

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 2024, the Statement of Income and Expenditure for the year ended and a summary of material 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, 2024 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 Society 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. LLP
Chartered Accountants
Firm Registration No.301051E/E300284

R P Baradiya
Partner
Membership No.: 044101
UDIN: 24044101BKCLXN5827

Place : Mumbai
Date: 29.08.2024

Piramal Swasthya Management and Research Institute

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

(Amount in INR, unless otherwise stated)

Balance Sheet as on March 31,2024

Particulars	Sch No	As at March 31,2024	As at March 31,2023
Corpus Fund	1	8,54,36,000	8,54,36,000
General Reserve		6,67,13,000	6,50,00,000
PPE Contribution Fund	2	-	-
Excess of Income over Expenditure	3	35,44,02,949	33,89,82,745
Non Current Liabilities & Provisions	4		
Provisions		3,91,80,202	1,07,25,323
Current Liabilities & Provisions			
Secured Loans	5	6,91,44,570	1,89,58,876
Grants Received in advance		1,38,52,87,295	59,28,90,907
Other Current Liabilities	6	15,90,45,550	11,43,74,592
Short term Provisions	6	5,18,76,452	3,40,72,048
Total		2,21,10,86,017	1,26,04,40,490
Non Current Assets:			
Property, Plant and Equipment :	7-A		
a) Tangible Assets		11,31,93,246	15,13,88,744
b) Intangible assets		38,98,860	72,95,955
Property, Plant and Equipment Held in Trust	8-B	3,347	6,095
Long-term Loans and Advances	8	4,30,97,237	5,00,78,140
Current Assets:			
Inventories	9	1,46,39,722	1,33,58,198
Receivables	10	21,58,65,075	25,40,50,999
Cash & Bank Balances	11	1,71,76,47,919	73,56,07,079
Short-term Loans and Advances	12	10,27,40,611	4,86,55,281
Total		2,21,10,86,017	1,26,04,40,490

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. LLP**For Piramal Swasthya Management and Research Institute**

Chartered Accountants

R P Baradiya
PartnerK.Chandramouli
CTM-Entity ControlAditya Natraj
Head - Piramal SwasthyaPlace: Mumbai
Date: 29.08.2024Place: Hyderabad
Date: 29.08.2024Place:Mumbai
Date: 29.08.2024

Piramal Swasthya Management and Research Institute

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

(Amount in INR, unless otherwise stated)

Income & Expenditure Statement for the Year Ended March 31,2024

Particulars	Sch No	Year Ended March 31,2024	Year Ended March 31,2023
Donations		-	85,340
Foreign Grants		1,55,17,09,956	1,07,86,87,345
<u>Receipts</u>			
Towards Call Centre Operations		15,18,42,787	16,15,27,530
Towards CSR Activities		58,38,83,918	54,92,78,314
Towards MMU Operations		14,04,41,946	12,60,42,986
Towards TMC & Other Health Services		71,04,016	75,45,560
Interest and Other Income	13	76,71,701	91,56,088
Total Income		2,44,26,54,323	1,93,23,23,163
EXPENDITURE			
Operating Cost	14	2,10,29,12,669	1,65,68,73,727
Administrative Cost	15	27,56,38,283	21,04,80,858
Finance Cost	16	66,55,728	56,96,933
Depreciation and Amortization	7-A	4,03,14,440	4,09,47,641
Total Expenses (D)		2,42,55,21,120	1,91,39,99,159
Surplus / (Deficit) (C)-(D) : (E)		1,71,33,203	1,83,24,004
Less:Transfer to General reserve		17,13,000	50,00,000
Net Excess of Income / (Expenditure) for the year		1,54,20,203	1,33,24,004

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. LLP

Chartered Accountants

For Piramal Swasthya Management and Research InstituteR P Baradiya
PartnerK.Chandramouli
CTM-Entity ControlAditya Natraj
Head - Piramal SwasthyaPlace: Mumbai
Date: 29.08.2024Place: Hyderabad
Date: 29.08.2024Place:Mumbai
Date: 29.08.2024

Piramal Swasthya Management and Research Institute
Schedules forming part of the Financial Statements
(Amount in INR, unless otherwise stated)

Schedule - 1

Particulars	As at March 31,2024	As at March 31,2023
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 31,2024	As at March 31,2023
PPE Contribution Fund		
Add: Amount received during the year	5,22,93,239	-
Less:Amount Utilized against purchase of Fixed Assets	(5,22,93,239)	-
TOTAL	-	-

Schedule - 3

Particulars	As at March 31,2024	As at March 31,2023
Excess Of Income Over Expenditure		
Balance Brought Forward	33,89,82,746	32,56,58,741
Add/(Less): Surplus/(Deficit) for the year	1,54,20,203	1,33,24,004
TOTAL	35,44,02,949	33,89,82,745

Schedule - 4

Particulars	As at March 31,2024	As at March 31,2023
Long term - Provisions		
Provision for Gratuity*	-	-
Provision for Compensated Absences	3,91,80,202	1,07,25,323
TOTAL	3,91,80,202	1,07,25,323

*Refer Note 17.III.(c)

Schedule - 5

Particulars	As at March 31,2024	As at March 31,2023
Secured Loans*		
Working Capital Loan - Cash Credit	6,91,44,570	1,89,58,876
TOTAL	6,91,44,570	1,89,58,876

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

Piramal Swasthya Management and Research Institute

Schedules forming part of the Financial Statements

(Amount in INR, unless otherwise stated)

Schedule - 6

Particulars	As at March 31,2024	As at March 31,2023
Other Current Liabilities - Sundry Creditors		
Sundry Creditors for Expenses	8,24,96,124	6,63,41,183
Sundry Creditors for Capital Goods	11,85,509	75,04,261
Other current liabilities		
Staff Reimbursements Payable	75,66,611	83,47,868
Payable to related parties on account of transfer of gratuity liability*	37,09,826	-
Salaries Payable	1,68,59,452	12,25,023
Fellowship Payable	1,28,749	1,14,974
Security Deposit - fellows	2,68,56,122	1,69,78,830
Statutory Dues Payable	2,02,43,157	1,38,62,453
	15,90,45,550	11,43,74,592
Short Term Provisions		
Provision for Gratuity#	3,10,25,255	2,89,90,337
Provision for Compensated Absences	2,08,51,197	50,81,711
	5,18,76,452	3,40,72,048
TOTAL	21,09,22,002	14,84,46,640

* Refer Note 17.III.(e)

Refer Note 17.III.(c)

Schedule - 8

Particulars	As at March 31,2024	As at March 31,2023
Long term Loans and Advances		
Security Deposits	2,44,24,365	1,69,93,365
Prepaid Expenses	15,92,255	19,54,271
Rent Deposits	97,23,301	47,31,801
Telephone & Other Deposits	3,71,151	4,17,851
Tax Deducted at Source	69,86,165	2,59,80,852
TOTAL	4,30,97,237	5,00,78,140

Schedule - 9

Particulars	As at March 31,2024	As at March 31,2023
Inventories		
Stock of Medicines - On Hand	1,46,39,722	1,33,58,198
TOTAL	1,46,39,722	1,33,58,198

Piramal Swasthya Management and Research Institute
Schedules forming part of the Financial Statements
(Amount in INR, unless otherwise stated)

Schedule - 10

Particulars	As at March 31,2024	As at March 31,2023
Receivables (Unsecured, considered good unless otherwise stated)		
<u>Outstanding for a Period Exceeding Six Months, considered good</u>		
Receivable from various State Governments	4,44,09,005	9,65,49,046
Receivable from other than State Governments	-	-
<u>Outstanding for a Period Exceeding Six Months, considered doubtful</u>		
Receivable from various State Governments	19,97,70,220	13,70,86,976
<u>Outstanding for a Period Less than Six Months</u>		
Receivable from various State Governments	14,00,61,730	12,66,08,850
Receivable from other than State Governments	3,13,94,340	3,08,93,104
Total Receivables (A)	41,56,35,295	39,11,37,975
Less: Provision for Doubtful debts (B)	19,97,70,220	13,70,86,976
Net Receivables(C=A-B)	21,58,65,075	25,40,50,999

Schedule - 11

Particulars	As at March 31,2024	As at March 31,2023
Cash & Bank Balances		
Cash On Hand	-	-
<u>Bank Balances (Other than FCRA) Accounts:</u>	2,86,713	5,81,996
- in Current Accounts	1,95,748	2,48,002
- in Savings Accounts	90,965	3,33,994
<u>Bank Balances in FCRA Accounts*:</u>	20,77,51,206	13,95,20,455
- in Current Accounts	12,20,01,685	7,35,13,579
- in Savings Accounts	8,57,49,521	6,60,06,876
Fixed Deposits with Banks		
For Bank Guarantees	2,64,10,000	99,10,000
Out of FCRA Funds	1,42,22,00,000	52,45,94,627
For Margin Money - Cash Credit Limit	6,00,00,000	6,00,00,000
Others	10,00,000	10,00,000
TOTAL	1,71,76,47,919	73,56,07,079

**includes amount pertaining to restricted grants of Rs. 2,077.51 (Previous year - Rs. 1,395.20) lakhs which can be used only with the approval of the respective donor

Piramal Swasthya Management and Research Institute
Schedules forming part of the Financial Statements
(Amount in INR, unless otherwise stated)

Schedule - 12

Particulars	As at March 31,2024	As at March 31,2023
Short-term Loans and Advances		
Advances to Suppliers	55,14,497	56,40,203
Advances to Employees	48,89,748	13,25,069
Receivables from related parties on account of transfer of gratuity liability*	34,87,072	-
Prepaid Expenses	2,06,07,185	34,87,863
Interest Accrued but not due on Deposits	4,79,59,046	2,66,80,238
Interest Accrued & due on IT Refund	-	9,81,385
Balance with GST Authorities		
GST - Input Tax Credit	14,98,208	3,16,745
GST Cash balance	6,08,309	1,18,275
GST Appeal Deposit	19,39,655	-
IT Refund Receivable		
TDS receivable	1,61,61,952	1,00,89,691
Tax Collected at Source	74,940	15,812
TOTAL	10,27,40,611	4,86,55,281

* Refer Note No. 17.III (e)

PIRAMAL SWASTHYA MANAGEMENT AND RESEARCH INSTITUTE

Schedules forming part of the Financial Statements

(Amount in INR, unless otherwise stated)

Schedule 7-A Property, Plant and Equipment - Owned

S.No	Particulars	Rate of Deprn. (%)	Gross Block as on 1-Apr-23	Additions	Deletions during the year	Total Gross Block as on 31-Mar-24 (After Deletions)	Accumulated Depreciation Upto 31-03-23	Depreciation for the Year	Deletion of Accumulated Depreciation	Total Depreciation upto 31-Mar-24	Opening Written Down Value as on 1-Apr-23	Closing Written Down Value as on 31-Mar-24
A	Tangible Assets		i	ii	iv	v=i+ii-iii-iv	vi	vii	viii	ix=vi+vii-viii	x	xi = v-ix
1	Computers											
	- Hardware	40%	12,75,35,355	38,17,241	14,21,300	12,99,31,296	6,84,18,964	2,47,85,222	11,04,386	9,20,99,799	5,91,16,394	3,78,31,497
2	Electronic & Electrical Equipment	15%	1,25,12,358	35,500	18,67,036	1,06,80,822	36,35,653	12,28,269	10,11,530	38,52,392	88,76,707	68,28,430
3	Furniture & Fixture	10%	1,62,56,016	3,11,825	74,37,786	91,30,055	53,78,058	6,68,458	28,69,044	31,77,472	1,08,77,956	59,52,583
4	Office Equipment	15%	1,58,56,589	12,69,348	12,64,194	1,58,61,743	45,41,655	18,19,170	9,21,050	54,39,775	1,13,14,932	1,04,21,968
5	Medical Equipment					-						
	-Life Saving Equipment	40%	6,270			6,270	-			-	6,272	6,270
	-Other Equipment	15%	1,49,32,435	2,42,394	1,16,049	1,50,58,780	75,51,834	11,20,296	22,345	86,49,785	73,80,601	64,08,994
6	Vehicles					-	-			-	-	-
	-MMU	15%	5,51,18,388	-		5,51,18,388	2,22,88,796	49,24,444		2,72,13,240	3,28,29,592	2,79,05,148
	-Two Wheeler	15%	2,47,21,847	-		2,47,21,847	37,35,565	31,47,939		68,83,504	2,09,86,281	1,78,38,342
	Total (A)		26,69,39,257	56,76,308	1,21,06,365	26,05,09,200	11,55,50,524	3,76,93,798	59,28,355	14,73,15,968	15,13,88,735	11,31,93,232
B	Intangible Assets											
	- Software	40%	7,44,01,711	-	3,88,73,332	3,55,28,378	6,71,05,752	26,20,642	3,80,96,876	3,16,29,519	72,95,955	38,98,860
	Total (B)		7,44,01,711	-	3,88,73,332	3,55,28,378	6,71,05,752	26,20,642	3,80,96,876	3,16,29,519	72,95,955	38,98,860
	Total (A+B)		34,13,40,968	56,76,308	5,09,79,697	29,60,37,579	18,26,56,277	4,03,14,440	4,40,25,230	17,89,45,487	15,86,84,689	11,70,92,092

Piramal Swasthya Management and Research Institute
Schedules forming part of the Financial Statements
(Amount in INR, unless otherwise stated)

Schedule 8-B

Property, Plant and Equipment - Held in Trust

S.No	Particulars	Opening Balance as on 1-Apr-23	Additions	Grant Applied for Acquisition of Fixed Assets	Closing Balance as at 31-Mar-24
1	Computers				
	- Hardware	2,955	5,39,523	5,40,410	2,068
	- Software	139	3,86,450	3,86,447	142
2	Electronic & Electrical Equipment	697		611	86
3	Furniture & Fixture	1,030	3,04,538	3,05,202	365
4	Office Equipment	972	1,48,104	1,48,576	499
5	Water ATM	28		-	28
6	Medical Equipment	272		117	155
7	Vehicles	2	21,48,069	21,48,068	3
	Total	6,095	35,26,683	35,29,431	3,347
Previous Year Values as on 31 Mar 23		7,940	10,35,627	10,37,471	6,095

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
(Amount in INR, unless otherwise stated)

Schedule - 13

PARTICULARS	Year Ended March 31,2024	Year Ended March 31,2023
Interest and Other Income		
Interest Income	57,46,472	52,35,092
Interest on Refund of Income Tax	11,11,215	9,81,385
Provisions No longer Required Written Back	4,10,328	25,36,219
Miscellaneous Income	4,03,686	4,03,392
Total	76,71,701	91,56,088

Schedule - 14

PARTICULARS	Year Ended March 31,2024	Year Ended March 31,2023
Operating Cost		
Salaries and Employee Benefits	98,08,52,154	68,11,97,153
Consultation & Contract Charges	30,54,06,629	24,46,54,962
Fellowship Remuneration	13,16,08,758	9,01,86,406
Software Updates & Maintenance	10,43,39,019	5,18,63,956
Communication expenses	1,27,41,917	1,43,25,001
Travel & Conveyance	20,01,60,642	13,08,30,277
Drugs,Medicines,Consumables & Investigations	4,17,39,251	4,17,68,954
Vehicle Maintenance & Hire charges	3,55,35,003	13,70,00,643
Repairs & Maintenance	1,37,78,100	1,73,52,523
Annual Maintenance Charges	20,46,296	12,79,775
Rent	4,12,68,495	3,46,76,094
Earlier Year Receivables - Written off	-	76,738
Provision for Doubtful Debts	6,26,83,244	7,53,38,871
Vehicles Insurance	15,29,304	21,46,475
Employee Medical Insurance	4,28,79,329	2,91,33,748
Medical Assets Distributed	39,98,766	80,57,780
Operational Maintenance Expenditure	48,15,849	1,03,00,372
Staff Welfare Expenses	96,53,327	92,01,310
Meetings & Conferences	3,89,34,664	60,15,670
Power & Electricity	37,15,422	42,85,106
Security Services	62,95,740	82,38,058
Printing & Stationary	1,37,85,497	97,68,216
Awareness & Training	3,12,02,274	2,02,99,315
House Keeping Charges	56,27,023	64,81,316
Loss on sale/discard of Property, Plant and Equipment	66,74,371	14,63,811
Impairment of assets	-	1,72,19,421
Equipment Hire Charges	-	60,429
Foreign Exchange Gain/Loss	82,181	-
Postage & Courier Charges	15,59,414	36,51,347
Total	2,10,29,12,669	1,65,68,73,727

Piramal Swasthya Management and Research Institute
Schedules forming part of the Financial Statements
(Amount in INR, unless otherwise stated)

Schedule - 15

PARTICULARS	Year Ended March 31,2024	Year Ended March 31,2023
Administrative Cost		
Salaries and Employee Benefits*	22,37,85,952	16,31,59,045
Consultation & Contract Charges	1,56,12,402	1,44,88,330
Travel and Conveyance	64,02,816	53,79,366
Office Maintenance	1,07,63,945	87,37,700
Meetings & Conferences	2,04,191	16,07,908
Rent	39,52,422	26,65,722
Rates & Taxes	6,04,097	5,35,886
EMD and Other advances written off	2,17,974	1,16,015
Power & Electricity	11,10,727	13,29,831
Repairs & Maintenance	9,89,836	1,91,100
Annual Maintenance Charges	41,34,104	74,54,974
Staff welfare Expenses	61,158	1,10,747
Communication expenses	30,55,590	18,20,221
Internal Audit Fee & Certification Charges	26,96,742	11,14,576
Bank Charges	13,73,722	10,61,970
Statutory Audit Fee	5,00,000	5,00,000
Membership & Subscription Fees	1,72,605	2,07,467
Total	27,56,38,283	21,04,80,858

*includes Gratuity and Compensated Absences for Operational staff

Schedule - 16

PARTICULARS	Year Ended March 31,2024	Year Ended March 31,2023
Finance Cost		
Interest on Working capital	66,55,728	56,96,933
Total	66,55,728	56,96,933

Piramal Swasthya Management and Research Institute**Notes forming part of the Financial Statements for the year ended 31st March, 2024****Schedule 17****Significant Accounting Policies and Other notes forming part of the financial statements for the year ended 31st March, 2024****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 Society is registered to undertake CSR activities in accordance with Section 135 of the Companies Act, 2013, and the Companies (Corporate Social Responsibility Policy) Rules, 2014, vide registration number CSR00000217.

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 77 tribal districts. It is a unique initiative 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.

Piramal Foundation conceptualized Anamaya, the Tribal Health Collaborative in partnership with the Ministry of Tribal Affairs and supported by Gates Foundation to end preventable deaths for tribal and marginalised communities across India. The initiative brings together government, non-government, National/ International, Private, grassroots and community-level organisations, to work in the tribal health space in thematic areas such as maternal and child health, Reproductive and sexual health, adolescent health, communicable and non-communicable diseases, nutrition, and mental health, to achieve equitable health and nutrition outcomes and uplift the marginalised communities of India.

Anamaya, the tribal health collaborative aims to improve health outcomes for 104 Million Tribal People across country and contribute towards achieving India's SDG 2 and 3 goals by 2030. Our approach involves concerted efforts and actions to strengthen systems: we identify critical gaps in system and facilitate their remediation through innovation, capacity building, advocacy, governance, and inter-sectoral coordination. We facilitate and strengthen community influence on system decisions to increase awareness and empower communities to take the ownership. Towards this end, we work with community channels such as traditional healers, PRIs, tribal youth, faith leaders, and self-help groups. Also, we invest in building evidence around tribal-specific knowledge to influence policies and interventions

Another flagship initiative of Piramal Swasthya is the Digital Bharat Collaborative (DBC). DBC addresses both

Piramal Swasthya Management and Research Institute**Notes forming part of the Financial Statements for the year ended 31st March, 2024**

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 School of Leadership – School of Health Piramal is an initiative that aims at building a nationwide human centred, compassionate public health system, by unlocking Sewa Bhaav in public healthcare officials, embarking on a journey of ‘Self Transformation’ leading to ‘System Transformation’.

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.
- 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 supporting India’s TB elimination goal.
- 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. Providing techno-programmatic support at state, district and sub-district levels.
- g. Initiated District saturation program with an objective to Digitize all public health facilities and establish Continuum of care in Darrang (Assam) & Mahasamund (Chhattisgarh) with support from donors.
- h. Implementing a program to support ESIC to drive digital transformation across 6 industrial clusters i.e. Noida, Faridabad, Nagpur, Pune, Peenya and Bommasandra
- i. Assisting Government of Gujarat to design and implement Incremental Learning Approach to build capacities of workers and service providers of Health, Education and Women and Child Development departments with an aim to improve service delivery to adolescents.
- j. 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.
- k. 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.
- l. 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.

Piramal Swasthya Management and Research Institute
Notes forming part of the Financial Statements for the year ended 31st March, 2024

II. Significant Accounting Policies

(i) Basis of preparation of financial statements and statement of compliance

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 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.

Piramal Swasthya Management and Research Institute**Notes forming part of the Financial Statements for the year ended 31st March, 2024**

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.

Property, Plant and Equipment purchased against specific Grant/ Donation received for capital expenditure are adjusted against such capital expenditure in the year of purchase. No depreciation is charged on such assets.

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 Grants received in advance as a Liability.
- e) Grants received for the purchase of Property, Plant and Equipment are credited to PPE Contribution Fund in the Balance Sheet to the extent of PPE purchased during the year.
- f) Interest income is recognised using the time-proportion method, based on underlying interest rates.

Piramal Swasthya Management and Research Institute**Notes forming part of the Financial Statements for the year ended 31st March, 2024****(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. The Society has renewed its registration under Section 80G and Section 12AA, as required by Section 12AB, 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.

In case of employees transferred to other Entities within Piramal Group such employees' service in the transferor entity is taken cognisance and the corresponding gratuity liability and fund balance is also transferred to the transferee entity and vice-versa, in order to protect the interest of such employees.

(xii) 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, 2024
III. Notes to Accounts
a) Legal and professional expenses

Payments to auditors (excluding GST) are as below:

Particulars	(Amount in Rupees)	
	For the year ended March 31, 2024	For the year ended March 31, 2023
Statutory audit	5,00,000	5,00,000
Certification charges	1,34,240	1,41,870
Out of pocket expenses	9,760	6,274
Total	6,44,000	6,48,144

- 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 16-10-2023 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., 10.6 % 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	14.12.2024

- c) 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:

Gratuity Plan - Defined Employee long-term Benefits

Changes in the Present Value of Obligation:

(Amount in Rupees)

Particulars	FY 2023-24	FY 2022-23
Defined Benefit Obligation at the beginning	4,86,50,519	4,26,39,224
Interest cost	33,85,242	25,04,218
Current service cost	1,44,54,497	1,18,93,798
Net Liability and Asset due to transfer in/out of employees	2,22,754	-
Benefits paid by the Organisation	-	(1,43,07,808)
Benefits Paid from Fund	(70,27,931)	(29,21,233)
Actuarial (Gains)/Loss on obligation	77,62,128	88,42,320
Defined Benefit Obligation at the end	6,74,47,209	4,86,50,519

Changes in the Fair Value of Plan Assets:

(Amount in Rupees)

Particulars	FY 2023-24	FY 2022-23
Fair Value of Plan Assets at the beginning	1,96,60,182	24,73,554

Piramal Swasthya Management and Research Institute
Notes forming part of the Financial Statements for the year ended 31st March, 2024

Expected Return on Plan Assets	19,60,966	8,10,552
Employer Contributions	2,00,00,000	3,43,07,808
Benefits Paid	(70,27,931)	(1,72,29,041)
Actuarial Gain / (Loss) on the Plan Assets	18,28,737	(7,02,691)
Fair Value of Plan Assets at the end	3,64,21,954	1,96,60,182

Expenses Recognized in the Profit and Loss Account:

(Amount in Rupees)

Particulars	FY 2023-24	FY 2022-23
Current service cost	1,46,77,251	1,18,93,798
Interest cost on obligation	33,85,242	25,04,218
Expected return on Plan assets	(19,60,966)	(8,10,552)
Net Actuarial (Gain) / Loss to be recognized	59,33,391	95,45,011
Total Expense recognized in Statement of Profit or Loss	2,20,34,918	2,31,32,475

Financial Assumptions

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

Particulars	FY 2023-24	FY 2022-23
Discount Rate (Per Annum)	7.22%	7.50%
Salary Growth Rate (Per Annum)	8.45%	8%
Expected Rate of Return on Plan Assets (Per Annum)	7.22%	7.50%

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

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

d) Compensated Absences:

Changes in the Present Value of Obligation:

(Amount in Rupees)

Particulars	FY 2023-24	FY 2022-23
Present Value Defined Benefit Obligation at the beginning	6,00,31,399	1,58,07,034
Funded Status – Deficit / (Surplus)	6,00,31,399	1,58,07,034
Net Liability / (Asset) at the end of the period	6,00,31,399	1,58,07,034

Expenses Recognized in the Profit and Loss Account:

(Amount in Rupees)

Particulars	FY 2023-24	FY 2022-23
Total Expense recognized in Statement of Profit or Loss	3,82,50,581	17,76,526

Financial Assumptions

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

Piramal Swasthya Management and Research Institute
Notes forming part of the Financial Statements for the year ended 31st March, 2024

Particulars	FY 2023-24	FY 2022-23
Discount Rate (Per Annum)	7.22%	7.50%
Salary Growth Rate (Per Annum)	8.45%	8%

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) Related Party Disclosures

The names of Related parties of the Society and their relationship are as under:

S.No	Names of related Parties	Relationship
1	Piramal Foundation	Controlling Entity
2	Kaivalya Education Foundation	Fellow Subsidiary
3	Piramal Foundation for Education and Leadership	Fellow Subsidiary

Transactions during the year:

S.NO	Particulars	Year ended March 31,2024	Year ended March 31,2023
	<u>Schedule – 14 Salaries and Employee benefits:</u>		
	<u>Gratuity liability payable to related parties against employees transferred out</u>		
1	Piramal Foundation	21,32,786	-
2	Kaivalya Education Foundation	14,45,261	-
3	Piramal Foundation for Education and Leadership	13,87,692	-
	<u>Gratuity liability receivable from related parties against employees transferred in</u>		
1	Piramal Foundation	33,406	-
2	Kaivalya Education Foundation	51,55,087	-

Outstanding balances as on March 31, 2024:

S.NO	Particulars	Year ended March 31,2024	Year ended March 31,2023
	<u>Schedule – 6 Other Current Liabilities:</u>		
1	Piramal Foundation	20,99,380	-
2	Piramal Foundation for Education and Leadership	13,87,692	-
	<u>Schedule – 10 Receivables:</u>		
1	Kaivalya Education Foundation	37,09,826	-

Notes:

1. Related party relationship is as identified by the management and relied upon by the auditors.
2. All the material transactions stated above with related parties are on arm's length basis.

Piramal Swasthya Management and Research Institute
Notes forming part of the Financial Statements for the year ended 31st March, 2024

3. No amount in respect of related parties have been written off/ written back during the year.

f) Contingent Liabilities – not acknowledged as debts:

- Disputed amount of Goods and Services ('GST') tax – Rs. 198.64 Lakhs (Previous year – Nil)

Note:

Issues of litigation pertaining to GST are based on mismatch in input tax credits/non receipt of declaration forms. The Society has been opined by its counsel that many of the issues raised by revenue will not be sustainable in law as they are covered by judgments of respective judicial authorities which supports its contention. As such no material impact on the financials of the Society is envisaged.

g). Capital Commitments– NIL

h). 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 2023-24		FY 2022-23	
	Foreign Currency in USD	Amount in INR	Foreign Currency in USD	Amount in INR
Bill & Melinda Gates Foundation	2,47,94,633	2,03,81,40,189	53,00,000	40,91,54,000
Silicon Valley Community Foundation	-	-	NA*	22,72,00,500
USAID	21,84,387	17,98,79,632	NA*	36,79,42,809
UNOPS	2,49,960	2,06,79,191	-	-
Fidelity Asia Pacific Foundation	-	-	1,05,617	85,25,404
World Diabetes Foundation	1,18,555	2,07,52,500	2,50,000	2,06,07,500
PATH	5,78,849	4,78,25,088	1,44,860	1,19,02,953
MUFG Bank Ltd	NA*	20,00,000	NA*	2,54,09,875
New Venture Fund	2,49,006	2,05,60,425	-	-
PF USA	-	-	190	15,460
Give Foundation	-	-	NA*	1,879
Global Health and Development	-	-	NA*	9,70,506
Total:	-	2,32,98,37,025	-	1,07,17,30,887

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

i). **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 31-3-2024 (Amount in Rs)	As at 31-3-2023 (Amount in Rs)
Not later than one year	3,44,98,049	2,29,34,002
Later than one year and not later than five years	1,26,81,287	1,44,95,683

j). During the Financial Years 2015-16 to 2018-19, the Society had run 280 Mobile Medical Units under Village

Piramal Swasthya Management and Research Institute**Notes forming part of the Financial Statements for the year ended 31st March, 2024**

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. Accordingly the HC of Hyderabad passed orders by appointing an Arbitrator to look into the matter in Feb, 2024. The Government of Andhra Pradesh has asked for time to produce the details, and documents in defense of their arguments with the Arbitrator.. The case is posted for the next hearing on 24th Aug, 2024. 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 in the previous year.

- k). 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
CTM-Entity Control

Aditya Natraj
Head- Piramal Swasthya

Place: Hyderabad
Date: 29.08.2024

Place: Mumbai
Date: 29.08.2024