,58,07,034	2,20,36,678

Expenses Recognized in the Profit and Loss Account:

(Amount in Rupees)

Particulars	FY 2022-23	FY 2021-22
Total Expense recognized in Statement of Profit or Loss	17,76,526	45,47,810

Financial Assumptions

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

Particulars	FY 2022-23	FY 2021-22
Discount Rate (Per Annum)	7.50%	7.36%
Salary Growth Rate (Per Annum)	8%	6%
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)

- e). Contingent Liabilities – NIL
- f). Capital Commitments– NIL

Piramal Swasthya Management and Research Institute
Notes forming part of the Financial Statements for the year ended 31st March, 2023

- g). 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 2022-23		FY 2021-22	
	Foreign Currency in USD	Amount in INR	Foreign Currency in USD	Amount in INR
Bill & Melinda Gates Foundation	53,00,000	40,91,54,000	48,86,558	36,05,90,066
Silicon Valley Community Foundation	NA*	22,72,00,500	30,00,000	21,65,63,400
USAID	NA*	36,79,42,809	NA*	19,84,31,509
Rockefeller Foundation		-	7,99,960	5,93,97,030
Fidelity Asia Pacific Foundation	1,05,617	85,25,404	3,44,744	2,59,66,118
World Diabetes Foundation	2,50,000	2,06,07,500	3,00,000	2,26,20,000
PATH	1,44,860	1,19,02,953	2,99,037	2,26,13,474
Pratham USA		-	2,40,550	1,76,36,240
MUFG Bank Ltd	NA*	2,54,09,875	NA*	75,72,950
IMA Asia		-	15,400	11,22,079
Atin Kukreja		-	67,960	49,55,643
Sonali Thakker		-	NA*	7,50,000
PF USA	190	15,460		
Give Foundation	NA*	1,879		
Global Health and Development	NA*	9,70,506		
Total:		1,07,17,30,887		93,82,18,509

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

- h). **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 31-3-2023 (Amount in Rs)	As at 31-3-2022 (Amount in Rs)
Not later than one year	2,29,34,002	1,89,35,750
Later than one year and not later than five years	1,44,95,683	1,31,90,159

- i). 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 2023. However, in the view of outstanding more than 4 years and long drawn legal procedure for the final outcome, the management has made 100% provision against this amount.

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Notes forming part of the Financial Statements for the year ended 31st March, 2023

- j). 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: Hyderabad
Date: September 15, 2023

Place: Hyderabad
Date: September 15, 2023